



Annual Budget

Fiscal Year 2014-2015



Reno-Tahoe
Airport Authority
Reno, NV

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Section 1 – Introduction and Summary

**Reno-Tahoe Airport Authority
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Section 1 – Introduction**



**Board of Trustees
Reno-Tahoe Airport Authority
Reno, Nevada**

The Reno-Tahoe Airport Authority (RTAA) owns and operates both the Reno-Tahoe International Airport (RTIA) and the Reno-Stead Airport (RTS). This FY 2014-15 Budget is the financial operation plan for both airports.

RTAA is a quasi-municipal corporation that was created by the Nevada State Legislature and began operation on July 1, 1978. The nine-member Board of Trustees that governs the RTAA is appointed by the City of Reno (4 Trustees), City of Sparks (2 Trustees), Washoe County (2 Trustees) and the Reno Sparks Convention and Visitors Authority (1 Trustee). The RTAA is an independent entity that is not part of any other unit of local government and does not use local property or sales tax revenue to fund its operation.

According to the latest available Federal Aviation Administration (FAA) statistics, RTIA is the 65th busiest airport in the nation. RTS is a general aviation facility of 5,000 acres that is home to approximately 200 based aircraft and the famous Reno National Championship Air Races. Together, these airports have a \$2 billion annual economic impact on the local economy.

The geographical area served by RTIA (the Catchment Area) primarily encompasses the seven Nevada counties of Churchill, Douglas, Humboldt, Lyon, Pershing, Storey, and Washoe, and the major cities of Reno, Sparks, and Carson City (the capital of the State of Nevada). The total catchment area for the Authority also includes the Lake Tahoe area and several communities in northeastern California.

RTIA is the second largest small hub airport as defined by the FAA that served 3.31 million total passengers in FY 2013-14. RTIA passengers are currently served by the following air passenger carriers: Allegiant Air, American, American Eagle, Delta, Alaska, SkyWest, Southwest, United, and US Airways. Four major air cargo carriers, Amerijet International, DHL, FedEx, and United Parcel Service (UPS) also serve RTIA.

Air cargo represented almost nineteen percent (19%) of total RTIA landed weight for FY 2013-14, which is a significant factor in lowering overall landing fee costs for all carriers.

National and Regional Economic Outlook

Most economists forecast that the State of Nevada and the national economy will continue to recover and improve from the economic recession of 2008-09. It has been five years since the recession impacted Nevada with state unemployment peaking at 13.8%. Using this indicator as a measure of relative economic performance of the region, Nevada has had a drop in

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unemployment of almost 6% from this peak to 7.9% in May 2014. As indicated, falling unemployment signals a significant turnaround in the economy.

Unfortunately, the State of Nevada unemployment remains above the national average of 6.3% per the U.S. Bureau of Labor Statistics. The higher than average unemployment rate certainly discourages local travel spending, but labor availability does make business expansion easier. Overall, business owners appear to have more confidence in 2014 and are more willing to make an investment by hiring additional personnel.

According to a “Regional Perspective: Nevada Economic Outlook” prepared by JP Morgan/Chase dated December 26, 2013, “Nevada’s economy was at ground zero of the housing debacle (2008-09 Recession) and its recovery likely will lag the nation’s.” The outlook further indicates that Nevada housing prices will remain at very depressed levels relative to the national average and that excesses of the past will likely continue to take a toll on Nevada’s economy. One bit of related good news is that the Reno-Sparks area has seen housing prices increase 30% in 2013 as compared to the prior year.

A contributing positive factor for the national and regional economic growth is low interest rates, which historically has stimulated investment and enabled consumers to spend more. For credit-worthy borrowers, loans are inexpensive and lending institutions are beginning to slightly ease credit standards for corporations and small businesses. The downside for RTAA is the impact on investment earnings derived from the investment portfolio.

On the negative side, the federal government’s fiscal difficulties have created uncertainty for business expansion. The federal government paralysis surrounding the sequester, the last minute congressional dramatics in raising the debt ceiling limit, and the continued huge federal debt have consumers and business people nervous. The current unwillingness to address the fiscal problems, along with the evolving impact of the Affordable Care Act (“Obamacare”), creates uncertainty, which has a negative impact on consumer spending and business investment.

As stated in the December 2013 Nevada Economy in Brief prepared by the Nevada Department of Employment and Training, “not all federal actions have hindered growth”. As the Board of Trustees are aware, the Federal Aviation Administration (FAA) selected Nevada as one of six test sites for unmanned aircraft systems (UAS). Historically, unmanned aircraft have been known by many names including: “drones,” “remotely piloted vehicles (RPV),” “unmanned aerial vehicles (UAV),” “models”, and “radio control (R/C) aircraft.” Further discussion of UAS and its impact on the proposed FY 2014-15 operating budget is provided under Operating Environment below.

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Other economic factors that may impact the outlook for next year are the following:

- Industrial Real Estate Market Improvement. A third quarter 2013 industrial land inventory report completed by Truckee Meadows Regional Planning Authority (TMRPA) found that Washoe County lacks a pipeline of development-ready land for new industrial companies to enter the region over the next twenty (20) years. The report found that there is currently 1,200 vacant acres of land that is zoned for industrial development and another 1,600 acres zoned for mixed-use development.

With available land being in short supply in the future, RTAA land at both airports, which is available for long-term commercial lease, is receiving significantly more interest from both local and national development firms. This improvement is reflected in the FY 2014-15 work plans associated with the strategic priority to facilitate economic development at both airports.

In addition, commercial leasing rates are rising across all size properties and landlord concessions, needed after the recession to attract new tenants, are decreasing. Overall market vacancy rates are at 7.9%, which reflects a steady decline for eight consecutive quarters. With forecasted positive absorption forecasted through 2014, recent trends indicate movement toward a pro-landlord market and increased interest in RTAA buildings and land.

- Casino Property Upgrades. Casino operators in the Greater Reno-Tahoe Area are investing heavily in their properties with more than \$100 million spent or scheduled to be spent on renovations at regional hotel/casinos including \$50 million at JA Nugget, \$20 million at Boomtown, \$30 million at Grand Sierra Resort, \$20 million at the Lake Tahoe Hyatt in Incline Village and more than \$40 million at the Horizon at South Lake Tahoe. In addition, \$60 million is committed to bring the Hard Rock Casino Hotel to South Lake Tahoe.

Per Nevada Gaming Control Board revenue reports, large casinos in northern Nevada gained about 6% year-over-year through December 2013 in gaming wins. This factor, along with noticeable improvements in the residential and industrial construction markets, a rise in revenues from room rates at properties in Washoe County, and signs of economic recovery in both Nevada and our neighbor California, were listed as reasons for the property upgrades.

- Bowling Tournament Visitors. Between March 1 and June 30, 2014, approximately 245,000 U.S. Bowlers are forecasted to attend the United States Bowling Congress (USBC) Tournament at the National Bowling Stadium in downtown Reno. This includes both the men's and women's championship.

In 2015, the women's championship will return to Reno with the men's championship to be held in El Paso, Texas. The men's championship will return to Reno in 2016 with the

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women's championship to be held in Las Vegas. While either championship being held in our community is very positive, the benefit of both events in the same year will not be repeated next year.

- Snow/Ski Visitors. For the 2013-14 ski season, snowfall was only about one-quarter of the amount from the previous year at Lake Tahoe ski resorts and visitation at ski areas was significantly lower.

In reporting second quarter results for the period of November 1, 2013 to January 31, 2014, Vail Resorts, who own Heavenly Valley, Northstar Resort, and Kirkwood Mountain Resort in the Lake Tahoe region, reported a 27% decrease in visitation. The decrease in visitation is attributable almost entirely to the historic drought that has hit the California/Nevada Mountains.

With Reno-Tahoe International Airport being the closest and most convenient airport to Lake Tahoe, the reduced number of ski visitors impacted traffic results during the winter of 2013-14 and RTAA concession revenues.

Despite the limited snowfall over the past few years, the resorts remain optimistic about the future with approximately \$100 million of improvements in progress at Squaw Valley and Heavenly Valley.

- Apple Inc. Data Storage Facility. The Reno/Sparks location on the Union Pacific's "Overland Route" with the Interstate 80 (I-80) corridor and railroad Right-of-Ways (ROWs) also serve as a primary east/west, state-of-the-art digital and fiber optic highway for internet traffic. The Reno and Northern Nevada region is a network access point served by six major interstate fiber-optic networks and all major long-distance carriers, including AT&T, Level3, Qwest, and Verizon. Recent fiber dense wave digital modulation (DWDM) infrastructure improvements by major network operators allow for superior, large corporate volume data throughput.

As a result of all these regional benefits, Apple, Inc. has begun construction of a \$1 billion data center to house its various online services, such as the iTunes store, the App Store, and its iCloud data storage and syncing services. This data center will be constructed on 350 acres approximately 11 miles east of Sparks. It is estimated that the data center will result in 41 full-time jobs, 200 long-term contractor jobs and approximately 580 construction jobs on top of an expected \$343 million of economic activity. The economic benefits of Apple's new facility will likely multiply because the company is so well respected that other corporations are likely to give Northern Nevada a closer look.

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- Tesla Motors, Inc. As an example of growing interest in Northern Nevada, Tesla Motors has identified a site east of Reno/Sparks as one of five potential locations to build a \$5 billion “Gigafactory” to produce lithium-ion batteries for its expanding line of electric cars. With easy rail and road access to Tesla’s Fremont, California auto plant and with Nevada being the location of America’s only lithium mine, our region is in a fierce competition with Arizona, California, New Mexico, and Texas for the Gigafactory and its projected employment of 6,500 jobs. While Tesla has not made a final decision, being a finalist illustrates growing interest in our region.

While being optimistic about the regional economy in the near-term future, staff concluded, after a review of all these factors, that the FY 2014-15 Budget reflect modest growth in the number of passengers using RTIA next year.

Air Service Market Update

As the economy slowly improves, the airline industry continues to focus on achieving sustained and meaningful profitability, while building a financial cushion against future uncertainty and minimizing risk.

According to Airlines for America (A4A), the 2013 financial results for the top ten passenger airlines showed improvement over 2012. The following results were announced March 5, 2014:

- Net profit of \$11.6 billion or \$7.4 billion, excluding one-time items, reflects the results of nine U.S. passenger airlines – Alaska Airlines, Allegiant Air, American Airlines (including US Airways), Delta Air Lines, Hawaiian Airlines, JetBlue Airways, Southwest Airlines, Spirit Airlines and United Airlines.
- Operating Revenues and Expenses: While revenues increased 4.3% over 2012, fuel costs declined 3.6%. Last year was the first year since 2001 in which the U.S. economy grew while jet fuel prices fell.
- Jet fuel remains the U.S. airlines’ largest and most volatile expense. The average price the airlines paid for jet fuel rose 272% from 2000 to 2013 despite the airlines using approximately 11% less fuel. Jet fuel prices remain volatile and every penny increase per gallon annually costs airlines an additional \$180 million.
- Landing Fees and Terminal Rents paid to airports represent approximately 5% of total operating expenses. Fuel and Labor costs represent 58% of this total.

The passenger airline industry seems particularly cautious about the recent improvement in financial results and is focusing its message on reminding the public that the industry remains a

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low-margin business. Airlines for America (A4A), the only trade organization for principal U.S. Airlines, is quick to mention that 2013 results are offsetting the cumulative losses of the preceding 12 years and this improvement now allows airlines to accelerate investment in people, products and technology.

In particular, A4A mentions enhancements to the customer experience and a focus by the airlines to cope more effectively with extreme weather. Very little is mentioned regarding adding additional aircraft capacity to the market place.

The airline's focus on profitability has resulted in mergers, reassignment of domestic air service routes, and fewer air carriers. Unfortunately, RTIA has not escaped this trend and it is no longer enough for an airline in our market to be profitable, it must exceed profitability available in other market opportunities.

For the fiscal year ending June 30, 2014, RTIA's total passenger traffic is down 5.8% as compared to the same period last year and down 0.8% as compared to the FY 2013-14 adopted budget.

The June 2014 Flight Schedule at the Reno-Tahoe International Airport (RTIA) provides 61 peak nonstop departures to 14 destinations with 188,481 total scheduled departing seats. This compares with 62 peak daily departures to 15 destinations and 213,390 scheduled departing seats in June 2013.

Looking forward into next year, the most significant passenger air service change is Southwest Airlines discontinuing non-stop service to Seattle and Portland effective June 7, 2014. While both markets will continue to be served by Alaska Airlines and additional service has been announced, the full year impact of these changes will likely reduce aviation related activities such as landed weight, available passenger seats, and overall passenger traffic.

Southwest Airlines, as the nation's largest domestic carrier, just marked its 41st straight profitable year, an unmatched achievement in a time of economic turbulence, fluctuating fuel prices and airline bankruptcies. It did so by outperforming its competition with low cost, no-frill flights and excellent customer service. The announced service reduction to Seattle and Portland continues the carrier's shift away from low fares, instead focusing on increasing its return on investment and bottom-line.

In addition, Allegiant Air discontinued its twice a week Oakland service on October 10th, 2013 and service to Bellingham on January 19th, 2014. However, it continues to maintain twice a week service to Las Vegas, NV on a 166-seat MD-80 aircraft.

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On a positive note, American Airlines increased service to Los Angeles from four to five flights on a four day-a-week basis on June 12, 2014. In addition, American also increased seasonal service to Chicago O’Hare from one daily departure to two and US Airways, which is merging with American, increase the number of daily non-stop departures to Phoenix from four to six during the summer months of 2014.

With an aggressive air service work plan and modest improvement in the economy, RTAA staff thinks the downward trend will be stabilized at current passenger levels and the proposed budget reflects this outlook. In addition, additional non-stop service to new markets appears highly likely before the end of Fiscal Year 2014-15.

The detailed forecast for passenger traffic and landed weight is provided in Section 2 – Executive Summary.

Air Cargo Update

As mentioned earlier, the Reno/Sparks central west location along with Interstate 80 and U.S. Route 395 allow for the easy distribution of goods locally, within the Nevada - Northern California region, the entire West Coast, and nationwide. Our region’s available infrastructure includes a major transcontinental rail line, two major highways, and Reno-Tahoe International Airport. Located within the community are distribution centers for major companies such as Amazon.com, Barnes & Noble, JC Penny, Starbucks Coffee, and Wal-Mart.

According to a 2011 study commissioned by the Governor’s Office of Economic Development, logistics and distribution were identified as “a natural target industry for Nevada,” and one which “has strong potential for job creation over both the short- and long-terms.” Additionally, it identifies an opportunity for Nevada to “serve as a West Coast hub of operations” for warehousing and distribution; advanced logistics; air cargo; integrated manufacturing/distribution, assembly manufacturing and food-processing operations; and freight transportation (ground and rail). According to the report, key to the state’s success is its location and geographic advantages, strong existing infrastructure as well as cost and regulatory advantages.

As evidence of Reno’s strength in warehousing and distribution, Urban Outfitters, Inc. recently opened a new 462,000 square-foot warehouse-distribution center in the Reno-Stead area and Chewy.com, a Florida-based online pet food/supply retailer, opened a 300,000 square foot distribution center at the Tahoe-Reno Industrial Center.

In addition, Amerijet International (Amerijet) on July 8, 2014 began new cargo service at RTIA with the establishment of an air cargo hub serving its west coast operation. Using a B767-200 wide body freighter on a five days per week basis, Amerijet will offer a unique and cost effective

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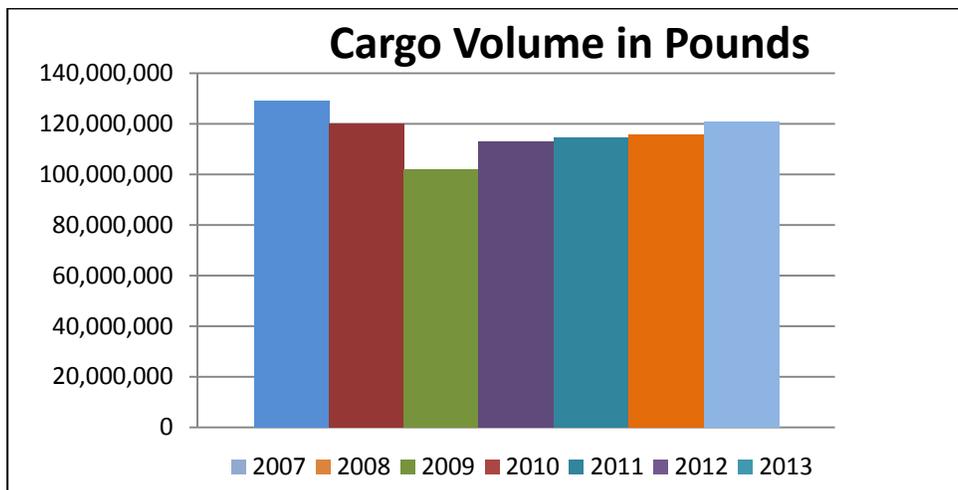
business model that blends air cargo with trucking. This business product will serve a market niche with coast to coast service with delivery times and pricing between overnight delivery offered by existing air cargo carriers and trucking only options.

RTIA handled 121,032,995 pounds of cargo in calendar year 2013, which was a 4.5% increase compared to the prior year and is the highest annual total since 2007.

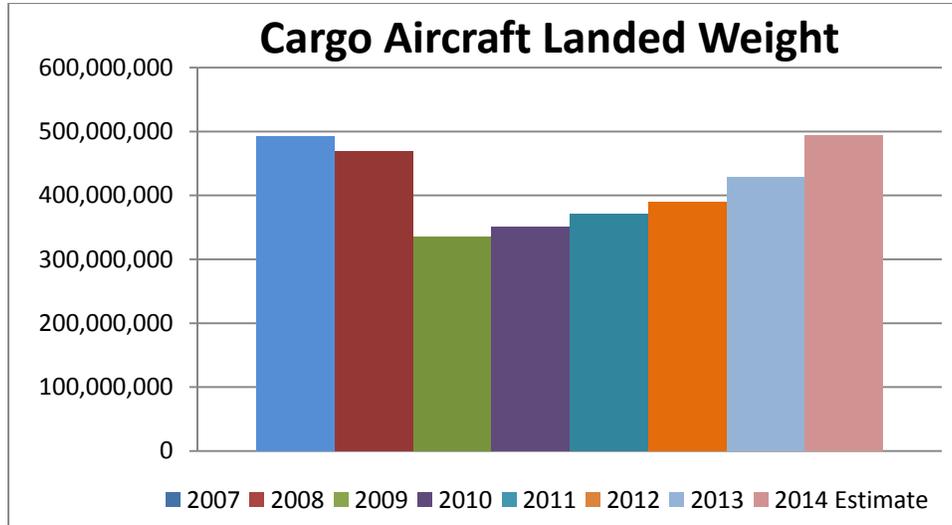
Total cargo volume at RTIA increased 7.5% in June 2014 versus the same period last year. FedEx was the primary driving force with an increase of 12.6% year-over-year. The monthly volume represents the highest June on record since 2007.

Cargo development remains a key focus of our air service development team and landed weight from this sector is forecasted to increase significantly in FY 2014-15. This increase reflects larger aircraft serving our market by Fed Ex and UPS along with new service by Amerijet.

The following tables show the impact of the recession and the significant recovery in activity since 2009:



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Existing air cargo operations occupy about 25 acres to the north of the terminal with two buildings used for air cargo activities that consist of approximately 67,300 square feet. The current ramp facilities can handle 8 aircraft. RTIA is designed to accommodate all types of cargo aircraft.

As of June 30, 2014, the cargo building, owned by a third party developer, has a 15% vacancy. With Amerijet leasing a 10,000 square foot space in this facility, including five loading dock doors, this vacancy will drop to less than 5%.

In the immediate term, the north cargo facilities will be near capacity. Staff is developing long-term site plans with cargo apron phasing and a solicitation of third-party developers who may be interested in funding and constructing new cargo buildings. With cargo activity quickly reaching levels established prior to the recession and anticipated growth in our market place, RTAA is planning for cargo facility expansion to meet this demand.

Recent Financial News

Despite lower passenger traffic for the fiscal year, the Authority had its “A” credit rating confirmed on June 13, 2014 by Fitch Ratings, a nationally recognized credit rating agency, with the outlook remaining as “stable”. This is a very positive achievement considering the challenging economic environment.

The factors listed by Fitch in support of this decision included the following:

- **Low Historic Cost Profile and Stable Framework.** The airport's cost per enplaned passenger (CPE) remains low relative to peer airports at \$6.39 for FY 2012-13 with an

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increase to the \$8.00 range estimated for FY 2013-14. The current airline use and lease agreement provides the airport with a larger cost recovery base, providing sufficient cushion to volume declines.

- **Moderate Infrastructure Plan and Stable Debt Structure:** The five-year capital improvement plan (CIP) is modest at \$145 million and will be largely funded through FAA grants, Series 2011 subordinate notes, passenger facility charge (PFC) and bonds fully backed by PFC revenues.

All of RTAA's senior debt is fixed rate with debt service payments flat at approximately \$2.5 million through maturity in 2026. The subordinate lien revenue notes mature in 2017 and are strengthened with Passenger Facility Charge revenue support and no refinance risk.

- **Low Leverage and Strong Liquidity:** In FY 2011-12, the airport's senior lien debt service coverage ratio decreased to 3.77 from 4.06 in FY 2010-11. Debt service coverage ratio is net revenues, excluding depreciation and other non-cash expenditures, divided by principal and interest requirements for the fiscal year. The airport maintains healthy liquidity with approximately \$41.6 million in unrestricted cash and \$6.1 million in O&M reserve as of June 30, 2013, equivalent to 504 days cash on hand.

Days cash on hand represents the level of cash and investments available to fund daily operating expenses without incoming revenues.

The Authority's day-to-day operating and maintenance expenses are funded almost exclusively from revenues generated through cost recovery from the airlines, rents and concession fees paid by airport tenants, and the Authority operation of public parking facilities.

Federal grants and passenger facility charges (PFCs) are designated to fund capital improvement projects that meet certain FAA criteria. No local property or sales tax dollars are used to meet the Authority's obligations.

The Authority is "on its own" to ensure financial stability. Despite the volatility of the last decade, it has been a priority of the airport to ensure financial stability, maintain a solid credit rating and to position the Authority with the flexibility to strategically respond to challenges and opportunities.

Operating Environment

In evaluating the RTAA's operating circumstances, three (3) significant programs impacted the development of the FY 2014-15 Budget.

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Strategic Plan Implementation

To help guide the future of the RTAA, the Board of Trustees (Trustees) in June 2013 approved a Strategic Plan for FY 2013-14 through FY 2017-18. This five-year plan serves as a guide to staff as it faces an ever-changing aviation industry and economic cycles. It was created through a public process that invited participation from airport committees, user groups, Trustees, staff and the public.

With a focus across the whole organization, the strategic priorities are as follows:

1. Strategic Priority – Increase Air Service

The Reno-Tahoe region's ability to create air travel demand and sustain it is what will ultimately result in more air service. RTAA will continue to actively engage in the activities essential to grow and sustain airline service, in partnership with business, community, government and other regional stakeholders.

2. Strategic Priority – Optimize General Aviation Operations and Services

General Aviation (GA) includes all civil aviation operations other than scheduled passenger and cargo airline service. General aviation flights are conducted for pleasure, private business and public services that need transportation more flexible than offered by the airlines. GA also provides access points to small towns and rural communities across the state/region that does not have commercial air service. With GA representing approximately 35% of all aircraft operations, available services and facilities reflect on the image of the community.

3. Strategic Priority – Expand Cargo Development and Service

Air cargo, or goods transported by aircraft, serves as a key engine of economic growth and development for RTAA and the region. Air cargo development is a significant revenue generator for the airport and creates a positive domino effect throughout the region as it relates to local business activity and economic impact.

4. Strategic Priority – Facilitate Economic Development at both Airports

Enhancing long-term financial stability, diversifying revenue streams, and remaining self-sufficient is a foundational strategy for the RTAA. While direct airline rates and charges contribute approximately 34% of the revenue stream, the remaining 66% are generated by non-airline sources such as parking fees, rent collected from airport tenants, rental car and terminal concessions, hangar and land leases, etc.

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5. Strategic Priority – Provide a Positive Environment and Experience for All

The airport makes the ultimate first and last impression when people come to the region; it is the RTAA's goal to continue a positive environment and influence a favorable, lasting impression on everyone who visits, works at and utilizes both airports.

Along with these Strategic Priorities, the RTAA is committed to the following key Guiding Principles/Operating Practices that guide our everyday efforts:

1. Air Service Development – RTAA will continually strive to maintain and expand aviation services to our region by serving as a catalyst with passenger and cargo airlines, general aviation, and other tenants/partners. Staff is committed to being efficient, responsive and flexible to market demand, while continually evaluating the adequacy of our facility mix to ensure the airports are functional and attractive.
2. Safety and Security – The safety and security of everyone who utilizes our airport facilities is our primary concern.
3. Customer Service – Satisfied customers are the hallmark of a healthy and vibrant service organization and RTAA staff is committed to ensure that all of customers receive the very best service possible.
4. Financial Integrity – RTAA will do all we can to ensure the financial stability of the airports under our control and staff is committed to honesty and transparency in all of our financial transactions.
5. Professionalism and Ethics – RTAA values and respects the contribution each individual makes to the success of our endeavors. Each employee is held to a standard of professionalism and ethical behavior that respects and supports each customer and fellow employee.
6. Environmental Responsibility – RTAA is committed to environmental awareness and protection. Our staff will strive to develop policies and procedures that minimize the impact of airport operations on the natural environment and our organization supports and pursues environmentally sustainable aviation business practices.

Developing the work plans and identifying the resources needed to achieve the Strategic Plan are outlined in Section 3 - Strategic Initiatives and Budget Goals, In addition, each individual department budget outlines initiatives that are the core focus of the proposed FY 2014-15 Budget.

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Unmanned Aircraft Systems

The Federal Aviation Administration (FAA) selected Nevada as one of six designated test sites for unmanned aircraft systems (UAS). With the FAA committed to the safe and efficient integration of UAS into the National Airspace System, the FAA has stated that expansion of commercial UAS must be accomplished without reducing existing capacity, decreasing safety, impacting current operators, or placing other airspace users or persons or property on the ground at increased risk.

With commercial UAS offering a broad range of activities ranging from aerial photography, land and crops survey, communications and broadcasting, forest fires and environmental monitoring, and even cargo delivery, the UAS industry offers a source of high-wage jobs with exceptional potential for growth.

The Reno-Stead Airport (Stead) is ideally positioned to be Northern Nevada's center for UAS development. RTAA worked closely with the Governor's Office of Economic Development to include Stead as a key location in the state application to attract UAS technology development to Nevada. Staff is currently developing plans to take advantage of this historic opportunity and is focused on how this award may offer long-term revenue growth through land development.

As outlined in Section 3 Strategic Initiatives and Budget Goals, the proposed FY 2014-15 Budget includes airport use revenues and funding to market and operationally support UAS testing at the Reno-Stead Airport. Being in the infant stage of this announcement and with the great uncertainty surrounding the requirements to support UAS activity, staff may need to refine these estimates, subject to Board approval, at the FY 2014-15 Mid-Year review.

Early Repayment of Subordinate Lien Debt

In 2013, the Authority completed construction of the Airport Gateway Program and the Reno-Stead Terminal Building.

The Airport Gateway program is comprised of the Terminal Refurbishment Project and the Consolidated Security Checkpoint of the Future. With significant private investment, this program included the opening of new retail and food and beverage outlets located in a post-security environment, which provides passengers greater opportunity to make use of these facilities having completed the uncertainty time requirements associated with security screening.

The Reno-Stead Terminal Building is a new terminal/emergency operation facility, which consists of a 12,000 square foot two story building, parking areas, and utilities. The primary components are public meeting areas, pilot lounge, administrative offices, Emergency Operations Center, and office space.

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To finance these improvements, the RTAA in 2011 issued short-term subordinate lien notes (Notes). These notes carried a maximum principal amount outstanding of \$30 million with repayment over a term of six years starting July 1, 2011.

The Authority has divided the borrowing into two parts as follows:

- Series “2011A” Subordinate Lien Revenue Note - Fixed Rate portion. The Authority has obtained and deposited \$15 million of notes, as a fixed rate loan with a final maturity of July 1, 2017. As of July 1, 2014 the outstanding amount of this note will be \$7,800,000. The negotiated fixed rate interest for the six year term is 2.75% payable semiannually starting on January 1, 2012.
- Series “2011B” Subordinate Lien Revenue Note -Variable Rate portion. The Authority has structured \$15 million of the loan as a variable rate loan, which would also have a final maturity of July 1, 2017. The Authority secured funding of \$4.0 million on March 1, 2013 and an additional funding of \$1,350,000 on May 1, 2013.

The rate for the 2011B Note is established at 1.581% over sixty-five percent (65%) of the six month London Interbank Offering Rate (LIBOR) rate. The \$5.35 million currently outstanding has a LIBOR rate of .4134%, for an effective rate of 1.850%.

As of June 30, 2014, the combined outstanding balance of the Series 2011A and 2011B notes will be \$15,615,000 and a scheduled principal payment is due on July 1, 2014 of \$3,765,000. With the July 1, 2014 payment, the FY 2014-15 Budget effectively reflects subordinate lien debt outstanding of \$11,850,000 during the year.

In evaluating preliminary FY 2014-15 financial results and recognizing one of RTAA’s financial strengths is a strong cash and investment position, staff evaluated several options regarding use of this liquidity to repay some or all of the subordinate lien debt. This step offered the ability to lower the cost recovery from the airlines, improve the operating margins and debt service coverage ratio, and solidify its “A” credit rating from Fitch Ratings.

After looking at several options with the goal of maintaining prudent liquidity while reducing overall debt service requirements, the FY 2014-15 Budget reflects the early retirement of \$2.913 million of the 2011 B Variable Rate Notes associated with the Reno-Stead Terminal Building.

With this action, the Authority will reduce its annual debt service by more than \$1.0 million annually. In addition, the repayment of the entire portion of Series 2011 B variable rate notes, not funded by PFC revenues, will also lower the possible risk of potentially higher interest rates in the future.

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In FY 2014-15, total Subordinate Lien Note debt service, after application of PFC revenues, will be \$1,263,698 and remain stable at this level through fiscal year 2017.

Budget Process

The RTAA, a quasi-municipal corporation, must comply with the Local Government Budget Act, Nevada Revised Statute (NRS) 354 as stipulated in the enabling legislation that created the Authority (Chapter 474, Statutes of Nevada, 1977, as amended (the "Authority Act"). The Local Government Budget Act defines the RTAA's fiscal year as July 1 through June 30.

The statutory requirements are summarized on the table below. Subsequent changes to the budget are made through the adoption of a resolution, by the RTAA's Board of Trustees, which is then submitted to the Nevada Department of Taxation for approval.

Statutory Date	Calendar Date	Action
None	April 10, 2014 and May 15, 2014	Public Budget Workshops with the RTAA Board of Trustees
April 15 th	April 15, 2014	Tentative budget filed with the Nevada Department of Taxation
Seven to 14 days before the Third Thursday in May	May 5, 2014	Notice of Budget Public Hearing published
Third Thursday in May	May 15, 2014	Hold Public Hearing
On or Before June 1st	May 15, 2014	Adopt Budget

The President/CEO begins the budget process in early December with a statement of the goals and priorities established by the Board of Trustees for the next budget year. Staff begins the budget process by reviewing the expenditures of the first five months of the then current fiscal year. A budget packet is distributed which includes a budget calendar, forms and general directions for each department's budget submittal.

RTAA utilizes a zero-based budget process in which each expenditure line item is evaluated on its own merit each year. Staff has developed work plans to implement the recently adopted FY 2014-2018 Strategic Plan with its focus on achievement of the strategic priorities and meeting the guiding principles/operating practices. Please see Section 3 Strategic Initiatives and Budget Goals for a more detailed explanation.

Specific department budgets are then developed to identify resources necessary to achieve the strategic priorities, while meeting the daily functions of operating the airports and implementing the necessary airport improvement projects.

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The President/CEO and the Executive Vice-President/COO evaluate each department's initiatives and conduct a line item review of the Budget before a final draft is completed and submitted for the Board of Trustee's review.

Budget Document Structure

The budget document is composed of seven sections:

- Section 1: Introduction – Describes the RTAA and provides an outlook on the national and regional economy, an overview of the air service and air cargo markets, and a presentation of the key operating environment factors impacting in the FY 2014-15 Budget
- Section 2: Executive Summary – Overview and Summary of key financial results
- Section 3: Strategic Initiatives and Budget Goals
- Section 4: Organization Guide – An operational guide detailing personnel and staff organizational structure
- Section 5: Financial Plan – Financial narratives and policies as well as an explanations of revenue and expense budgets
- Section 6: Revenues – Explanation of the revenue budget
- Section 7: Expenditures – Explanation of the expense budget
- Section 8: Capital Budget – Property, Plant and Equipment and Capital Project program
- Section 9: Debt – Detail of outstanding debt
- Section 10: Supplemental Data – Narratives and charts of local economic activity, airport and airline activity and financial performance
- Section 11: State of Nevada budget form
- Section 12: Glossary of airport industry terms

Revenue Bond Resolution

The RTAA's revenue bond resolutions contain provisions that also affect the annual budget with regards to the calculation of airline landing fees and rents. Net pledged revenues, gross revenues less operating expenses, must exceed the revenue bond debt service requirement for the fiscal year by 25%.

The FY 2014-15 budgeted net pledged revenues for repayment of the outstanding senior lien bonds is 158% above the debt service requirements for the fiscal year, which exceeds the 25% minimum required. In addition, net pledged revenues, after payment of the senior lien debt service and application of pledged passenger facility charges, is projected to be 87% above the debt service associated with the subordinate lien notes.

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Authority debt and associated annual debt service is further explained in the Debt Service Summary section of this document.

The bond resolution also prioritizes the flow and use of revenues through a series of accounts held by a third-party trustee. This flow of revenues and the priority is explained in the Section 5 - Financial Plan section of the budget. The “funds” mentioned in this document are not the funds used for governmental fund accounting purposes. They are trust accounts monitored and held by a trustee pursuant to the bond resolutions.

Planning for the Future

The RTAA strives to maintain its reputation for efficiency this year despite budget constraints. This budget reflects a dedicated effort to keep airline cost per enplaned passenger very reasonable, while using staff innovation, technology and carefully targeted outsourcing to maintain the RTAA’s high standard of customer service.

The RTAA actively plans and prepares for the airport facility needs for both the Reno-Tahoe International Airport (RTIA) and Reno-Stead Airport (RTS) in order to accommodate future aviation needs.

Currently, RTIA has adequate airfield and terminal concourse facilities to support existing passenger levels as well as long term growth. No significant changes to the airfield are expected; however there is an ongoing planned pavement rehabilitation and reconstruction program in place.

As mentioned in the Operating Environment section of this Introduction Section, staff is in the initial phases of design of air cargo facilities in the southwest corner of the RTIA. This project consists of design and construction of approximately 54,000 square yards of Portland Cement Concrete (PCC) ramp and a taxilane connector to Taxiway “A” in the southwest quadrant of RTIA. This ramp will increase, by up to five parking positions, the available ramp space for narrow body aircraft. Solicitation of third party private development of the air cargo area in the near-term future will also enhance the cargo building capacity of the entire Reno/Tahoe area.

With the completion of the Airport Gateway Program, significant terminal building and security checkpoints improvements are in place to accommodate current passenger traffic and provide capacity for future growth. As passenger levels increase in the future, the next likely step will be a building expansion including replacement of the existing concourses, expansion of the arrivals (baggage claim) lobby and new customs and border protection facilities.

RTIA’s existing 3,700 public parking spaces in the parking garage and the south surface lot reached capacity on certain peak travel days in 2007. It is recognized that as passenger traffic

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returns to previous levels reached prior to the 2008-09 economic slowdown, additional parking capacity will be needed. As facility usage grows, the next step will likely require the relocation of the rental car quick-turnaround facilities from the existing parking garage and construction of a north garage extension.

As a result of over \$27 million invested in airport improvements over the last 15 years, the Reno-Stead Airport (RTS) has sufficient airfield facilities to support existing and future airport operations. In addition, the completion of the new Reno-Stead Terminal Building/Emergency Operations Center, at a cost of less than \$6 million, provides a showcase facility for supporting UAS testing and promoting land development at RTS.

In addition to the projects referenced above, several on-going programs demonstrate RTAA's commitment to address future aviation demand:

- **Environmental Programs** – RTAA's environmental programs seek to consistently improve environmental practices and encourage environmental stewardship. Active programs include an in-house environmental committee, an airport-wide recycling program, the Stead Solvent Remediation program, Storm Water Pollution Prevention initiatives, and an Environmental Management System.
- **Noise Mitigation Programs** – RTAA's noise mitigation programs seek to mitigate the impact of aircraft noise on the local community. Through participation in the FAR Part 150 program, RTAA receives federal grants that are allocated specifically to the RTIA sound insulation program. The sound insulation program is available to approximately 5,400 homes north and south of RTIA as well as to eligible schools, churches and a long-term health care facility. At the end of 2013, improvements have been completed on more than 5,000 of the total homes eligible.

Additional noise mitigation programs include the Airport Noise Advisory Panel, an English and Spanish language noise complaint hotline, and a FAA-funded permanent noise and operations monitoring system, which became operational in 2010.

At Your Service

Customer service is what the RTAA is all about. RTAA staff is committed to creating a positive experience for the customer by maintaining and enhancing the appearance of facilities, ensuring the ease of vehicle parking, and improving the security screening experience.

In particular, the following areas remain our primary operational focus:

- **Safety and Security.** It is our first and foremost responsibility.

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- Customer Service. RTAA has a long history of excellent customer service by delivering a high level of facility cleanliness, communication, and hospitality.

Staff continues to use innovation, technology, and new service delivery methods to maintain the RTAA's standard of customer service. Some of the proposed increases in the budget are focused on providing staff resources, contractual services and new technology to upgrade and protect critical systems and maintain services necessary to meet a high standard of customer service.

Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) has presented a Distinguished Budget Presentation Award to the RTAA every year since 1997. In order to receive this award, a governmental or quasi-municipal unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

Authority staff is dedicated to building on RTAA's long tradition of excellence in financial reporting and budgeting. Authority staff believes the current budget continues to conform to program requirements, and the Finance and Budget department will submit the FY 2014-15 Budget to GFOA to determine its eligibility for another award. This document will also be posted on the RTAA's website, www.renoairport.com.

The RTAA Board of Trustees adopted this budget on May 15, 2014. The preparation of this document would not be possible without the hard work, dedication to detail, and accuracy of the Finance and Budget Section staff.

Respectfully submitted,



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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Reno-Tahoe International Airport
Nevada**

For the Fiscal Year Beginning

July 1, 2013

Jeffrey R. Emery

Executive Director

Section 2 – Executive Summary

Reno-Tahoe Airport Authority
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To help guide the future of the RTAA, the Board of Trustees (Trustees) in June 2013 approved a Strategic Plan for FY 2013-14 through FY 2017-18. This five-year plan serves as a guide to staff as it faces an ever-changing aviation industry and economic cycles. It was created through a public process that invited participation from airport committees, user groups, Trustees, staff and the public.

The adopted FY 2014-15 Budget summarized below is focused on the achievement of the following strategic initiatives:

1. Increase Air Service Development
2. Optimize General Aviation Operations and Services
3. Expand Cargo Development and Service
4. Facilitate Economic Development at both Airports
5. Provide a Positive Environment and Experience for All

A detail discussion of the Strategic Plan and associated Budget Goals is provided in Section 3 of this report.

The budget also takes into account requirements of the Guiding Principles outlined in the Strategic Plan, the Revenue Bond Resolution governing the Authority's outstanding indebtedness, various contractual agreements including the airline use and lease agreement, and the Authority's obligations under state and federal law.

The following summary provides a financial overview of the budget for the RTAA's 2014-15 fiscal year, which began on July 1, 2014 and ends June 30, 2015.

Airline Activity Forecast

RTAA has based its revenue budget on a forecast of modest growth in passenger enplanements (passengers boarding an airline) of 1,667,290, an increase of 0.5%, as compared to the FY 2013-14 actual results and a 0.2% decrease from the prior year adopted budget.

The following table compares the enplaned passenger traffic used to develop the proposed FY 2014-15 Budget as compared to FY 2013-14 and FY 2012-13 actual results.

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**Reno-Tahoe International Airport
 Enplaned Passenger Forecast (EPAX)
 FY 2014-15 Adopted Budget**

	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Variance to Prior Year	Percent Change
FY 2012-13 EPAX	1,756,471 Actual	1,756,471 Actual		
FY 2013-14 EPAX	1,670,248 Budget	1,658,187 Actual	(98,284)	(5.6%)
FY 2014-15 EPAX		1,667,290 Budget	9,103	0.5%

The actual results for FY 2013-14 and passenger traffic going forward into the FY 2014-15 Budget are estimated to be between five to six percent below actual passenger enplanements registered in FY 2012-13. The primary reason for the decrease is that RTAA has seen reductions and announced reductions in service by Southwest Airlines in short haul markets where revenues and passenger load factors have been below the airline’s targets.

The most significant reductions are Southwest Airline’s discontinuation of non-stop service to Boise, Oakland, San Jose, and Salt Lake City. Southwest saw a drop of approximately 130,000 enplaned passengers in FY 2013-14 as compared to FY 2012-13, a decrease of 13.8%. All of these discontinued markets were served by Southwest using Boeing 737 aircraft and most are generally within a day’s drive of our market place.

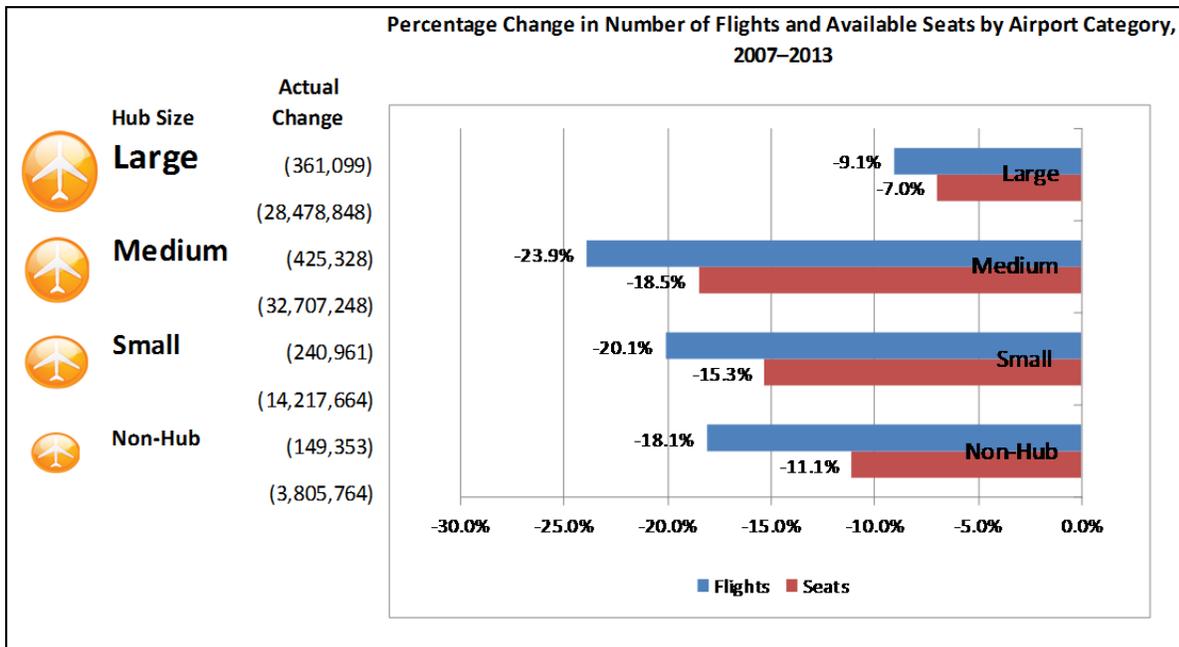
Looking forward into next year, the most significant air service change is Southwest Airlines discontinuing non-stop service to Seattle and Portland effective June 7, 2014. While both markets will continue to be served by Alaska Airlines with smaller aircraft than Southwest and additional service has been announced, the full year impact of these changes will lower aviation activity including landed weight, available passenger seats, and overall passenger traffic.

Since the recession of 2008-09 and accompanying historic high fuel costs, airlines in the U.S. continue to evaluate each and every route to align it more closely with passenger demand and the highest return on investment.

According to U.S. Government Accounting Office (GAO) Report “Airline Competition - The Average Number of Competitors in Markets Serving the Majority of Passengers Has Changed Little in Recent Years, but Stakeholders Voice Concerns about Competition” issued in June 2014, medium and small hub airports, such as RTIA, have disproportionately been affected by airline schedule changes. As outlined on page 35-36 of the report:

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“U.S. airlines, in particular network airlines, have reduced the number of flights they offer passengers in certain markets. For instance, according to our analysis of DOT data, about 1.2 million scheduled domestic flights were eliminated from 2007 through 2013 at large, medium, small, and non-hub airports. Scheduled departures at medium-hub airports decreased nearly 24 percent between 2007 and 2013, compared to a decrease of about 9 percent at large-hub airports and about 20 percent at small-hub airports over the same time period (see Figure Below). Medium-hub airports also experienced the greatest percentage reduction in air service as measured by available seats.”



Source: GAO Analysis of DOT Data

Note: Large-hub airports have at least 1 percent of all passenger boardings. Medium-hub and small-hub airports are defined as having between 0.25 and 1 percent, and 0.05 and 0.25 percent, respectively. Non-hub airports enplaned at least 10,000 passengers, but no more than 0.05 percent of all passenger boardings. The groups of large-, medium-, and small-hub and non-hub airports in this analysis are based on 2012 data.

With the adjustment in aircraft capacity serving the market, the remaining flights at RTIA benefit from significantly more passenger boardings per aircraft and less vacant seats. In June, 2014, the average enplaned load factor for scheduled airlines reached 88.9%, which is 3.8 load factor points higher than the month of June in the prior year. The increase in load factor indicates a lower risk of further reductions and an improvement in the likelihood of attracting additional new service.

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With strong load factors on the remaining flights, an aggressive air service program, and improvement in the regional economy, RTAA believes the downward trend will be stabilized at levels registered in FY 2013-14 and forecasted in the FY 2014-15 adopted budget.

Aircraft Landed Weight Forecast

The Authority recovers almost 100% of its net airfield costs through the payment of landings fees. Landing fees are charged to passenger and cargo carriers for each aircraft landing based on the aircraft’s Maximum Gross Landed Weight. Therefore, the higher the landed weight the lower the unit cost for each aircraft landing.

With the reductions in service by Southwest Airlines, the Authority’s landing fee has faced an increase due to the reduction in passenger aircraft landed weight. In FY 2013-14, Southwest Airlines had 16.9% lower landed weight as compared to the prior year.

The table below outlines actual passenger and cargo landed weight along with the forecast incorporated into the FY 2014-15 Budget:

Reno-Tahoe International Airport
Landed Weight by Carrier
(Thousand Pounds of Landed Weight)

Passenger	2013-14 Actual	2012-13 Actual	Variance	FY 2014-15 Budget	Variance to FY 2013-14 Actual
Alaska	122,862	112,694	10,168	147,150	24,288
Allegiant	24,413	7,650	16,763	12,288	(12,125)
American	213,251	206,613	6,638	217,441	4,190
Delta	146,329	161,684	(15,355)	154,056	7,727
Southwest	989,574	1,190,140	(200,566)	948,558	(41,016)
United	236,595	237,421	(826)	217,614	(18,981)
US Airways	195,099	184,243	10,855	194,440	(659)
Charter and Other	9,700	17,242	(7,542)	54,860	45,160
Total	1,937,823	2,117,687	(179,865)	1,946,407	8,584
Cargo					
Amerijet	-	-	-	82,152	82,152
Fed Ex	281,383	226,398	54,985	289,774	8,391
UPS	162,298	170,193	(7,896)	175,076	12,778
Other Cargo	6,884	8,526	(1,642)	6,883	(1)
	450,565	405,117	45,448	553,885	103,320
Total	2,388,387	2,522,804	(134,417)	2,500,292	111,905
Percent Change			-5.3%		4.7%

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On the good news side, the increase in total cargo volume, as discussed in the Air Cargo Update in the Introduction, has also resulted in larger or “up-gauged” cargo aircraft servicing the RTIA. As shown above, Fed Ex registered a 54,985 (thousand pound unit) increase in landed weight or 24.3% higher landed weight than the previous year. This increase partially offset the lower landed weight due to service reductions by Southwest Airlines.

Going forward into next year, the adopted FY 2014-15 Budget reflects a 4.7% increase in landed weight primarily due to new cargo service by Amerijet International, which began service on July 8, 2014.

Revenue Forecast

Total Revenues pledged to pay debt service (“Pledged Revenue”) are composed of Operating Revenues and Non-Operating Revenues. In the proposed FY 2014-15 Budget, Pledged Revenue is forecasted to be \$45,365,378, a 2.1% increase above the FY 2013-14 Budget.

The table below provides a comparison of the FY 2013-14 Budget, the updated FY 2013-14 forecast, and the revenue estimate used in the FY 2014-15 Budget:

Pledged Revenue	FY 2013-14 Adopted Budget	FY2013-14 Mid-Year Forecast	FY2014-15 Adopted Budget	Budget Variance
Airline Fees and Rentals	\$14,129,645	\$14,668,543	\$14,980,252	\$ 850,607
Non-Airline Revenues	28,663,644	28,190,153	28,747,526	83,882
Total Operating Revenues	42,793,289	42,858,696	43,727,778	934,489
Non-Operating Revenue	1,629,400	1,556,800	1,637,600	8,200
Gross Pledged Revenue	\$44,422,689	\$44,415,496	\$45,365,378	\$942,689

The proposed Total Operating Revenue budget for FY 2014-15 is \$43,727,778. This represents a 2.2% increase from the FY 2013-14 Budget. The Operating Revenues are summarized in two major categories:

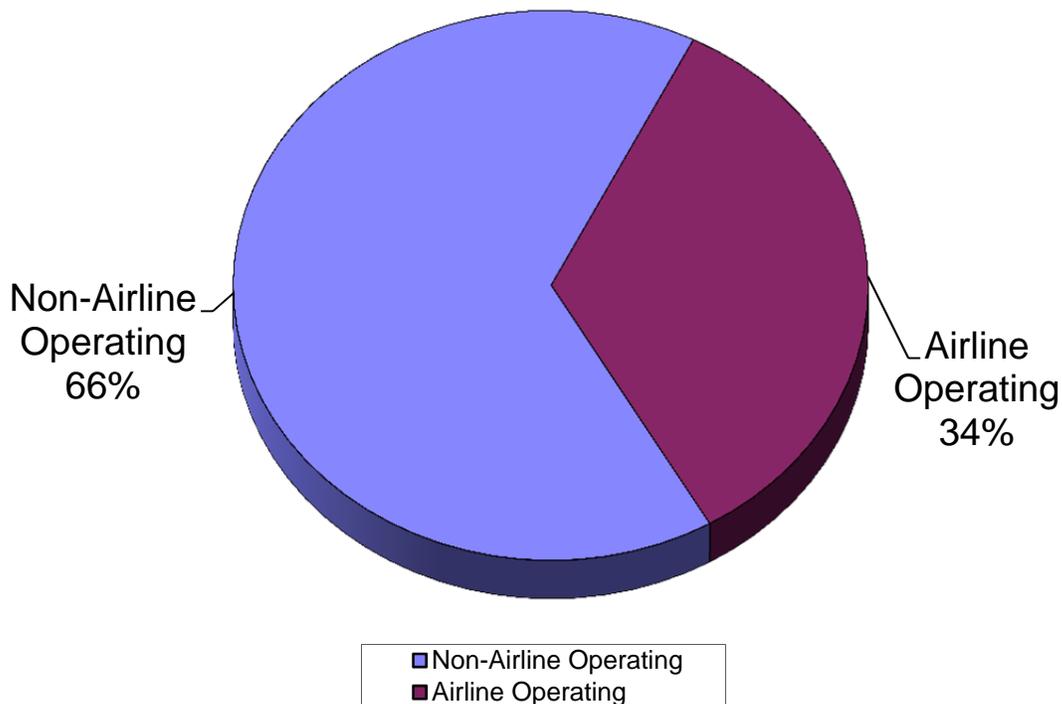
- Airline related revenues, which for FY 2014-15, are anticipated to be \$14,980,252 or approximately 34% of the total operating revenues. Revenues attributed to the passenger and cargo airlines are in the form of landing fees and terminal building rents. The passenger airline derived revenue per enplaned passenger is forecasted to increase from \$7.85 in the FY 2013-14 Budget to \$8.15 in the FY 2014-15 Budget.
- Non-Airline Revenues represent \$28,747,526 or approximately 66% of the FY 2014-15 Total Operating Revenues.

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According to the November 1, 2013 “US Airport Medians for FY 2012” report issued by Moody’s Investors Service, the airline derived revenue as a percentage of total operating revenue for all U.S. airports is 31.52%.

With operating revenue in FY 2014-15 forecasted to generate airline derived revenue of 34% of total operating revenue, RTAA revenue composition continues to meet industry averages.

FY 2014-15 RTAA OPERATING REVENUES



The major non-airline revenue sources are the following: (1) Public Parking Revenues; (2) Rental Car Concessions; (3) Terminal Concessions including Gaming, News and Gift, and Food and Beverage; (4) Reimbursed Services associated with cost recovery of maintenance of the new Baggage Handling System (BHS), and (5) various Building, Hangar, and Land rents.

Detailed highlights of the FY 2014-15 increase in Total Operating Revenues, as compared to actual results for FY 2012-13 and the budget and updated forecast for FY 2013-14, are as follows:

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	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Forecast	FY 2014-15 Budget
Airline Revenues (34%)				
Landing Fees	\$ 6,593,034	\$ 6,555,845	\$ 6,752,643	\$ 7,075,852
Terminal Building Rentals	5,830,298	7,573,800	7,915,900	7,904,400
Total Airline Revenue	12,423,332	14,129,645	14,668,543	14,980,252
Non-Airline Revenues (66%)				
Concession Fees	10,478,433	10,653,300	10,096,800	10,075,100
Parking/Ground Transportation	8,914,030	8,186,200	8,390,200	8,504,900
Building, Hangar, and Ground	6,146,844	6,378,000	6,227,100	6,663,000
Reimbursed Services	2,579,739	2,573,544	2,606,953	2,630,926
Other Aircraft Fees	840,659	847,200	830,400	834,300
Other Operating Revenues	92,093	25,400	38,700	39,300
Total Non-Airline Revenue	29,051,797	28,663,644	28,190,153	28,747,526
Non-Operating Revenue	1,551,635	1,629,400	1,556,800	1,637,600
Total Revenue	\$43,026,764	\$44,422,689	\$44,415,496	\$45,365,378

Airline Revenues

The airline agreement, discussed in further detail in Section 5 Financial Plan, sets forth the rate setting formula by which airlines pay for the facilities and services they use. With Board approval, the RTAA and the airlines have structured a five (5) year business arrangement and lease that became effective on July 1, 2010. The FY 2014-15 Annual Budget was developed based on the business arrangement specified under this Airline Agreement.

The total FY 2014-15 Airline Revenues are forecasted to be \$14,980,252, an increase of \$850,607 or 6.0% over the FY 2013-14 Budget. This reflects higher cost recovery in airline cost centers as a result of increased operating expenses.

In addition, FY 2013-14 airline revenues reflects a one-time credit offer by the Authority to the airlines of up to \$330,000 to mitigate the impact of lower landed weight. Without this credit in FY 2013-14, the increase in FY 2014-15 airline revenue would be approximately \$517,000 or 3.6% above the adjusted FY 2013-14 Budget.

Landing Fee

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

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Total landing fee revenue is estimated to be \$7,075,852 in FY 2014-15, an increase of \$520,007 or 7.9% above the FY 2013-14 Budget and \$323,209 or 4.8% above the FY 2013-14 projected estimates.

The signatory landing fee is proposed to increase by \$0.15 to \$2.93 for FY 2014-15 from the prior year budgeted amount of \$2.78.

The following are factors impacting the requirements in the Airfield Cost Center and the calculation of the landing fee in the FY 2014-15 Budget:

- For FY 2014-15, the Authority is forecasting a landed weight of 2,500,291 thousand pounds, an increase of 3.7% above the FY 2013-14 Budget. The increase primarily is due to larger aircraft being used by existing cargo carriers (Fed Ex and UPS) and new service by Amerijet International.
- The operation and maintenance costs allocated to the Airfield Cost Center are increasing 2.2% over the prior year budget. This modest increase is due primarily to the overall increase of the direct and indirect operating budget assigned to the airfield. Indirect or administrative cost allocations are assigned under the airline agreement based on actual or budgeted costs identified to the six direct cost centers (Airfield, Terminal, BHS, Ground Transportation, Other and Reno Stead Airport).
- The rate established in FY 2013-14 reflected a one-time credit of up to \$330,000 to mitigate the impact of lower landed weight primarily due to reduction in service by Southwest Airlines. Without this credit, the landing fee would have been \$2.92 in FY 2013-14, a rate \$0.01 lower than the FY 2014-15 Budget rate of \$2.93.

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

Terminal Rental Rate

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

The Revenue Sharing Credit is calculated as 50% of the gross revenues less O&M expenses, debt service requirements, bond ordinance reserve requirements, repayment of loans to the capital

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account, special fund and amortization requirements. The remaining 50% of the airport system net revenues is transferred to the Authority's general purpose fund.

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

Total terminal space rental revenue is estimated to be \$7,904,400 in FY 2014-15, an increase of \$330,600 or 4.3% as compared to the FY 2013-14 Budget and \$11,500 or 0.2% below the FY 2013-14 updated forecast.

An average terminal building rental rate is set pursuant to the airline agreement, based on the requirements of the Terminal Building Cost Center. The following are factors influencing the calculation of the Terminal Building rental rate:

- The operation and maintenance budget allocated to the Terminal Building is increasing 2.6% above the FY 2013-14 Budget. This modest increase is due primarily to the overall increase of the direct and indirect operating budget assigned to the terminal building.
- The proposed airline's portion of net revenue sharing for FY 2014-15 is \$178,700, a decrease of \$55,600, or 23.7% from the prior year budget.
- The average rental rate for FY 2014-15 is \$62.45 per square foot per year. This is a \$2.18 increase or 3.6% above the FY 2013-14 Budget average rental rate of \$60.27.

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

Non-Airline Revenue

Total Non-Airline operating revenues are forecasted to be \$28,747,526 in FY 2014-15 Budget. This represents an expected increase of \$83,882 or approximately 0.3% from the FY 2013-14 Budget.

With passenger traffic forecasted to be virtually flat in FY 2014-15 as compared to the prior year, the modest increase primarily reflects increases of \$319,000 and \$285,000 in public parking/ ground transportation and building/hangar/land rent, respectively. These increases reflect higher revenue per transaction in the public parking operation and new revenue associated with Unmanned Aircraft System testing at the Reno-Stead Airport.

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Offsetting these increases are lower FY 2014-15 concession revenues of approximately \$578,000 due primarily to lower gaming revenue of \$433,000 and lower advertising revenue of \$130,000 as compared to the prior year budget. Both revenue sources were structurally changed by the 2008-09 economic recession and the declining passenger traffic over the past several years.

A detailed breakdown of FY 2013-14 non-airline revenue appears in the Section 6 Revenues.

Non-Operating Revenue

The proposed budget for Non-Operating Pledged Revenue for FY 2014-15 is \$1,637,600, an increase of \$8,200 or 0.5% above the FY 2013-14 Budget and \$80,800 or 5.2% above the updated FY 2013-14 Forecast.

The three major components of Non-Operating Pledged Revenues are as follows:

- Customer Facility Charge (CFC) Revenues, implemented in August 2012, are forecasted to be \$1,148,400 in FY 2014-15. CFC revenues are derived from a \$1.25 fee assessed to each rental car transaction day. These fees are dedicated to funding property management, repairs, and improvements to Authority-owned rental car facilities.
- Investment Interest for FY 2014-15 is budgeted at \$123,200, a 5.7% decrease compared to the FY 2013-14 Budget and a decrease of 12.9% as compared to the updated FY 2013-14 Forecast. The slight decrease is primarily due to lower earning balances reflecting the \$2.913 million early retirement of variable rate notes. See the Debt Service section below.

Interest rates on eligible investments allowed under Nevada Revised Statutes and the Authority's investment policy continue to be at historic low levels as a result of efforts by the Federal Reserve to promote economic growth.

- Aviation Gas Tax is budgeted at \$284,700 in FY 2014-15 Budget, a decrease of \$23,900 or 7.7% below last year's budget. This tax is collected by Washoe County in the form of fuel tax in the amount of one cent per gallon of fuel for jet or turbine-aircraft sold, distributed or used per Nevada Revised Statute 365.170.
- Gain on the Sale of Fixed Assets reflects an estimated gain of \$81,300 associated with the sale of airport land required to accommodate the expansion of McCarran Boulevard on the eastern boundary of the RTIA by the Nevada Department of Transportation. Since the property was originally acquired using Federal Aviation Administration grant funding, the proceeds from the sale will be used to lower FAA's grant funding on a future eligible project.

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Operation and Maintenance Budget

With only modest improvement in the level of FY 2014-15 passenger traffic and pledged revenues forecasted to increase next year by approximately \$943,000 or 2.1%, the operations and maintenance budget, including property, plant, and equipment, is \$38.817 million, which represents an increase of \$1,423 million or 3.8% above the adopted FY 2013-14 Budget.

The following table provides an overview of the proposed budget as compared to the prior year adopted budget:

Expense Category	FY 2013-14 Adopted Budget	FY2013-14 Mid-Year Forecast	FY2014-15 Adopted Budget	Budget Variance
Personnel Services	\$24,983,395	\$24,598,873	\$25,771,165	\$787,770
Utilities and Communications	2,849,635	2,884,685	2,862,700	13,065
Purchased Services	5,135,666	5,238,962	5,627,235	491,569
Materials and Supplies	1,794,195	1,815,495	1,905,619	111,424
Administrative Expenses	2,376,785	2,492,765	2,403,054	26,269
Property, Plant, and Equipment	255,220	274,006	247,650	(7,570)
Total Expenses and PPE	\$37,394,896	\$37,304,786	\$38,817,423	\$1,422,527

The following are key drivers and major initiatives incorporated into the FY 2014-15 budget submission:

Personnel Services

The proposed FY 2014-15 Budget for Personnel Services of \$25,771,165 reflects an increase of \$787,770 or 3.2%. The increase is comprised of the following major changes:

1. The FY 2014-15 Budget includes funding of two (2) new Project Manager positions. See Section 4 Organization Guide for specific details regarding the job responsibilities of these new positions.
2. Existing employee salaries and overtime are proposed to increase \$551,600 or 3.3%. This increase reflects current collective bargaining agreements and civil service and management guidelines.
3. With preliminary increases in the cost of health insurance of approximately 35% provided by our insurance broker, significant modifications were made to the benefit plan structure to encourage “employee consumerism” of health benefits. These modifications include a

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change from a traditional HMO plan, where all costs beyond a fixed co-pay are covered, to higher deductible plans paired with RTAA contributions into either a Health Reimbursement Account (HRA) or a Health Savings Account (HSA). These accounts are established to partially offset the higher out of pocket impact of these elevated deductibles. Both an HRA and an HSA are tax-advantaged medical savings accounts available to taxpayers who are enrolled in high-deductible health plans and are designed to be used for out of pocket medical and related expenses.

In addition to the modifications to the benefit plan structure, the budget reflects changes to establish internal parity by adjusting the contribution structure where all employees are responsible for paying 15% of the incremental costs of spouse/child/family coverage.

With the proposed changes, the FY 2014-15 Budget reflects health insurance costs of approximately \$2.738 million, an increase of \$155,000 or 6.0% as compared to the prior year budget.

4. In FY 2014-15, retirement and post-employment health insurance contributions to the Public Employees' Retirement System (PERS) of approximately \$4,483,200 are included in the proposed budget. This represents an increase of \$202,700 or 4.7% over the prior year budget.

This increase reflects a contribution rate of 25.75% for Regular Employees and 40.50% for Police/Fire members as established by PERS effective on July 1, 2013 for a two year period. With no increase in the contribution rate is included in the FY 2014-15 Budget, the increased costs reflect higher salaries and additional staff positions outlined in Item 1 and 2 above.

5. To further address employee benefit costs, the FY 2014-15 Budget reflects a change in the benefit package offered to employees covered under the Management Guidelines. Currently, management employees are offered a benefit bank that provides each employee the option to choose from a host of options in the amount equal to what family health insurance coverage would cost. For management employees who take less than family coverage (no coverage, single coverage, or employee plus spouse only), the employee is permitted to allocate the balance of the bank in supplemental benefits such as Deferred Compensation, Flexible Savings Account, extra life insurance, critical illness coverage, prepaid legal insurance, and identity theft insurance.

The FY 2014-15 Budget permanently removed this benefit at an estimated savings of \$209,800 as compared to last year's budget.

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Utilities and Communication

The proposed FY 2014-15 Utility Budget of \$2,862,700 reflects a modest increase of \$13,065 or 0.5%. This increase reflects an increase of approximately \$30,000 for communication services partially offset by projected savings in waste disposal services and natural gas.

Purchased Services

The proposed FY 2014-15 Budget for Purchased Services of \$5,627,235 reflects an increase of \$491,569 or 9.6%. The increase is comprised of the following major changes:

1. Increase of \$60,600 in higher repair and maintenance costs associated with the access control and closed-circuit television (CCTV). This increase reflects the system expansion associated with the Airport Gateway Project and aging equipment.
2. Increase of \$80,000 in contracted services to provide information technology support to airport operations and maintenance. Growth in the number and complexity of airport systems has reached the stage where existing staff is no longer able to properly support these systems.
3. Increase of \$150,000 in contracted services to allow the RTAA to meet payment card industry (PCI) standards and enhance cyber security of information systems. With the growing issues surrounding computer security, the RTAA needs to provide additional resources to ensure our systems meet prudent industry standards.
4. Increase in consulting services of \$42,500 for Phase (b) and (c) of a legislative tax abatement effort to mitigate sales and use tax on aviation parts. With the potential loss of several airport tenants due to the State of Nevada being at a competitive disadvantage compared to other western states, this effort will fund expert witnesses who will provide presentations and testimony as needed in advance and during the 2015 legislative session. No funding was anticipated for the effort in the FY 2013-14 adopted budget.
5. Increase in consulting services of \$25,000 to fund an airport financial consultant to assist staff with the negotiation of a new or amended airline use and lease agreement.
6. Increase in contracted services of \$60,000 to pay a fixed fee commission for insurance brokerage services. In FY 2012-13, compensation of \$129,652 was established on a percentage commission basis averaging 11%. This compensation was included in insurance premium costs recorded in the Administrative section of the budget. This new fixed annual fee of \$60,000, now posted to Purchased Services for FY 2014-15, is 60% lower than prior year costs and the savings is reflect in lower insurance premiums.

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7. Increase of \$101,000 in other repair and maintenance services to repair hangar door and asphalt pavement at General Aviation East and West at Reno-Tahoe International Airport.
8. Increase of \$72,000 in other repair and maintenance services to repair asphalt pavement at the rental car services facilities. This work is funded by the Customer Facility Charge of \$1.25 per rental car transaction day authorized by the Board of Trustees on August 1, 2012.
9. These increases are partially offset by \$50,000 in lower legal services, \$25,000 in lower engineering consultant services, and \$53,200 in lower Baggage Handling System repair and maintenance services.

Materials and Supplies

The FY 2014-15 Budget for Materials and Supplies of \$1,905,619 reflects an increase of \$111,424 or 6.2%. Approximately 55% or \$61,900 of the increase is to purchase thermoplastic sign materials used on the airfield. The investment in this material, which is estimated to last eight to twelve years, generates long term cost savings and provides a higher level of safety.

Administrative Expenses

The proposed FY 2014-15 Administrative Expenses Budget of \$2,403,054 reflects a modest increase of \$26,269 or 1.1%.

Within this category, the following are the significant changes: (1) increase in the sponsorship of the National Championship Air Races of \$65,000, (2) market research and business/economic development of \$60,000; (3) community outreach of \$35,800 to enhance General Aviation marketing and the RTAA's social media and community events/partnerships; and (4) development of an Unmanned Aircraft System (UAS) website and marketing of \$25,000.

These additional costs have been significantly offset by eliminating one-time expenditures in the FY 2013-14 Budget associated with the tri-annual mass casualty exercise of \$18,000, conference sponsorship of \$25,000; and relocation of the new President/CEO of \$32,600. In addition, the proposed budget includes lower insurance premiums of \$89,600 as mentioned under Purchased Services.

Personnel Complement

The total budgeted and/or authorized positions for FY 2014-15 is 270.5 positions, a net increase of two positions as compared to the adopted FY 2013-14 Budget. A specific explanation of the changes, any frozen positions and the personnel complement by section is provided in Section 4 Organizational Guide.

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Debt Service

The annual debt service included in the FY 2014-15 Budget includes the following:

- Airport Revenue Refunding Bonds, Series 2005 – Annual Debt Service of \$2.521 million. The total outstanding senior lien debt on July 1, 2014 will be \$22,360,000 after the scheduled July 1, 2014 principal payment.
- Subordinate Lien Note, 2011 Series A – Fixed Rate – Annual Debt Service of \$1.264 million after application of eligible Passenger Facility Charge (PFC) funding. The total outstanding principal under this subordinate lien note will be \$7,800,000 after the scheduled July 1, 2014 principal payment.
- Subordinate Lien Note, 2011 Series B – Variable Rate – No annual Debt Service is registered for these notes after application of eligible Passenger Facility Charge (PFC) funding. The elimination of this debt service, which compares to \$1.014 million last year, is due to early repayment of \$2.913 million in 2011 B Notes on July 1, 2014.

The early repayment was designated to the portion of the 2011 B Notes used to fund the Reno-Stead Terminal Building. This action not only reduced the RTAA's debt service by more than \$1.0 million annually, but it also repays the portion of Series 2011 B variable rate notes not funded by PFC revenues; thereby, lowering the associated risk of potentially higher interest rates in the future. This step was possible due to RTAA's strong cash and investment position.

Total combined debt service for FY 2014-15, after the application of PFC's, is budgeted to be \$3,784,998, a decrease of \$1,020,157 or 21.2% below the FY 2013-14 Budget.

RTAA debt is limited by the outstanding bond resolution requirement that Net Pledged Revenues (gross revenues of the Airport System less operating expenses) pledged to pay debt service must exceed 125% of annual senior lien debt service. In addition, the RTAA subordinate lien debt is limited by Pledged Revenues for Subordinate Debt (gross revenues of the Airport System less operating expenses less the debt service requirement on existing and future senior lien debt outstanding) pledged to pay subordinate lien debt service must exceed 110% of annual existing and future subordinate lien debt service.

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

		FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Forecast	FY 2014-15 Budget
Net Pledged Revenue	A	\$ 9,536,941	\$ 7,302,013	\$ 7,262,761	\$ 6,499,115
Debt Service (Senior Debt)	B	\$ 2,523,900	\$ 2,516,500	\$ 2,516,500	\$ 2,521,300
Debt Service Coverage (Senior Debt)	A/B	378%	290%	289%	258%
Net Pledged Revenue for Subordinate Debt	A-B =C	\$ 7,013,041	\$ 4,785,513	\$ 4,746,261	\$ 3,977,815
Pledged PFC Revenue	D	\$ 1,491,202	\$ 1,852,647	\$ 1,874,816	\$ 1,871,885
Pledge Revenue for Subordinate Debt	C+D =E	\$ 8,504,243	\$ 6,638,160	\$ 6,621,078	\$ 5,849,701
Debt Service (Subordinate Notes)	F	\$ 2,777,586	\$ 4,141,302	\$ 4,145,023	\$ 3,135,583
Debt Service Coverage (Subordinate Debt)	E/F	306%	160%	160%	187%

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

A complete explanation of the Subordinate Lien Notes and a specific breakdown of outstanding senior lien bonds are provided under Section 9 – Debt.

Property, Plant and Equipment (PP&E)

A Property, Plant and Equipment (PP&E) item is an asset with a useful life exceeding one year and a cost greater than \$5,000. The total PP&E request for FY 2014-15 is \$257,650. This is an increase of \$2,430 or 1% from the FY 2013-14 PP&E budget amount of \$255,220.

The major PP&E requests are a firefighting extraction package, a computer site recovery system and three vehicles. The vehicles requested consist of three (3) sport utility vehicles that will be used in Airside Operations and Airport Police.

The specific items requested are presented under the Section 8 - Capital Budget tab.

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Capital Projects

The FY 2014-15 Capital Project requests for Reno-Tahoe International and Reno-Stead Airports of \$4.105 million are funded by Authority internally generated and other local funds (primarily the general purpose fund, the special fund and the rental car customer facility charges (CFC)). See Section 5 Financial Plan – Bond Resolution Trust Funds for additional detail.

This budget request represents an increase of \$1.475 million above the FY 2013-14 Budget. The largest capital projects for FY 2014-15 include (1) radio equipment replacement; (2) airfield and landside pavement maintenance; (3) baggage handling system software and hardware upgrades; and (4) parking lot reconstruction at the rental car service facilities based on a facility needs assessment.

Of the total amount, \$675,800 is for the Airfield Cost Center with \$175,000 amortized and recovered in FY 2014-15. The project costs applicable to the Terminal Building Cost Center are \$1,643,400 with \$78,943 amortized and recovered in FY 2014-15. The projects in the non-airline cost centers will affect airline terminal rents indirectly through lower profit sharing.

The Majority in Interest (MII) threshold, as defined in the airline agreement, excludes \$1 million in the Airfield Cost Center, \$2 million in the Terminal Building Cost Center, \$500,000 in the Baggage Handling System Cost Center. Therefore, an MII ballot associated with the proposed capital projects is not necessary.

A detailed list of the projects is provided under the Section 8 - Capital Budget tab.

Revenue Sharing Credit

All revenues are assigned to a cost center (Airfield, Terminal, Baggage Handling, Ground Transportation, Other and Reno Stead Airport) with expenses netted against revenues for the cost center. In the Airline Agreement, fifty percent of the Airport System net revenues (pledged revenues less operating expenses, debt service, and other requirements) for the Fiscal Year are applied to reduce Signatory Airlines terminal rental rate in the current Fiscal Year. The remaining 50% of the Airport System net revenues for the year are transferred to the Authority's General Purpose Fund. Prior to calculation of the profit sharing credit, 35% of gaming revenues in each Fiscal Year are retained by the Authority and not available as part of the reduction in the Signatory Airline terminal rental rate.

The net revenue available to be shared with the Signatory Airlines for 2014-15 is budgeted to be \$357,372 as compared to \$468,675 estimated in the FY2013-14 Budget. Per the airline agreement, half of this amount is credited to the Terminal Building Cost Center in the year earned.

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This decrease of approximately \$111,000 in revenue sharing reflects the following: (1) approximately \$691,000 or 1.5% in higher revenue, (2) approximately \$1,455,000 or 4.0% in higher operating expenses; (3) approximately \$1,020,000 or 21.2% in lower debt service due to the early retirement of a portion of Subordinate Lien Variable Rate Notes; and (4) approximately \$367,000 in higher cost recovery associated with fixed assets, capital projects, and other requirements.

A detailed breakdown of the calculation is included in the Section 5 - Financial Plan tab.

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The Reno-Tahoe Airport Authority (RTAA) operates two of the most important economic catalysts for our region- Reno-Tahoe International and Reno-Stead Airports. Together, these airports generate \$2 billion in economic impact for the region.

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

Mission Statement

To maintain and grow aviation services and facilities as part of the global air transportation system, to transport people and goods to benefit the region while being financially self-sustaining.

Vision Statement

Our vision is to develop and operate a system of airports that support our region's economic growth and provide safe, convenient, and customer-focused facilities. This will create a positive experience for those who work at and travel through our airports.

A New Approach – Five Strategic Priorities

To help guide the future of the RTAA, the Board of Trustees has approved a Strategic Plan for FY 2013-14 through FY 2017-18. It is a five-year guide, with the flexibility and forethought to assist staff in maneuvering through an ever-changing aviation industry. It was created through a public process that invited participation from airport committees, user groups, the board, staff and the public.

The RTAA Board of Trustees and staff, through the Strategic Plan process, established a vision for the future with an emphasis on five (5) Strategic Priorities. The Priorities focus on elements the Board deem critically important to the long-term viability of the Authority with maintaining existing and adding new air services a priority that transcends all others. In addition, RTAA intends to further develop air cargo, optimize general aviation services, and expand and diversify non-airline revenue sources. This focus on business development, however, is impossible without a fundamental focus on customer service and creating a positive airport experience for our customers, tenants, and employees.

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“A New Approach” -Five Strategic Priorities



Strategic Priorities – Detailed View

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

1. Strategic Priority – Increase Air Service

The Reno-Tahoe region’s ability to create demand and sustain it is what will ultimately result in more air service. The Authority will continue to actively engage in the activities essential to build and sustain airline service, in partnership with business, community, government and other regional stakeholders.

Rationale: The Airport exists to provide aviation services and facilities to benefit the community; air service is also vital to generating local economic growth. Having a vibrant and efficient airport with a wide array of flights and services is essential when trying to attract new businesses, operations, and events to the region.

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Strategic Direction/Shift: The airline industry is changing and shifting to prioritize routes that are most profitable. This means that airport operational costs need to remain low (direct impact to the airlines) and planes need to be full. Commercial flights are targeted at an 80% capacity/load factor. This translates to the notion of full flights before new flights; if current routes are not meeting profitability standards, new flights to the region will not be considered.

Long-Term Goals: Our strategic efforts to build and sustain air service are focused around a three-prong approach to: (1) provide an attractive environment for airline partners through maintaining low cost operations; (2) strengthened relationships with existing air carriers and marketing/partnership efforts to promote and maintain current air service; and (3) new air service development and retention strategies to stimulate demand and sustain it.

Additionally, public safety and security is always a #1 focus for RTAA and initiatives around providing safe/secure facilities and operations are also tied into our Air Service strategy.

2. Strategic Priority – Optimize General Aviation Operations and Services

General Aviation (GA) includes all civil aviation operations other than scheduled passenger and cargo airline service. General aviation flights are conducted for pleasure, private business and public services that need transportation more flexible than the airlines can offer. GA also provides access points to small towns and rural communities across the state/region that does not have commercial air service.

Rationale: General Aviation is a key contributor to regional economic growth and development; it supports business growth not only from this region but to this region through Maintenance Repair Operations (MRO's), Fixed Based Operators (FBO's), etc. RTAA values General Aviation as an integral component of the airport system and its ability to thrive.

Strategic Direction/Shift: General Aviation services and infrastructure are critical to the overall success of the RTIA and Reno-Stead. It is the RTAA's strategic priority to optimize General Aviation operations and services at both airport locations and facilitate third-parties to take advantage of the demand to support a thriving General Aviation community. At the same time, the RTAA supports and recognizes the important balance between growing the GA community at Reno-Stead and the National Championship Air Races - both of which have local economic impact. RTAA initiatives to optimize General Aviation include encouraging a variety of FBO contracts and other service vendors; attracting jet service centers and maintenance/repair facilities and optimizing the GA customer service experience to attract/retain General Aviation activity.

Long-Term Goals: RTAA's strategic efforts to expand general aviation at both airports are focused on the following: (1) support a vibrant GA community through optimizing the GA

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customer service experience; (2) encourage Reno-Tahoe GA support through use of service vendors (such as FBOs, MROs, etc.); and (3) encourage Reno-Stead GA support through use of service vendors (such as FBOs, MROs, etc.).

3. Strategic Priority – Expand Cargo Development and Service

Air cargo, or goods transported by aircraft, serves as a key engine of economic growth and development for the RTAA and the region. Air cargo development is a significant revenue generator for the airport and creates a positive domino effect throughout the region as it relates to local business opportunity and economic impact.

Rationale: Air cargo promotes connectivity, creates new business potential, and supports the region’s natural advantages, positioning the area as a regional distribution point.

It also shows diversification of the business sector and provides new business potential to the area. Specifically, as cargo increases to the region, storage and ground transportation demands increase, creating opportunity for industrial warehousing.

Strategic Direction/Shift: Cargo is a direct revenue generator for the airport providing additional financial security and income to offset the airport’s needs. It also has a positive trickle-down effect throughout the region.

It is the RTAA’s strategic priority to enhance existing cargo support services to retain current cargo volume while also focusing to actively grow cargo development and helping to position the region as a West Coast distribution point. Cargo development provides the airport and region with great opportunity for economic growth and international expansion.

Long-Term Goals: RTAA’s strategic efforts to expand cargo development are focused on the following: (1) maintain existing cargo support service to retain current cargo volume; (2) position the region as a West Coast distribution point by actively growing cargo development at RTIA; and (3) continue to optimize infrastructure to address market demand in a cost-effective manner.

4. Strategic Priority – Facilitate Economic Development at both Airports

Enhancing long-term financial stability and remaining self-sufficient is a foundational strategy for the Reno-Tahoe Airport Authority. While direct airline rates and charges contribute approximately 34% of the revenue stream, the remaining 66% are generated by non-airline sources such as parking fees, rent collected from airport tenants, rental car and terminal concessions, hangar and land leases, etc.

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Rationale: Airport business development and revenue diversification is vital to RTAA’s long-term growth and financial stability. Understanding that the airports are a conduit to regional economic growth—this also results in positive impact to the region.

Strategic Direction/Shift: Both the Reno-Tahoe and Reno-Stead Airports present unique economic development opportunities including new business activities on and off the airfield through development of vacant land. It is the RTAA’s strategic priority to diversify the revenue portfolio, facilitate airport land development at both locations, and support necessary investments to ensure our vital assets serve the region as expected.

As part of the overall strategic priority, the RTAA is focused on optimizing the new terminal at Reno-Stead and leveraging this asset to enhance economic development for both the airport and the region.

The Authority will continue to increase and diversify RTAA revenue and business activities to create dynamic, long-term economic growth and stability—resulting in further positive economic impact to the region.

Long-Term Goals: RTAA’s strategic efforts to facilitate economic development at both airports include the following: (1) facilitate airport land development and airport owned building occupancy to optimize and diversify the revenue portfolio at Reno-Tahoe; (2) facilitate airport land development and airport owned building occupancy to optimize and diversify the revenue portfolio at Reno-Stead; (3) launch, market, and lease the new Reno-Stead Airport Terminal; (4) maximize all existing non-airline revenue at both airports (parking, concessions, rental cars, etc.) to optimize and diversify the revenue portfolio.

5. Strategic Priority – Provide a Positive Environment and Experience for All

The airport makes the ultimate first and last impression when people come to the region; it is the RTAA’s goal to continue a positive environment and influence a favorable, lasting impression on everyone who visits, works at and utilizes both airports.

Rationale: First-class customer service is part of the RTAA’s DNA and it is a goal to continue an environment reflective of the service-oriented culture. Satisfied customers are the hallmark of a healthy and vibrant airport and RTAA staff is committed to continually enhancing the customer experience as well as the organizational environment.

Strategic Direction/Shift: The Authority views everyone that uses the airport as a customer, inclusive of airline passengers, air service partners, vendors, General Aviation users and local business/community members. The RTAA’s goal is to enhance the holistic customer experience for all stakeholders. This includes continually improving customer convenience and supporting hospitality for all customers.

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

Long-Term Goals: RTAA’s strategic efforts to promote a positive environment and experience for all include the following: (1) continually improve customer convenience and service, support hospitality along with welcoming all customers; (2) continue to strengthen the professional development, skills and abilities of the RTAA staff and Board of Trustees to stay proactive in industry changes, demands, best practices and strategic shifts; (3) foster trust and continue to build a collaborative, supportive environment between staff and the Board of Trustees; and (4) maintain and enhance the RTAA environment and organizational values.

Guiding Principles/Operating Practices

Along with the above Strategic Priorities, the Authority is committed to key Guiding Principles/ Operating Practices that guide our everyday efforts.

1. Operational Efficiency and Facility Development – RTAA will continually strive to maintain and expand aviation services to our region by serving as a catalyst with passenger and cargo airlines, general aviation, and other tenants/partners. Staff is committed to being efficient, responsive and flexible to market demand, while continually evaluating the adequacy of our facility mix to ensure the airports are functional and attractive.
2. Safety and Security – the safety and security of everyone who utilizes our airport facilities is our primary concern.
3. Customer Service – Satisfied customers are the hallmark of a healthy and vibrant service organization and RTAA staff is committed to ensuring that all customers receive the very best service possible. The Authority views everyone who enters our airport environment as a customer worthy of our best service effort whether they are airline passengers, vendors, or general aviation users.
4. Financial Integrity – RTAA will do all we can to ensure the financial stability of the airports under our control and staff is committed to honesty and transparency in all of our financial transactions.

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5. Professionalism and Ethics – RTAA values and respects the contribution each individual makes to the success of our endeavors. Each employee is held to a standard of professionalism and ethical behavior that respectful and supportive of one another. Our organization will always benefit from a commitment to teamwork between staff and the Board of Trustees and the Authority recognizes and values the contribution vendors and service providers make to our airports.
6. Environmental Responsibility – RTAA is committed to environmental awareness and protection. Our staff will strive to develop policies and procedures that minimize the impact of airport operations on the natural environment and our organization supports and pursues environmentally sustainable aviation business practices.

Strategic Plan Initiatives and Budget Goals

At the October 10, 2013 Board of Trustees Meeting, the Board approved moving forward with a work plan, which is reflected in the FY 2014-15 budget goals and initiatives, proposed by staff to implement the Comprehensive Strategic Plan.

This approved work plan includes the following:

1. Air Service Development

- a. Maintain Current Levels of Air Service
 - i. Redevelop the Regional Air Service Committee to create a two-way dialogue and action-oriented community group that assists more aggressively in air service development efforts.
 - ii. Utilize the results of the recent business travel demand survey conducted by the Economic Development Authority of Western Nevada (EDAWN) to determine travel patterns and traits, and also use these results to build out a better business travel demand model for discussions with airlines.
 - iii. Meet with incumbent carriers at least twice per year to discuss the viability of existing services and inform existing carriers on the growth and changes occurring in our region.
 - iv. Explore the creation and/or expansion of air service development funding mechanisms through the State or other resources. As part of this effort, staff will take a leadership role to develop and implement an awareness campaign to build a coalition of support.
- b. Grow Air Service
 - i. Target a minimum of four new markets, which may include New York, Washington, DC, Atlanta, Minneapolis/St. Paul and Long Beach. Target and approach appropriate

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- carriers whose networks and strategies would support potential nonstop service to these markets.
- ii. Evaluate all potential new market opportunities beyond the four target markets and continue to explore all other market possibilities, should such markets make sense to pursue.
 - iii. Focus on specific key carriers that match carrier networks, and more importantly, strategies with targeted markets and routes.

2. General Aviation Operations and Services

a. Aircraft and Aircraft Parts Tax Abatements

Despite two prior efforts, the State of Nevada remains at a competitive disadvantage in retaining and attracting new aviation manufacturers and Maintenance, Repair, and Overall (MRO) firms due to Nevada being the only state in the west with a sales and use tax on aircraft and aircraft parts. A proposed third effort to get legislative changes approved in the 2015 Nevada legislative session is in process and involves multiple phases.

Each phase will commence with an assessment of the current political situation, outreach to and planning with stakeholders who represent the diverse interests, including the airlines, general aviation, cargo, and Unmanned Aircraft Systems (UAS) sector. RTAA has taken a leadership role in building the coalition of support and directing the effort.

b. General Aviation Customer Relations and Services

i. Reno-Tahoe International Airport (RTIA) Tenant Relations and Marketing Plan

The following actions are a part of the RTAA work plan to strengthen relations and grow the general aviation community at RTIA:

1. Analyze RTIA Strengths, Weaknesses, Opportunities and Threats (SWOT) regarding services as identified through stakeholder group discussions.
2. Enhance partnership with Atlantic Aviation to improve RTIA hangar marketing.
3. Design and manage a general aviation website.
4. Host general aviation special events.
5. Utilize social media to enhance the general aviation business and customer service climate.

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ii. General Aviation (GA) Services Demand Survey

A consultant is under contract to assess and compare existing GA facilities, service vendors and customer services levels at both RTAA airports in comparison with other airports of like size and situation, as well as conduct a GA demand survey to determine facility and service needs. This survey is anticipated to be completed by June 2014 with results analyzed to determine proposed next steps.

3. Cargo Development

a. Maintain Current Levels of Air Cargo Service

- i. Establish an Air Cargo User Group targeting regional air cargo users throughout the supply chain (forwarders, suppliers, distribution centers, etc.) and develop an ongoing discussion and action-oriented group.
- ii. Meet with incumbent carriers at least twice per year to discuss the viability of existing services and inform carriers on changes occurring in the region.

b. Grow Air Cargo Service

- i. Continue to expand outreach and awareness efforts both domestically and internationally.
- ii. Utilize input collected from Air Cargo User Group to further enhance cargo business case.
- iii. Target prime growth markets and specific key carriers to present fully comprehensive business cases.
- iv. Evaluate and pursue potential new market opportunities as they may arise.

4. Economic Development

a. Request for Qualifications (RFQ) Advertisements

Upon the formal adoption of a RTIA Land Use Plan, develop a Request for Qualification (RFQ) process to solicit development interest for the various vacant parcels of land at Reno-Tahoe International Airport.

i. Reno-Tahoe International Airport Land with the following exceptions:

1. Approximately 45 acres of land at the southeast corner of McCarran Boulevard and Airway Drive commonly known as Home Gardens. This parcel is currently under a current right of entry and hold harmless agreement with Dermody Properties. A negotiated 50-year Land Lease Agreement was approved by the Board, subject to a due diligence verification of terms.

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2. A portion of land south and north of Dassault Aviation Services (DAS) due to on-going good faith negotiations for DAS' expansion at RTIA.
3. Existing RTIA buildings and hangars are marketed separately through LoopNet, RTAA website, signage and broker community.

ii. Reno-Stead Airport Land

Staff issued a Stead land RFQ following the Federal Aviation Administration (FAA) Unmanned Aircraft Systems (UAS) site selection determination for the State of Nevada. This announcement, combined with TMRPA's industrial land inventory report and current 7.9% vacancy rates, is significantly changing the demand for Stead land and proposed development products.

b. Reno-Stead Terminal/Emergency Operations Center Marketing Plan

Based on market research, staff established an asking lease rate of \$1.44 per square foot per month for the 1,572 square foot space programmed for Class A Office, Retail or Restaurant use. Target tenants such as aviation companies and aviation support services, including Unmanned Aircraft Systems businesses, emergency response operators and food concessionaires.

5. Positive Environment

a. Customer Experience

- i. A customer intercept survey is currently being conducted by an independent firm. The results of the survey will be shared with the Trustees and regional partners/stakeholders becoming part of the RTAA's standard community presentation materials. The results will also be used to modify/refine the RTAA's approach to customer service.
- ii. A social media plan will be developed that will set social media goals, establish a social media communication style and plan a day-to-day approach to social media.

b. Training & Innovation

- i. Modify the new employee orientation/on-boarding process by involving senior leadership in introducing new employees to the organizational culture, setting expectations for success and connecting them to the organizational values at the outset.
- ii. Create opportunities for staff to advance within the organization by building a more robust succession planning program. This will be a process through which the RTAA will assess current employee skills to identify talented employees that may be able to fill key roles by assuming more challenging duties within the organization; providing additional skills development as needed.

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- c. Organizational/Staff Environment
 - i. Initiated a ‘We Heard You’ campaign by branding each new organizational communication activity with a tie-back to addressing an element employees expressed during the all employee survey or in other less formal communications. The goal is to address employee concerns, while creating employee awareness of these various actions and to capitalize on the ‘New Approach’ being rolled out from the Marketing team.
 - ii. The current organizational values will be reviewed to determine whether they reflect the new corporate culture. Values may be added, removed or revised to ensure that they tie directly to the new culture of the organization.
 - iii. Participate in the ‘Best Places to Work’ initiative offered by the Northern Nevada Human Resources Association. This program is for companies that have found creative ways to maintain a healthy and viable organization, while still finding creative ways to recognize and reward employee engagement. Nominees, finalist and winners are determined by employee responses to a detailed survey and categorized based on organizational size.
 - iv. The Human Resources Department is partnering with an outside consultant to perform an organizational-wide salary survey to review current positions and salaries throughout the organization. The goal will be to identify in which areas the RTAA leads, lags or meets salaries for similar competitive positions.

FY 2014-15 Budget – Resource Identification

In order to achieve the goals and measurements of the Board directed Strategic Initiatives, staff identified resources needed to implement the work plan as outlined. This included the requirement to engage consultants with subject matter expertise in the areas of transportation, airports, general aviation, airlines and tourism. In addition, the consultants may be needed with expertise in economic analysis and planning, marketing, and strategic advocacy. In many cases, the resources identified crossed several different departments and functional operational areas within the Authority.

The following table outlines resources identified originally in the FY 2013-14 Budget, the updated FY 2013-14 Mid-Year Forecast, and the FY 2014-15 Budget specifically dedicated to the achievement of the Strategic Priorities:

STRATEGIC PRIORITIES AND WORK PLAN RESOURCES

- 1. Strategic Priority – Increase Air Service ***
- 3. Strategic Priority – Expand Cargo Development and Service ***

❖ Due to the overlap of resources dedicated to these two related Strategic Priorities, the work plan resources have been combined.

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	FY 2013-14 Budget	FY 2013-14 Mid-Year Forecast	FY 2014-15 Budget
Airline Catalytic Economic Impact Study	\$ --	\$ 49,000	\$ --
International Air Cargo Study	30,000	30,000	--
Air Service Studies	80,000	20,000	100,000
Air Service Data Base Information	30,000	30,000	30,000
Sierra Ski Marketing Council	50,000	50,000	50,000
Air Service Marketing Program	151,775	151,775	147,200
Regional Air Service Committe (formerly Regional Marketing Committee)	50,000	50,000	50,000
Trade Show Booth (Routes)	20,000	20,000	20,000
Other Advertising and Promotion	20,000	20,000	20,000
Air Service Development Staff	540,295	540,295	641,310

	FY 2013-14 Budget	FY 2013-14 Mid-Year Forecast	FY 2014-15 Budget
Staff Travel / Airline Meetings and Conference Registration	103,800	103,800	88,585
Web Site Maintenance & Update – Air Service Focus	16,000	16,000	14,000
Airline Incentives – Waiver of Airline Rates and Charges	250,000	250,000	400,000
Total Strategic Priority #1 and #3 Funding	\$1,341,870	\$1,330,870	\$1,561,095

2. Strategic Priority – Optimize General Aviation Services and Operations

	FY 2013-14 Budget	FY 2013-14 Mid-Year Forecast	FY 2014-15 Budget
National Championship Air Race Sponsorship	\$ 35,000	\$ 60,000	\$ 100,000
Marketing /Customer Service	--	17,000	12,500
General Aviation / Unmanned Aircraft System (UAS) Survey	--	42,000	--
Hangar Maintenance and Repairs	173,800	173,800	261,350
Total Strategic Priority #2 Funding	\$208,800	\$292,800	\$373,850

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4. Strategic Priority – Facilitate Airport Economic Development

	FY 2013-14 Budget	FY 2013-14 Mid-Year Forecast	FY 2014-15 Budget
General Aviation/UAS Tax Abatement Study	\$ --	\$ 69,000	\$ 45,000
UAS Marketing	--	30,000	30,000
Infrastructure Analysis –Reno-Stead Airport	--	80,000	--
Market Research and Business Development	40,000	5,000	100,000
Airport Economic Development Staff	864,900	864,900	893,000
UAS Test Site – Operational Support	--	4,000	132,700
Total Strategic Priority #4 Funding	\$904,900	\$1,052,900	\$1,200,700

5. Strategic Priority – Provide a Positive Environment

	FY 2013-14 Budget	FY 2013-14 Mid-Year Forecast	FY 2014-15 Budget
Customer Service Survey	\$ 20,000	\$ 20,000	\$ --
Community Outreach	35,000	51,000	54,800
Art Program	8,500	8,500	10,000
Organizational Training / Tuition Reimbursement	43,545	43,545	26,830
Human Resources / Public Relations Staff	1,437,135	1,437,135	1,537,485
Incentive Awards	11,085	11,085	17,000
Total Strategic Priority #5 Funding	\$1,555,265	\$1,571,265	\$1,646,115
TOTAL STRATEGIC PRIORITY FUNDING	\$ 4,010,835	\$ 4,247,835	\$ 4,781,760

FY 2014-15 Budget Percentage Increase of 19%	\$ 770,925
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While the increase of 19% represents the assignment of more resources to the strategic priorities, the overall increase in the FY 2014-15 operations and maintenance budget as compared to the FY 2013-14 Budget is 3.9%.

Department Responsibilities and Initiatives

In the Section 7 Expenditures, each department within the Authority is discussed in detail, which includes a mission statement, key responsibilities, a progress report on initiatives outlined in the adopted FY 2013-14 Budget and new FY 2014-15 Budget initiatives.

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Each of the department initiatives are linked to the Strategic Priorities and Guiding Principles outline in this section. The department initiatives are the specific work plan and key steps Authority staff is undertaking to achieve the strategic priorities adopted by the Board of Trustees in the Strategic Plan.

Section 4 – Organization Guide

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

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

<u>TRUSTEE NAME</u>	<u>REPRESENTING</u>	<u>TERM EXPIRES</u>
Nat Carasali, Chair	Washoe County	June 2017
Andrew Wirth, Vice-Chair	Reno-Sparks Convention & Visitors Authority	June 2017
Rick Murdock, Secretary	City of Reno	June 2017
Dr. Kosta Arger, Treasurer	City of Reno	June 2015
William “Bill” Eck	City of Sparks	June 2017
Jerry L. Hall	City of Reno	June 2017
Steve Katzmann	City of Reno	June 2015
Robert Larkin	Washoe County	June 2015
Adam Mayberry	City of Sparks	June 2015

FY 2014-15 PERSONNEL COMPLEMENT

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

ADDITIONS OR CHANGES

PRESIDENT/CEO

Air Service Business Development

The Director of Air Service Business Development position has been reclassified as the Vice-President of Air Service Development to more accurately reflect the duties and responsibilities of the position.

Marketing and Public Affairs

The Vice-President of Air Service, Marketing and Public Affairs position has been reclassified as the Vice-President of Marketing and Public Affairs to more accurately reflect the duties and responsibilities of the position.

Marketing and Public Affairs

The Administrative Assistant position has been reclassified as Project Technician to more accurately reflect the duties and responsibilities of the position.

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Marketing and Public Affairs

The Marketing Coordinator position is a reclassified Interdepartmental Project Liaison position moved to this department from Executive Vice-President/COO. The position title has been changed to more accurately reflect the duties and responsibilities of the position.

Economic Development

The Administrative Assistant position has been reclassified as Project Technician to more accurately reflect the duties and responsibilities of the position.

EXECUTIVE VICE PRESIDENT/COO

Executive Vice President/COO

The Interdepartmental Project Liaison position has been moved to Marketing and Public Affairs department. The position title has been changed to Marketing Coordinator to more accurately reflect the duties and responsibilities of the position.

Technology and Information Systems

A new position of Project Manager has been added to this department. This position will be responsible for managing large technology projects such as the Flight Information Display System (FIDS)/Paging/Visual Paging replacement project and the Airport Communications Center Upgrade project. In addition, this position will coordinate and participate in all phases of the System Development Life Cycle (SDLC) for each technology project, including change management, system analysis, design, acquisition, installation, testing, training and transitions to support agreements.

Unmanned Aircraft Systems (UAS)

A new position of Project Manager has been added to this new department. This position will be responsible to coordinate UAS related operational activities at the Reno-Stead Airport including providing services necessary to facilitate UAS testing per the Authority's agreement with Nevada Institute for Autonomous Systems, Inc., ("NIAS"). It is anticipated that UAS operations will grow to include flights during all hours and days of the week, including weekends, which will exceed current staff capabilities.

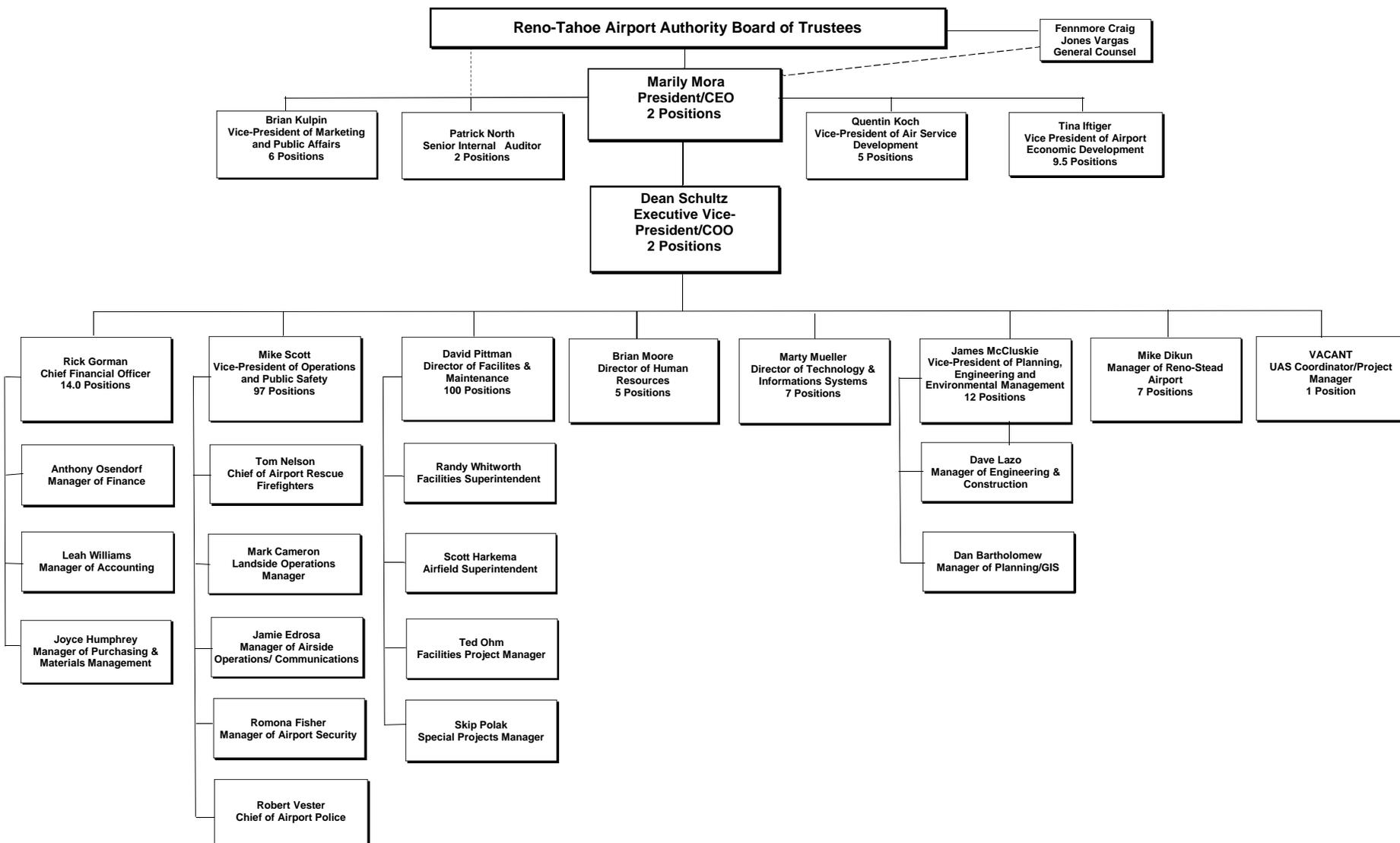
VACANT POSITIONS

In response to the economic slowdown and reductions in passenger traffic, various vacant positions shown in the personnel complement have been frozen by the President/CEO and are not funded in the FY 2014-15 Budget for personnel services.

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Positions that become vacant during the 2014-15 fiscal year will be reviewed on a case by case basis as to whether the position will be filled or frozen as part of the organizational savings effort. The President/CEO may unfreeze various positions throughout the fiscal year depending on workload factors and/or need to optimize the skill mix of the Airport Authority as other positions become vacant or other budget savings present themselves.

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Personnel Complement

	Budgeted and/or Authorized FY 2012-13	Budgeted and/or Authorized FY 2013-14	Budgeted and/or Authorized FY 2014-15
Board of Trustees Department			
Board of Trustees *	9.0	9.0	9.0
Internal Audit Section			
Senior Internal Auditor	1.0	1.0	1.0
Internal Auditor	1.0	1.0	1.0
Total Internal Audit Section	2.0	2.0	2.0
Total Board of Trustees Department	2.0	2.0	2.0
President/CEO Department			
President/CEO	1.0	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Total President/CEO	2.0	2.0	2.0
Air Service Business Development Section			
Vice-President of Air Service Development	0.0	0.0	1.0
Director of Air Service Business Development	1.0	1.0	0.0
Manager of Air Service	1.0	1.0	1.0
Aviation Analyst	1.0	1.0	1.0
Marketing Coordinator	1.0	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Total Air Service Business Development Section	5.0	5.0	5.0
Marketing and Public Affairs Section			
Vice-President of Marketing and Public Affairs	0.0	0.0	1.0
Vice-President of Air Service, Marketing and Public Affairs	1.0	1.0	0.0
Manager of Air Service Marketing & Special Events	1.0	1.0	1.0
Marketing Program Manager	0.0	0.0	0.0
Marketing Coordinator	2.0	1.0	2.0
Manager of Public Affairs and Customer Service	1.0	1.0	1.0
Manager of Marketing and Public Affairs	0.0	0.0	0.0
Administrative Assistant I/II	1.0	1.0	1.0
Administrative Clerk	1.0	1.0	1.0
Total Marketing and Public Affairs Section	7.0	6.0	7.0
Economic Development Section			
Vice-President of Airport Economic Development	1.0	1.0	1.0
Director of Airport Economic Development	0.0	0.0	0.0
Assistant Director of Airport Economic Development	0.0	0.0	0.0
Real Estate Supervisor	1.0	1.0	1.0
Concessions Program Manager	0.0	0.0	0.0
Manager of Concessions	1.0	1.0	1.0
Airport Economic Development Specialist	3.0	3.0	3.0
Property Technician	2.0	2.0	2.0

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	Budgeted and/or Authorized FY 2012-13	Budgeted and/or Authorized FY 2013-14	Budgeted and/or Authorized FY 2014-15
Project Technician	0.0	1.0	1.0
Administrative Assistant I/II	1.5	0.5	0.5
Total Economic Development Section	9.5	9.5	9.5
Total President/CEO Department	23.5	22.5	23.5
Executive Vice President/COO Department			
Executive Vice-President/COO	1.0	1.0	1.0
Interdepartmental Project Liaison	0.0	1.0	0.0
Executive/Board Assistant	1.0	1.0	1.0
Total Executive Vice President/COO	2.0	3.0	2.0
Technology and Information Systems Section			
Director of Technology and Information Systems	1.0	1.0	1.0
Project Manager	0.0	0.0	1.0
Telecommunications Technician	1.0	1.0	1.0
Network Administrator II	1.0	1.0	1.0
Network Administrator I	1.0	1.0	1.0
Database Administrator	1.0	1.0	1.0
Computer Application Specialist	1.0	1.0	1.0
Total Technology and Information Systems Section	6.0	6.0	7.0
Reno-Stead Airport Section			
Manager of Reno-Stead Airport	1.0	1.0	1.0
Program Technician	1.0	1.0	1.0
Airfield Maintenance Worker I/II	2.0	2.0	2.0
Equipment Mechanic	1.0	1.0	1.0
Airfield Maintenance Technician	0.0	1.0	1.0
Lead Airfield Maintenance Technician	1.0	1.0	1.0
Total Reno Stead Airport Section	6.0	7.0	7.0
Unmanned Aircraft Systems			
Project Manager	0.0	0.0	1.0
Total Unmanned Aircraft Systems	0.0	0.0	1.0
Human Resources Section			
Director of Human Resources	1.0	1.0	1.0
Senior Benefits Specialist	1.0	1.0	1.0
Human Resources Specialist	1.0	1.0	1.0
Training Specialist	1.0	1.0	1.0
HR Administrative Assistant	1.0	1.0	1.0
Total Human Resources Section	5.0	5.0	5.0
Total Executive Vice President/COO Department	19.0	21.0	22.0

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	Budgeted and/or Authorized FY 2012-13	Budgeted and/or Authorized FY 2013-14	Budgeted and/or Authorized FY 2014-15
Finance and Administration Department			
Accounting and Administration Section			
Chief Financial Officer	1.0	1.0	1.0
Manager of Accounting	1.0	1.0	1.0
Accountant	1.0	1.0	1.0
Payroll Administrator	1.0	1.0	1.0
Accounting Technician	1.0	1.0	1.0
Accounting Specialist II	1.0	1.0	1.0
Administrative Assistant II	1.0	1.0	1.0
Total Finance and Accounting Section	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
Finance and Budgeting Section			
Manager of Finance and Budgeting	1.0	1.0	1.0
Financial Analyst	1.0	1.0	1.0
Total Finance and Budgeting Section	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Purchasing & Materials Management Section			
Manager of Purchasing & Materials Management	1.0	1.0	1.0
Senior Buyer	1.0	1.0	1.0
Materials Management Supervisor	1.0	1.0	1.0
Materials Control Technician	1.0	1.0	1.0
Warehouse Assistant/Driver	1.0	1.0	1.0
Total Purchasing & Materials Management Section	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Total Finance and Administration Department	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>
Operations and Public Safety Department			
Vice-President of Operations and Public Safety	1.0	1.0	1.0
Project Technician	0.0	1.0	1.0
Administrative Assistant I/II	1.0	0.0	0.0
Total Vice-President of Operations and Public Safety	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Airside Operations Section			
Manager of Airside Operations/Communications	1.0	1.0	1.0
Operations Supervisor	6.0	7.0	7.0
Senior Communications Specialist	1.0	1.0	1.0
Airport Communications Specialist I/II	9.0	9.0	9.0
Total Airside Operations Section	<u>17.0</u>	<u>18.0</u>	<u>18.0</u>
Landside Operations Section			
Manager of Landside Operations	1.0	1.0	1.0
Administrative Assistant I/II	1.0	1.0	1.0
Parking Lot Attendant	8.0	9.0	9.0
Parking Shift Leader	5.0	4.0	4.0
Total Landside Operations Section	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>

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	Budgeted and/or Authorized FY 2012-13	Budgeted and/or Authorized FY 2013-14	Budgeted and/or Authorized FY 2014-15
Airport Rescue and Fire Section			
Chief of Airport Rescue Firefighters	1.0	1.0	1.0
Deputy Chief of Airport Firefighters	1.0	1.0	1.0
Fire Captain	3.0	3.0	3.0
Driver/Operator	6.0	6.0	6.0
Fire Fighter	9.0	9.0	9.0
Total Airport Rescue and Fire Section	20.0	20.0	20.0
Airport Police Section			
Chief of Airport Police and Security	0.0	0.0	0.0
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	17.0	17.0	17.0
Administrative Assistant I/II	0.0	1.0	1.0
Total Airport Police Section	23.0	24.0	24.0
Airport Security Section			
Manager of Airport Security	1.0	1.0	1.0
Operations Supervisor	1.0	0.0	0.0
Airport Security Specialist	16.0	16.0	16.0
Program Technician	1.0	1.0	1.0
Administrative Assistant II	1.0	0.0	0.0
	20.0	18.0	18.0
Total Operations and Public Safety Department	97.0	97.0	97.0
Planning and Engineering Department			
Planning and Environmental Services Section			
Vice-President of Planning, Engineering and Environmental Management	1.0	1.0	1.0
Environmental Program Manager	1.0	1.0	1.0
Manager of Airport Noise Program	1.0	1.0	1.0
GIS Planning Manager	0.0	1.0	1.0
Senior Planner	0.0	1.0	1.0
Airport Planner I/II	1.0	0.0	0.0
Noise Analyst	1.0	1.0	1.0
Program Technician	2.0	1.0	1.0
Total Planning and Environmental Services Section	7.0	7.0	7.0

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Personnel Complement

	Budgeted and/or Authorized FY 2012-13	Budgeted and/or Authorized FY 2013-14	Budgeted and/or Authorized FY 2014-15
Engineering and Construction Section			
Manager of Engineering & Construction	1.0	1.0	1.0
Project Manager	2.0	2.0	2.0
Capital Improvements & Grant Coordinator	1.0	1.0	1.0
Architectural/Engineering Technician	0.0	1.0	1.0
Total Engineering and Construction	4.0	5.0	5.0
Total Planning and Engineering Department	11.0	12.0	12.0
Facilities and Maintenance Department			
Director of Facilities and Maintenance Section			
Director of Facilities and Maintenance	1.0	1.0	1.0
Facilities Project Manager	1.0	1.0	1.0
Construction Manager	1.0	1.0	1.0
Project Technician	1.0	1.0	1.0
Special Projects Manager	1.0	1.0	1.0
Total Director of Facilities and Maintenance Section	5.0	5.0	5.0
Airfield Maintenance Section			
Airfield Maintenance Superintendent	1.0	1.0	1.0
Airfield Maintenance Supervisor	2.0	2.0	2.0
Airfield Maintenance Technician	3.0	3.0	3.0
Equipment Mechanic	3.0	3.0	3.0
Equipment Operator	0.0	0.0	0.0
Senior Grounds Maintenance Worker	1.0	1.0	1.0
Grounds Maintenance Worker	1.0	1.0	1.0
Airfield Maintenance Electrician	3.0	3.0	3.0
Airfield Maintenance Worker I/II	12.0	12.0	12.0
Administrative Assistant I/II	1.0	1.0	1.0
Total Airfield Maintenance Section	27.0	27.0	27.0
Building Maintenance and Services Section			
Facilities Superintendent	1.0	1.0	1.0
Facilities Supervisor	6.0	6.0	6.0
Building Maintenance Technician	7.0	7.0	7.0
Building Maintenance Worker I/II	6.0	6.0	6.0
HVAC Technician	5.0	5.0	5.0
Building Maintenance Electrician	3.0	3.0	3.0
Maintenance Scheduler	1.0	0.0	0.0
Maintenance Scheduler/Planner	0.0	1.0	1.0
Facilities & Maintenance Planner	1.0	0.0	0.0

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Personnel Complement

	Budgeted and/or Authorized FY 2012-13	Budgeted and/or Authorized FY 2013-14	Budgeted and/or Authorized FY 2014-15
Senior Airport Facilities Custodian	2.0	2.0	2.0
Airport Facilities Custodian	37.0	37.0	37.0
Total Building Maintenance and Services Section	69.0	68.0	68.0
Total Facilities and Maintenance Department	<u>101.0</u>	<u>100.0</u>	<u>100.0</u>
TOTAL AIRPORT (Does not include the appointed Board of Trustees)	<u><u>267.5</u></u>	<u><u>268.5</u></u>	<u><u>270.5</u></u>

* Appointed positions

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As a quasi-municipal corporation, the Reno-Tahoe Airport Authority (RTAA) was created by the Nevada Legislature to acquire, operate, and finance the Reno-Tahoe International Airport and the Reno-Stead Airport and related facilities. The RTAA operates financially as a proprietary enterprise fund, which means its method of accounting is similar to private business. An enterprise fund is an accounting method that utilizes a separate fund for a specific purpose, which in this case is operating an airport system. Enterprise funds are self sufficient, with the enterprise's revenues paying the enterprise's expenses.

Basis of Accounting/Budgeting

Under Generally Accepted Accounting Principles, the RTAA's annual audited financial statement is prepared on the accrual basis. The RTAA's budget is also presented on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The trust funds mentioned in this Section, and later in the document, are required by the RTAA's revenue bond resolutions. The bond resolutions prescribe the flow of the RTAA's revenues through the trust funds, and prioritize the revenues' use. These are not the funds typically used in fund accounting which is common in the public sector.

Legal Requirements

The enabling legislation, which created the RTAA, requires the budget process complies with the Local Government Budget Act, and the Local Government Purchasing Act. The Local Government Budget Act calendar of budget events was mentioned previously in the Introduction Section.

The Local Government Purchasing Act significantly affects the RTAA's financial operation. This Act controls all government purchasing in Nevada and requires that purchases exceeding \$50,000 must be formally bid with notices published in local newspapers. The Act also defines certain exceptions to the required bidding process such as professional services, computer equipment, and insurance.

The Authority is also subject to the Local Government Securities Law, which defines the process to be used by local Nevada governments, including the RTAA, when issuing short and long term debt.

In addition to these state laws, other factors affecting the RTAA's budget process are the airline agreement and revenue bond resolutions.

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Revenue

The airline agreement, discussed later in this narrative section, establishes the important airline rate setting mechanism for the RTAA. Those formulae for the airline landing fee and terminal rental rates are shown in the following pages. The cost center mechanism of the airline agreement also aids the RTAA in setting other non-airline rates and monitoring the profitability of various business products and services. Most of RTAA's concession agreements are awarded through a competitive proposal process. The non-airline concession revenues are also discussed in Section 6 – Revenues.

Airline Agreement

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

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

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

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

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On the opposite end of the spectrum, a pure compensatory rate-making approach is where the airport operator assumes the overall financial risk for the airport operation. As such, the airport operator does not provide any non-aeronautical revenue credits towards the airline rate base and the airlines have limited financial decision making power.

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

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

The Authority is currently operating under a five (5) year airline agreement and business arrangement that went into effect July 1, 2010. The current agreement is a hybrid with net airfield costs and associated landing fees established on a cost center residual methodology in which the signatory airlines bear 100% of the financial risk for the airfield. The expenditures, which are primarily comprised of operating and debt service, in the Airfield cost center are divided by estimated aircraft landed weight resulting in a landing fee rate.

In contrast, the terminal building rental rates reflect a commercial compensatory rate setting formula that places the financial risk of funding terminal building costs with the Authority. The expenditures, which are primarily comprised of operating expenses and debt service, in the Terminal Building cost center are divided by a “rentable” space divisor (total terminal space available that is revenue producing and available for lease). The result of this approach is that the signatory airlines are only responsible for terminal building costs allocated to airline leased premises and any costs allocated to vacant, concession, or other rentable space is the financial responsibility of the Authority.

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

The agreement also provides for an airline review of the budget and allows airlines to vote to deny cost recovery in the airline rates of large capital projects in the airline cost centers. Through negotiations with the airlines, the current agreement provides that the first \$1 million of

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projects in the Airfield Cost Center, \$2 million in the Terminal Building Cost Center, and \$500,000 in the BHS Cost Center will not be subject to a denial vote. The airlines will review and vote on the projects over these thresholds. Capital projects over \$300,000 must be amortized over the useful life of the asset and cannot be included in its entirety in the year it is placed in service.

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

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

The Majority-In-Interest for a Terminal Building project is 60% of the signatory airlines that paid at least 50% of the total terminal rents during the immediate preceding fiscal year or 50% of the signatory airlines that paid at least 60% of the total terminal rents for the same period

This type of formula is common in the airport industry to foster a democratic process for the large and small airlines that may have different capital project goals at the airports they serve.

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

The RTAA budgeted cost per enplanement (CPE) for fiscal year 2013-14 was \$7.85 and it is currently forecasted at \$8.13. The CPE for FY 2014-15 is budgeted to be \$8.15. This increase reflects a modest increase in costs allocated to airline cost centers, a lower forecasted revenue sharing credit, and a 0.5% decrease in signatory enplaned passenger traffic as compared to FY 2013-14 forecasted results.

Cost per enplanement is equivalent to a municipal or county government cost per capita as a means of comparing different governments' cost of operation.

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Bond Resolution - Trust Funds

To finance capital improvement projects and construct new facilities, the Authority issues Airport System bonds that are special, limited obligations of the Authority paid solely from and secured by Net Revenue (Gross Revenue remaining after the dedication of Operation and Maintenance Expenses) and other funds established by a Bond Resolution. Under the Bond Resolution, the Authority pledges to deposit its revenues and to fund its operations and required reserve accounts as established through a defined priority basis.

The Authority has pledged that it will adopt, revise, and continue in effect a schedule of rentals, fees, and charges sufficient to generate revenues in an amount equal to or greater than the sum of 1.25 times the amount of annual requirements on the Outstanding Bonds or 100% of the amount required to be deposited in the various funds and accounts as required by the Bond Resolution.

The Authority will seek to maintain a diversified revenue stream with the goal of keeping airline rates, fees, rentals and charges as reasonable as possible.

The RTAA has several funds that accumulate cash and investments for specific and discretionary purposes. From a governmental accounting standpoint, the RTAA is an enterprise fund and various fund accounts are created as provided in bond indenture documents. The Authority's establishment of funds are not the typical governmental purpose type funds seen in municipal government accounting. The funds mentioned in this section and their payment priority were established by the RTAA's revenue bond resolutions and are not inclusive of all the cash, cash equivalents and investments of the RTAA that are reflected on the Statement of Cash Flows in Section 11 - State of Nevada.

These funds are common in the airport industry's revenue bond resolutions. The revenue bond resolutions are, in effect, the RTAA's contract with the purchasers of the revenue bonds. This contract specifies how the RTAA will manage its money so that it will have sufficient funds to operate the airport system, and to pay the interest and principal due on the revenue bonds.

There are several funds which are used to handle the daily receipts and disbursements. The funds with the most activity are the Revenue Fund, and the Operation and Maintenance Fund. All revenues flow through the Revenue Fund and are distributed as needed to the other funds listed below. All of these funds will remain in place until the RTAA's revenue bonds are repaid. The funds are listed in order of their priority.

The Operation and Maintenance Fund is the highest priority. The expenses to operate the airport system will be paid through this fund account before any other transfers to lower priority funds. The operating budget of the RTAA flows through this fund. In the Resources Applied by

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Organizational Unit page located in the Section 7 – Expenditures section, this fund account is represented by the total operations and maintenance expense.

The next priority, the Bond Fund with its subaccounts of Interest and Principal, is used to accumulate funds for the semi-annual interest payments, and the annual principal payments on the revenue bonds. The amounts in these funds vary depending on the amount of debt service to be paid during the year. The transfers being shown into this account are for the principal and interest due July 1, 2015 and the transfers out are for debt service due July 1, 2014. The Bond Reserve Fund has an amount on deposit or a surety bond equal to the largest annual principal and interest payment. If some event reduced airport revenues and affected the RTAA's ability to pay its debt service, one year's debt service payment is available through the surety bond. This gives the RTAA one year to address whatever problem is affecting revenues.

With the issuance of the RTAA Subordinate Lien Airport Revenue Notes, Series 2011A and 2011B on June 1, 2011, this debt is issued on a subordinate basis and junior to the lien of senior lien revenue bonds. Funding for subordinate debt is repaid with funds accumulated after payment of the Bond Fund. See Section 5 – Debt for additional information regarding the Subordinate Notes Program.

The following funds have balances that are maintained beyond one fiscal year. The following schedules show other reserve and discretionary fund balances established by the Authority under the bond resolutions:

The Operation and Maintenance Reserve Fund is a deposit equal to two months of the annual operation and maintenance expense budget. The balance of this fund as of June 30, 2014 is \$6,180,954. Pursuant to the bond resolution, payments will be made to this fund during the fiscal year, if necessary, to satisfy the required balance at June 30, 2015 of \$6,428,296.

The Renewal and Replacement Fund maintains a balance set by management of \$780,000 for unexpected or emergency repairs. This fund account maintains a balance to repair any damage and keep the airport running in the event some major unforeseen event not included in the annual budget occurs. The fund has the required balance as of June 30, 2014.

The Special Fund is the next priority and receives 35% of the gaming concession revenue. The RTAA has used this fund account for the Five-Year Plan Capital Improvement Program projects at the Reno-Stead Airport. The estimated balance of this fund at June 30, 2014 is \$9,427,952.

The General Purpose Fund is the last priority and will receive the RTAA's share of the 50/50% revenue sharing with the airlines under the airline agreement. This fund will be used for Five-Year Capital Improvement Plan projects at the Reno-Tahoe International Airport. The estimated balance of this fund at June 30, 2014 is \$15,312,099. The expenditures from this fund are for

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equipment and capital projects being purchased in the FY 2014-15 Budget, which will be included in the airlines rates and charges in subsequent years through amortization, and the RTAA’s share of federally funded projects.

The money in each fund is invested until needed. The RTAA’s investment policy, Bond Resolution, and revenue bond insurance policy specifies the type of investments that may be made. The majority of the eligible investments must be backed by the full faith and credit of the United States government. The trustee bank, appointed by the RTAA to administer the revenue bond funds, serves as trustee for all Authority investments.

**Summary of Application of Revenues In Order of
 Priority As Established by the Bond Resolutions**

Priority	Revenue Fund
(1)	Operation and Maintenance Fund
(2)	Bond Fund
	Interest Account
	Principal Interest
(3)	Reserve Account
(4)	Subordinate Note Fund
(5)	Operation and Maintenance Reserve Fund
(6)	Renewal and Replacement Fund
(7)	Special Fund
(8)	General Purpose Fund

Investment Policy

The investment policy of the RTAA states that the primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence,

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discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Under authority delegated by the Board of Trustees of the RTAA, in accordance with chapter 474, Statutes of Nevada, NRS 354.474 and 355.175, and Bond Resolution 459, the investment of RTAA funds is the responsibility of the President/Chief Executive Officer (CEO). All cash, including bond proceeds, received by the RTAA will be invested by the Chief Financial Officer (CFO). The CFO will maintain a list of approved broker/dealers and financial institutions which are authorized to provide investment services to the RTAA. Authorized broker/dealers will be limited to "primary" dealers or other dealers that qualify under SEC Rule 15C3-1, the Uniform Net Capital Rule. Securities purchased by the RTAA shall be delivered against payment (delivery vs. payment) and held in a custodial safekeeping account with the trust department of a third party bank insured by the Federal Deposit Insurance Corporation designated by the CFO for this purpose in accordance with NRS 355.172.

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

The investment policy shall be reviewed every year by the President/CEO and changes will be presented to the Finance and Business Development Committee of the Board of Trustees.

Debt Management

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

When the Authority finances capital projects by issuing long term debt, it will pay back the bonds within a period not to exceed the estimated useful life of the project. The Authority will not use long term debt for current operations. The Authority will maintain good communications with the bond rating agencies regarding its financial condition and will follow a policy of full disclosure in every financial report and offering prospectus. It will strive to maintain its

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investment grade rating of “A” on its long term debt from Fitch Ratings. On June 13, 2014 Fitch Ratings affirmed the “A” rating with a “Stable” outlook.

Impact of Increased Airport Security Mandates

The terrorist attacks on September 11, 2001 resulted in the creation of the Department of Homeland Security and the Transportation Security Administration (TSA). These federal agencies have generated federally mandated increases in airport security requirements that have significantly increased the security operations and budget of the RTAA. A few of the more significant operational impacts include:

- Participation in the TSA’s Explosives Detection Canine Team Program with the training of three handler, and canine pairs for RTIA. This program includes special vehicles, on-airport kennels, training devices, and all the expenses of three large canines.
- The full-time assignment of Law Enforcement- Police Officers to respond to security incidents at the security checkpoints operated by the TSA.
- Hiring Airport Security Specialists to control vehicle parking on the front curb of the terminal building.

Staffing, equipping, and operating these programs, which did not exist in 2000, increased the RTAA’s O&M Budget. TSA grants are available to reimburse the Authority for most of the costs associated with the Explosives Detection Canine Team Program and a portion of the costs of providing full time Law Enforcement - Police Officer response at the TSA security checkpoints. With no revenue sources available for the other security programs, airline landing fees, and terminal rental rates have been increased to cover the additional costs. The RTAA works to minimize the fiscal impact of these programs while remaining compliant with all the security directives.

Budget Process

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

The RTAA operating budget is a major factor in the level of airline landing fee and terminal rental rates. Non-airline revenues also affect airline rates through the profit sharing process

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contained in the airline agreement. Increasing non-airline revenues, such as new concession fees and the rents from the development of land and facilities, remains a budget goal for the RTAA staff.

Another component of airline rates is the debt service included in the airline landing fee and terminal rental rates. Debt service determines when the RTAA's budget is "balanced." Operating Revenues less Operating Expenses or Net Revenues Available for Debt Service, as mentioned earlier, must equal or exceed 125% of annual revenue bond debt service.

RTAA is continually evaluating whether the refinance of its outstanding debt to take advantage of lower interest rates is economically feasible. At least a three percent (3%) net present value debt service savings is the minimum industry standard necessary to justify such re-financings. The RTAA's revenue bonds and associated debt service are discussed further in *Section 9 - Debt*.

The President/CEO instructed the management staff to prepare departmental work plans to implement the Board of Trustees' goals as the basis for their budgets. Summaries of the Board goals, and department work plans are in *Section 7 – Expenditures*. The RTAA staff will continue to maintain an aging terminal building facility and look for ways to reduce or maintain the overall operation and maintenance expense budget without sacrificing safety, security or customer service.

In response to the forecasted lower passenger activity as compared to the FY 2013-14 adopted budget, staff has been directed to limit the increases in operating and maintenance expenses by focusing on "mission critical" areas and exploring every opportunity to reduce costs. The FY 2014-15 operating budget reflects a modest increase of 3.9% with the increase primarily due to higher personnel costs and purchased services.

New Personnel, Property, Plant and Equipment, and Capital Projects are proposed and reviewed by Authority Finance staff. The requests are forwarded to Human Resources, Purchasing, and Engineering respectively for pricing. Meetings are then held with each department to review their operating budgets, requests for personnel, and capital budget items with the President/CEO and Executive Vice President/COO. The departmental work plans are the basis for the budget requests.

The Finance Department then incorporates the budget requests into the rate setting formula to determine the landing fee and terminal rental rate. The Finance Department also prepares the revenue budget. Budget workshops are held during public Board of Trustees meetings to review the budget and receive direction from the Board. As required by the airline agreement, the staff also meets with the airlines to review the budget's landing fee, rental rate, and capital projects. The airlines must submit their ballots denying any of the proposed capital projects that are

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subject to the Majority-In-Interest (MII) review requirement within 30 days of this meeting. No projects in the FY 2014-15 Budget are subject to the MII requirement.

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

- A revenue sharing schedule showing the allocation of revenues, operating expenditures and debt service by cost center resulting in net revenues that will be shared with the signatory airlines.
- Summary of Sources and Uses of Funds
- Projected Balance of Cash and Investment Accounts and Sub-Accounts Established by Revenue Bond Resolutions

**Reno Tahoe Airport Authority
Revenue Sharing
Budget Year 2014-15**

Cost Centers

	<u>Airfield</u>	<u>Terminal</u>	<u>Baggage Sys</u>	<u>Landside</u>	<u>Other</u>	<u>Reno Stead</u>	<u>Total</u>
Airline Revenue (Before Profit Sharing)	7,325,852	8,233,100	-	-	-	-	15,558,952
Non Airline Revenue	871,700	5,547,400	1,720,826	14,445,200	5,467,700	816,900	28,869,726
Total Revenue	8,197,552	13,780,500	1,720,826	14,445,200	5,467,700	816,900	44,428,678
O&M Expense	\$ 7,944,972	\$ 16,714,012	\$ 1,635,339	\$ 5,451,482	\$ 3,993,850	\$ 1,942,342	\$ 37,681,997
Debt Service	-	-	-	2,521,300	1,263,698	-	3,784,998
Pre Bond Loan	67,726	79,485	-	32,676	41,921	5,059	226,867
O&M Reserve	50,950	107,184	10,487	38,827	27,438	12,456	247,342
Fixed Asset	88,030	110,473	-	33,307	23,359	2,482	257,650
Capital Project	49,800	21,000	-	47,000	221,500	45,000	384,300
Amort of Capital Items	494,350	57,943	75,000	466,970	-	-	1,094,263
Special Fund	-	393,890	-	-	-	-	393,890
LOI Transfer	-	-	-	-	-	-	-
Total Requirement	\$ 8,695,827	\$ 17,483,987	\$ 1,720,826	\$ 8,591,561	\$ 5,571,765	\$ 2,007,339	\$ 44,071,306
Net Revenues	\$ (498,275)	\$ (3,703,487)	\$ -	\$ 5,853,639	\$ (104,065)	\$ (1,190,439)	\$ 357,372
Airport Share		50.00%					\$ 178,686
Airline Share		50.00%					\$ 178,686

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Summary of Sources and Uses of Funds

	Actual 2012-13	Budget 2013-14	Budget 2014-15
SOURCES OF FUNDS			
Revenue Fund			
Landing and Aircraft Fees	\$ 7,433,693	\$ 7,403,045	\$ 7,910,152
Gaming Concession Fees	1,572,532	1,558,000	1,125,400
Food and Beverage Revenue	854,770	885,800	885,800
Merchandise Revenue	839,386	1,042,200	1,035,400
Auto Rental Concession Fees	5,962,655	5,875,400	5,879,900
Other Concession Fees	1,249,090	1,291,900	1,148,600
Auto Parking and Ground Transportation	8,914,030	8,186,200	8,504,900
Terminal Rents	5,830,298	7,573,800	7,904,400
Other Rents	6,146,844	6,378,000	6,663,000
Reimbursed Services & Miscellaneous	2,671,832	2,598,944	2,670,226
CFC Revenue	1,088,981	1,190,100	1,148,400
Other Non-Operating Pledged Revenue	185,603	129,900	203,500
Total Revenue Fund	<u>\$ 42,749,713</u>	<u>\$ 44,113,289</u>	<u>\$ 45,079,678</u>
Non Rate Base Revenue			
Non-Rate Base Interest	33,823	35,800	34,600
Fuel Tax Revenue	276,338	308,600	284,700
Fuel Tax Interest	713	800	1,000
PFC Interest	11,340	6,600	11,100
PFC Revenue	6,442,063	6,379,200	6,221,500
Other Revenue	(120,355)	-	-
Total Non Rate Base Revenue	<u>6,643,922</u>	<u>6,731,000</u>	<u>6,552,900</u>
TOTAL SOURCES OF FUNDS	<u>\$ 49,393,635</u>	<u>\$ 50,844,289</u>	<u>\$ 51,632,578</u>
USES OF FUNDS			
Operation and Maintenance Fund			
Personnel Services	\$ 23,255,691	\$ 24,983,395	\$ 25,771,165
Utilities	2,559,354	2,849,635	2,862,700
Purchased Services	4,220,515	4,474,625	4,894,159
Materials and Supplies	1,852,820	1,794,195	1,905,619
Administrative Expenses	2,025,472	2,125,010	2,248,354
Total Operation and Maintenance Fund	<u>\$ 33,913,852</u>	<u>\$ 36,226,860</u>	<u>\$ 37,681,997</u>
Bond Fund			
Interest Account	1,213,900	1,161,500	1,101,300
Principal Account	1,310,000	1,355,000	1,420,000
Total Bond Fund	<u>\$ 2,523,900</u>	<u>\$ 2,516,500</u>	<u>\$ 2,521,300</u>
Subordinate Debt Fund			
Interest Account	377,587	396,302	235,583
Principal Account	2,400,000	3,745,000	2,900,000
PFCs Applied	(1,491,202)	(1,852,647)	(1,871,885)
Total Subordinate Debt Fund	<u>\$ 1,286,385</u>	<u>\$ 2,288,655</u>	<u>\$ 1,263,698</u>
Operation and Maintenance Reserve Fund			
To maintain reserve level at 2 months of the annual budget of operation and maintenance expenses of the airport system	\$ -	\$ 71,369	\$ 247,342
Short Term Financing			
Prebond Loan	<u>\$ 243,960</u>	<u>\$ 243,959</u>	<u>\$ 226,867</u>
Property, Plant & Equipment			
Capital Projects	<u>\$ 456,538</u>	<u>\$ 255,220</u>	<u>\$ 257,650</u>
Current Year	655,722	379,200	384,300
Prior year project reimbursement	502,511	741,751	1,094,263
Total Capital Projects	<u>\$ 1,158,233</u>	<u>\$ 1,120,951</u>	<u>\$ 1,478,563</u>
Special Fund			
35 % of projected gaming revenue to Special Fund	<u>\$ 550,386</u>	<u>\$ 545,300</u>	<u>\$ 393,890</u>
General Purpose Fund			
Current Year Profit Sharing Total	3,175,405	468,675	357,372
Current Year Profit Sharing Airline Share	(1,587,803)	(234,337)	(178,686)
Prior Year Profit Sharing Airline Share	-	(330,000)	-
Air Service Incentive	(60,153)	(250,000)	(400,000)
Total General Purpose Fund	<u>\$ 1,527,450</u>	<u>\$ (345,662)</u>	<u>\$ (221,314)</u>
Non-Rate Base Interest			
	33,823	35,800	34,600
Non Rate Base Expenditures			
Fuel Tax	277,051	309,400	285,700
CFC Funding	1,088,981	1,190,100	1,148,400
PFC Funding	6,453,403	6,385,800	6,232,600
Other Revenue	(120,355)	-	81,300
	<u>\$ 7,732,903</u>	<u>\$ 7,921,100</u>	<u>\$ 7,782,600</u>
TOTAL USES OF FUNDS	<u>\$ 49,393,606</u>	<u>\$ 50,844,252</u>	<u>\$ 51,632,592</u>

RENO-TAHOE AIRPORT AUTHORITY
 PROJECTED BALANCE OF CASH AND INVESTMENT ACCOUNTS AND SUB-ACCOUNTS
 ESTABLISHED BY REVENUE BOND RESOLUTIONS
 FOR THE YEAR ENDED JUNE 30, 2015

	Issuer Cash and Investment Accounts		Bond Fund		Subordinate Note	
	Special Fund	Operation & Maintenance Fund	Interest Fund 2005	Principal Fund 2005	Interest Fund	Principal Fund
Balance June 30, 2014 (Unaudited)	\$ 9,427,952	\$ -	\$ 580,750	\$ 1,355,000	\$ 189,441	\$ 6,678,000
Receipts:						
Gross pledged revenues received:						
Deposits from Airport revenues						
Income received from investments pledged portion						
PFC revenue						
Subordinate Note						
FAA Grants and other contributions						
Transfer among funds:						
Gaming revenue	393,890					
Operation and maintenance expenses		38,569,773				
Debt service requirements			1,101,300	1,420,000	235,583	2,900,000
Replenish fund for expenditures						
Maintain reserve requirement						
Equipment and capital projects in airline rates	-	257,650				
Disbursements:						
Operation and maintenance expenses		(38,569,773)				
Equipment and capital outlay		(257,650)				
Payment of revenue bond interest and principal			(1,131,400)	(1,355,000)	(307,140)	(6,678,000)
Other capital improvement expenditures	(3,025,000)					
<u>Projected Balance at June 30, 2015</u>	<u>\$ 6,796,842</u>	<u>\$ -</u>	<u>\$ 550,650</u>	<u>\$ 1,420,000</u>	<u>\$ 117,884</u>	<u>\$ 2,900,000</u>

RENO-TAHOE AIRPORT AUTHORITY
 PROJECTED BALANCE OF CASH AND INVESTMENT ACCOUNTS AND SUB-ACCOUNTS
 ESTABLISHED BY REVENUE BOND RESOLUTIONS
 FOR THE YEAR ENDED JUNE 30, 2015

Trustee's Cash and Investment Accounts						
Operations & Maintenance Reserve Fund	Renewal & Replacement Fund	General Purpose Fund	Construction Fund	PFC Fund	Revenue Fund	Totals
\$ 6,180,954	\$ 780,000	\$ 15,312,099	\$ -	\$ 3,411,147	\$ 3,000,000	\$ 46,915,343
					45,242,178	45,242,178
					122,200	122,200
				6,232,600	11,080,025	17,312,625
			-			-
					14,859,153	14,859,153
					(393,890)	-
					(38,569,773)	-
				(1,871,885)	(3,784,998)	(0)
		925,531			(8,872,644)	(7,947,112)
247,341.52					-	247,342
		(3,068,485)	-	(4,858,525)	4,362,243	(3,564,767)
					(257,650)	-
						(38,569,773)
						-
						(257,650)
						(9,471,540)
					(23,786,845)	(26,811,845)
\$ 6,428,296	\$ 780,000	\$ 13,169,145	\$ -	\$ 2,913,336	\$ 3,000,000	\$ 38,076,153

Section 6 – Revenues

Reno-Tahoe Airport Authority
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The Total Operating Revenue budget for FY 2014-15 is \$43,727,778. This is a 2.2% increase from the FY 2013-14 Budget. Budgeted airline revenues are \$14,980,252 or approximately 34% of total operating revenues. The total non-airline operating revenue budget is \$28,747,526 or approximately 66% of the total operating revenue budget. A pie chart later in this section shows the relative size of airport operating revenues by the various categories.

RTAA's revenues are fairly predictable since they are based on long term agreements with airlines and non-airline tenants. Terms such as "rate base" and "non-rate base" mentioned in this document refer to the application and adherence to the agreement with the airlines. RTAA receives no local property or sales tax revenue and is not affected by the variations or limitations these revenue sources have on other local governments.

The RTAA budget, within limits, is balanced each year through the airline rate setting and the revenue sharing mechanism of the airline agreement. The diversification of revenues, mentioned in this section, provides the revenue available for sharing that has allowed RTAA's airline rates and charges to be lower than most other small hub airports, which is useful when seeking new air service.

Airline traffic has decreased significantly over the past six years from 2.43 million enplaned passengers in pre-recession FY 2007-08 to 1.658 million in FY 2013-14. This drop was the result of airlines reducing their aircraft capacity nationwide in order to regain profitability. By reducing supply by providing fewer airline seats, generating higher fares through the implementation of new user fees such as bag charges, and lower operating costs, the Airlines for America (A4A) announced net profit of \$11.6 billion, excluding one-time items, for the nine largest U.S. passenger airlines. While reflecting positive results, this industry group is quick to mention the cumulative losses of the preceding 12 years and that the industry is a low margin business faced with volatile fuel costs.

For FY 2014-15, the Authority is forecasting a 0.5% increase in enplanements to 1.667 million as compared to FY 2013-14 actual results and a 0.2% decrease as compared to the FY 2013-14 Budget of 1.670 million enplaned passengers.

The forecasted landed weight for FY 2014-15 is projected to increase to 2,500,291 (thousand pound units), an increase of 4.7% over the actual results for FY 2013-14 and 88,117 (thousand pound units) above the adopted FY 2013-14 Budget or a 3.7% increase. An increase in airline landed weight impacts the landing fee calculation by increasing the base used to recover airfield costs. As outlined in Section 1 – Introduction and Section 2 –Executive Summary, the increase is primarily due to the up-gauging of cargo aircraft by existing carriers and the startup of service by Amerijet International.

The FY 2014-15 Budget revenue projections are, in many cases, derived by applying historical revenue earned and transactions derived by enplaned passenger to the estimate of passenger traffic. This approach is primarily used to forecast terminal concessions, rental car concessions, and public parking revenue. In addition, existing fixed lease payments and minimum annual guarantees, as established in existing contracts, are considered in estimating fiscal year revenue budgets by revenue

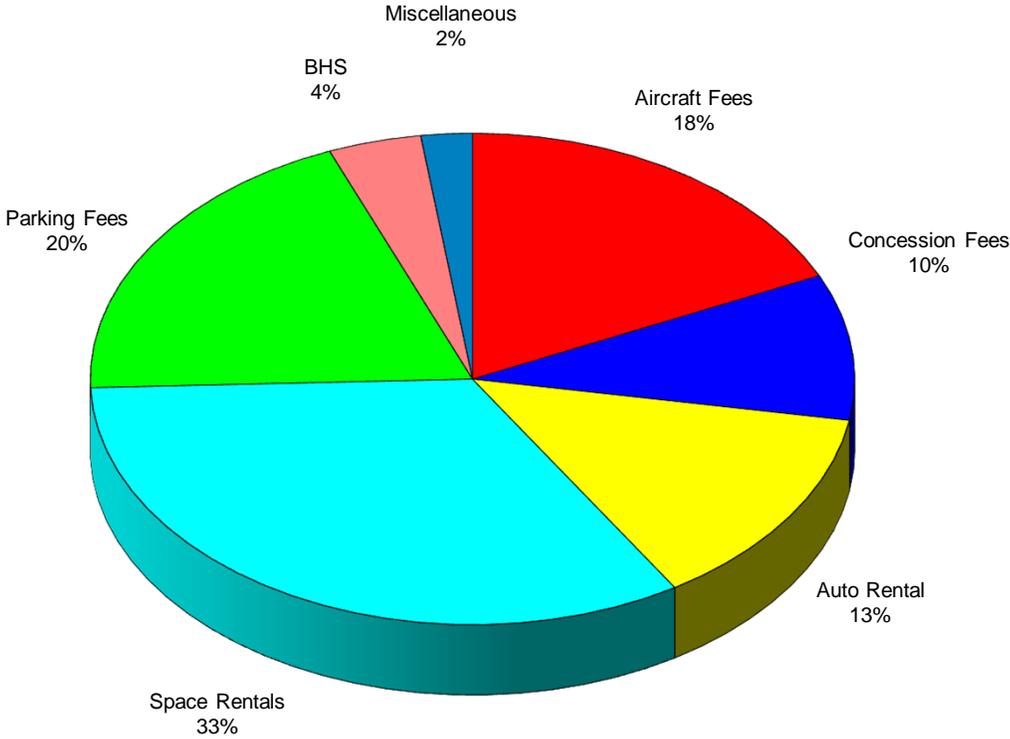
Reno-Tahoe Airport Authority
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source. Last of all, construction project schedules and other external factors that might affect tenant revenues are also factored into the estimates.

Non-airline operating revenues are forecasted to be \$28,747,526 in the FY 2014-15 Budget. This represents an expected increase of \$83,882 or approximately 0.3% above the FY 2013-14 Budget. This increase is primarily due to the slight increase in forecasted passenger traffic and its impact on concession fees and public parking revenue.

Reno-Tahoe Airport Authority
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ANNUAL BUDGET
 Operating Revenues

FY 2014-15
Operating Revenues



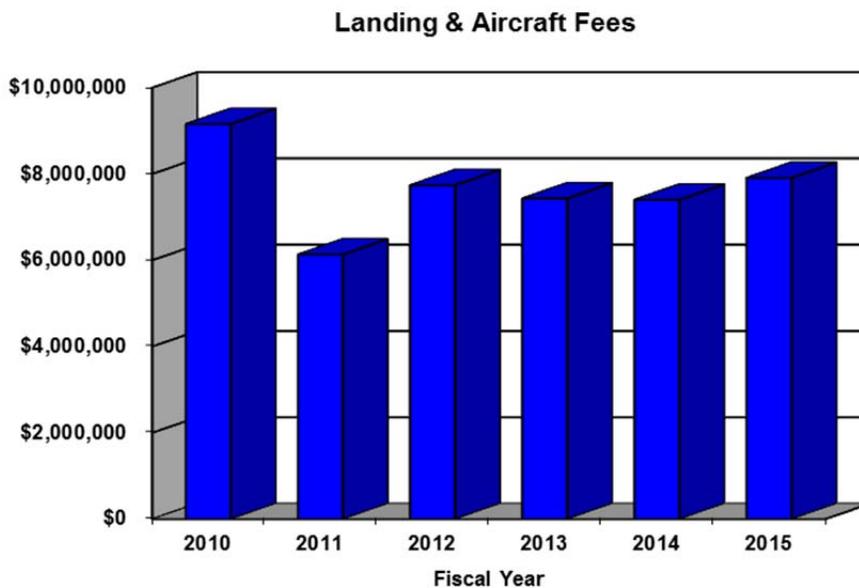
REVENUES	
Aircraft Fees	\$ 7,910,152
Concession Fees	4,195,200
Auto Rental	5,879,900
Space Rentals	14,567,400
Parking Fees	8,504,900
BHS	1,720,826
Miscellaneous	949,400
Total	\$ 43,727,778

**Reno-Tahoe Airport Authority
 FY 2014-15
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 Section 6 – Revenues**

There are seven major sources of revenue received by the RTAA: (1) landing and aircraft fees, (2) concession revenue, (3) auto parking and ground transportation revenue, (4) space rentals, (5) reimbursed services, (6) non-operating revenues, and (7) non-rate base revenues. Overall, the RTAA is projecting a 2.2% increase in operating revenues for FY 2014-15 as compared to the FY 2013-14 Budget and a 2.0% increase from the FY 2013-14 updated forecast. Key inputs used in the revenue budget include the CPI (Consumer Price Index), the projected change in passenger and aircraft traffic, and regional and national economic indicators.

The charts presented in this section depict actual revenues for the fiscal years 2009-10 through 2012-13 followed by budgeted revenues for fiscal years 2013-14 and 2014-15.

LANDING AND AIRCRAFT FEES



The Authority currently recovers almost 100% of its airfield costs through the landing and aircraft fees. Landing and aircraft fees in the FY 2014-15 Budget are anticipated to increase 6.8% as compared to the FY 2013-14 Budget due primarily to the Authority applying a one-time reduction in FY 2013-14 of up to \$330,000 to lower landing fees and a slight increase in O&M costs in FY 2014-15 allocated to the Airfield Cost Center.

The airline agreement reflects an airfield residual approach to the landing fee calculation based on the airfield cost center expenditures. See Section 5 – Financial Plan tab for a more detailed description of the Airline Agreement.

Reno-Tahoe Airport Authority
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Landing fees are charged to passenger and cargo carriers for each aircraft landing based on the aircraft's Maximum Gross Landed Weight. The Landing Fee Rate is calculated by dividing (i) the total cost of the Airfield as a whole (Operation and Maintenance Expenses, Debt Service Requirements attributable to the Airfield, amortization charges and other funding requirements of Bond Ordinance) less the Airfield non-airline revenues by (ii) the total landed weight of aircraft arrivals.

The FY 2013-14 landing fee rate was budgeted at \$2.78 per thousand pounds of landed weight, while the FY 2014-15 landing fee rate will be \$2.93. In the current airline agreement, there is no premium charged for landing fees assessed to non-signatory airlines as compared to signatory airlines. Therefore, the \$2.93 rate will be charged to all airlines, signatory or non-signatory.

The following is the detailed landing fee calculation:

CALCULATION OF FY 2014-15 LANDING FEE RATE

		FY 2012-13 Actual	FY 2013-14 Budget	FY 2014-15 Budget	Variance
O&M Expenses		\$ 7,371,792	\$ 7,772,142	\$ 7,944,972	\$ 172,830
Debt Service		-	-	-	-
Coverage		-	-	-	-
Pre Bond Loan		67,726	67,726	67,726	-
O&M Reserve		-	14,935	50,950	36,014
Fixed Assets		130,980	78,724	88,030	9,306
Capital Projects		(27,523)	10,500	49,800	39,300
Amortization of Capital Items		-	-	-	-
Less: Profit Sharing (Prior Year)		-	(330,000)	-	330,000
Total Requirement		\$ 7,542,975	\$ 7,614,027	\$ 8,201,477	\$ 587,450
Less: Other Airfield Credits		(7,242)	(17,091)	-	17,091
Other Airfield Revenues		(875,432)	(890,800)	(871,700)	19,100
Total Net Requirement	A	\$ 6,660,301	\$ 6,706,136	\$ 7,329,777	\$ 623,642
Total Landed Weight (000s)	B	2,522,804	2,412,174	2,500,291	88,117
Signatory Landing Fee Rate	A/B = C	\$ 2.64	\$ 2.78	\$ 2.93	\$ 0.15
Signatory Landed Weight (000s)	D	2,489,386	2,371,774	2,426,260	54,486
Signatory Landing Fee Revenue	C * D	6,571,979	6,593,532	7,108,941	515,410
Non-Signatory Premium		1.00	1.00	1.00	-
Non-Signatory Landing Fee Rate		\$ 2.64	\$ 2.78	\$ 2.93	\$ 0.15

Reno-Tahoe Airport Authority
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The following are factors impacting the requirements in the Airfield Cost Center and the calculation of the landing fee in the FY 2014-15 Budget:

- For FY 2014-15 the Authority is forecasting a landed weight of 2,500,291 thousand pound units, an increase of 3.7% from the FY 2013-14 approved budget and 4.7% over the current updated forecast. The increase primarily is due to larger aircraft being used by existing carriers (Fed Ex and UPS) and the entry of a new cargo carrier, Amerijet International, into the market.
- The operation and maintenance costs allocated to the Airfield Cost Center are increasing 2.2% over the prior year budget. This modest increase is due primarily to the overall increase of the direct personnel costs and indirect purchased services assigned to the airfield. Indirect or administrative costs allocations are assigned under the airline agreement based on actual or budgeted costs identified to the six direct cost centers (Airfield, Terminal, BHS, Ground Transportation, Other and Reno Stead Airport).
- The FY 2014-15 landing fee rate is projected to be \$2.93. This is an increase of \$0.15 or 5.4% above the FY 2013-14 Budget landing fee rate and an increase of \$0.04 or 1.4% above the current year updated forecast.
- The rate established in FY 2013-14 reflected a one-time credit of up to \$330,000 to mitigate the impact of lower landed weight primarily due to reduction in service by Southwest Airlines. Without this credit, the landing fee would have been \$2.92.
- To illustrate the impact on landing fees, a 737-700 flown by Southwest Airlines, with a landed weight of 128,000 lbs., will cost \$375.04 per landing.
- Total revenues generated by landing fees are estimated to be \$7,075,852 in FY 2014-15, an increase of approximately \$520,000 or 7.9% from the FY 2013-14 adopted budget.

Since it would be an administrative burden to charge a landing fee to private aircraft (general aviation) using the airports, airfield revenues are collected from general aviation (GA) aircraft in the form of fuel flowage fees. The fuel flowage fee is a fee collected by the Fixed Based Operator (FBO) per gallon of fuel purchased by GA aircraft at the Reno-Tahoe International Airport (RTIA) and the Reno-Stead Airport (RTS). This fee is established annually by ordinance and is \$0.07 per gallon at RTIA and \$0.05 per gallon at RTS. This ensures that general aviation aircraft pay a share of the expenses of maintaining and developing the airfield area.

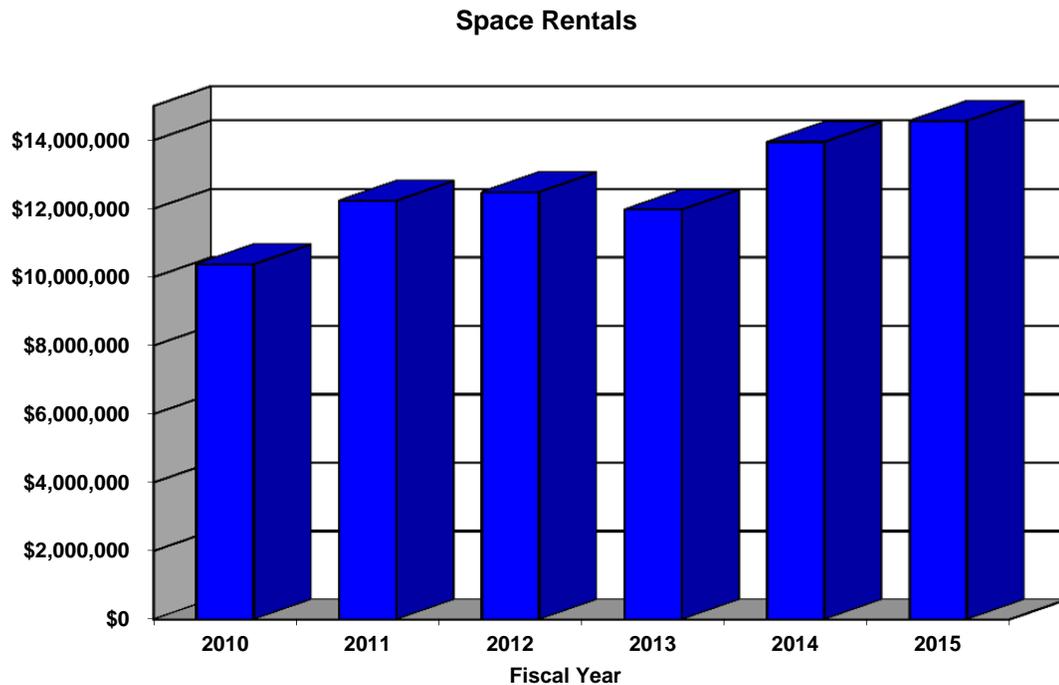
An estimate of \$158,500 is included in the aircraft fees' section of the revenue budget for RTIA fuel flowage fees, a decrease of 8.6% as compared to the FY 2013-14 Budget.

**Reno-Tahoe Airport Authority
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Fuel farm system revenue of \$588,400 is paid by a consortium of signatory airlines for use of Authority owned fueling facilities, equipment, and associated land. Revenue is established based on a determination of fair market value as established by independent appraisals every 5 years beginning July 1, 2011.

The Landing Fees and Fuel Flowage Fees of \$23,700 for the Reno-Stead Airport reflect fees assessed for use of airfield facilities by based firefighting aircraft and fuel flowage fees from sales to general aviation aircraft at this airport.

SPACE RENTALS



Space Rentals for FY 2014-15 are budgeted to reach \$14.57 million, an increase of approximately \$616,000 or 4.4% as compared to the prior year adopted budget. The revenue source is comprised of airline terminal rents, gate use charges, other non-airline terminal rents, and building, hangar, and land rents at both Reno-Tahoe International and Reno-Stead Airports.

Airline terminal rentals currently reflect cost recovery of terminal costs allocated to airline occupied facilities (commercial compensatory basis) with total facility costs divided by rentable terminal square footage. The airlines “pay only for what they use” basis and the Authority is at financial risk if vacant facilities exist. Approximately 54.3% or \$7.9 million of total Space Rentals are derived from the airlines.

Reno-Tahoe Airport Authority
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The Terminal Rental Rate is calculated by dividing (i) the total cost of the Terminal as a whole (Operation and Maintenance Expenses, Debt Service Requirements attributable to the Terminal, amortization charges and other funding requirements of Bond Ordinance) less airline reimbursement for disposal fees and less the Profit Sharing Credit by (ii) rentable square footage.

Rentable Terminal Space is the total area of the terminal building available for lease and dedicated to the sole use of the airlines, rental car companies, concessions, aviation service providers, various government agencies, and the Authority for purposes of generating revenue and supporting operations.

The Revenue Sharing Credit, as shown in the Calculation of Terminal Rental Rate table, is calculated as 50% of the Gross Revenues less Operation and Maintenance Expenses, Debt Service Requirements, Bond Ordinance Reserve Requirements, and Repayment of Loans to the Capital Account. The Revenue Sharing Credit is applied to reduce Signatory Airlines terminal rental rate in the current Fiscal Year, and the remaining 50% of the Airport System net revenues are transferred to the Authority's General Purpose Fund.

As part of this calculation, however, 35% of gaming revenues in each Fiscal Year is retained by the Authority and not available as part of the reduction to Terminal Rental Rate for the current fiscal year.

For the FY 2014-15 Budget, the average budgeted rental rate is \$62.45 per square foot per annum, a 3.6% increase from the FY 2013-14 average budgeted rental rate of \$60.27.

Total signatory airlines terminal space rental revenue is estimated to be \$7,686,400 in FY 2014-15, a \$286,300 or 3.9% increase from the FY 2013-14 Budget.

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The following is the detailed terminal rental rate calculation:

CALCULATION OF FY 2014-15 TERMINAL RENTAL RATE

		FY 2012-13 Actual	FY 2013-14 Budget	FY 2014-15 Budget	Variance
O&M Expenses		\$ 14,862,702	\$ 16,294,152	\$ 16,714,012	\$ 419,860
Debt Service		-	-	-	-
Coverage		-	-	-	-
Pre Bond Loan		79,485	79,485	79,485	-
O&M Reserve		-	31,312	107,184	75,873
Fixed Assets		216,484	67,661	110,473	42,811
Capital Projects		226,080	108,900	21,000	(87,900)
Amortization of Capital Items		-	-	-	-
Special Fund		-	-	-	-
Airline Reimbursements (Disposal Fee)		(306,186)	(379,900)	(381,800)	(1,900)
Total Requirement	A	\$ 15,078,566	\$ 16,201,610	\$ 16,650,354	\$ 448,744
Square Footage	B	259,071	260,580	260,580	0
Terminal Rental Rate	A/B= C	\$ 58.20	\$ 62.18	\$ 63.90	\$ 1.72
Signatory Airline Terminal Leased Space	D	124,268	122,789	123,090	301
Signatory Airline Share of Net Requirement	C*D = E	\$ 7,232,700	\$ 7,634,400	\$ 7,865,100	230,700
Less: Revenue Sharing Credit	F	(1,587,803)	(234,300)	(178,700)	55,600
Adjusted Signatory Airline Net Requirement	E+F= G	5,644,897	7,400,100	7,686,400	286,300
Signatory Airline Terminal Leased Space	H	124,268	122,789	123,090	301
Signatory Airline Average Rental Rate (Net)	G/H	\$ 45.43	\$ 60.27	\$ 62.45	\$ 2.18

The following are significant factors impacting the requirements in the Terminal Building Cost Center and the calculation of the terminal rental rate in the FY 2014-15 Budget:

- The operation and maintenance budget allocated to the Terminal Building is increasing 2.6% above the FY 2013-14 Budget. This modest increase is due primarily to the overall increase of the direct personnel and indirect purchased services costs assigned to the terminal building.
- Fixed assets and capital projects are decreasing a combined 25.7% from the FY 2013-14 Budget and 63.1% from the current year updated forecast.

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- The proposed airline's portion of net revenue sharing for FY 2014-15 is \$178,700, a decrease of \$55,600, or 23.7% from the prior year budget.
- The average rental rate for FY 2014-15 is \$62.45 per square foot per year. This is a \$2.18 increase or 3.6% above the FY 2013-14 Budget average rental rate of \$60.27. The proposed rate is an increase of \$0.17 per square foot, or 0.3% above the FY 2013-14 forecasted average rental rate of \$62.28

In addition, RTIA derives space rents from the airlines on a per use basis and rents both terminal and non-terminal space to tenants other than the airlines. The Authority also collects rents at Reno-Stead from aviation related tenants at the airports. These rental rates are set based on market or appraised values. Many of these rental agreements specify annual rate increases based on the consumer price index or periodic reappraisal.

RTIA Terminal Rents from non-airline tenants and Non-Terminal Rents (building, hangar, and ground rent) of \$5.82 million are estimated to increase by \$67,100 or 1.1% above the FY 2013-14 Budget.

Hangar, land, and other facility rent at the Reno-Stead Airport of \$771,500 is \$217,900 higher than last year's adopted budget primarily due to the use fees associated with testing of Unmanned Aircraft Systems (UAS). See Section 1 Introduction for a full description of this new revenue opportunity.

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

BAGGAGE HANDLING SYSTEM

The Baggage Handling System (BHS) Charge reflects 100% cost recovery of the operating maintenance agreement, utilities, supplies, and other direct costs of operating the new integrated explosive detection equipment system. Based on projected operations for FY 2014-15, this revenue, which includes BHS reimbursement from signatory airlines, non-signatory airlines, and the Transportation Security Administration (TSA), is estimated to be \$1.721 million. The signatory airline portion represents the Authority charging \$1.42 per processed bag based on an estimate of 1.62 million signatory enplaned passengers checking in with 0.71 bags per passenger on average.

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- The BHS costs of \$1,635,339 are included in the FY 2014-15 Budget. This represents approximately a 3.8% decrease from the FY 2013-14 Budget mainly due to the reduction in utility cost resulting from lower actual costs of operating the system.
- In FY 2014-15, the Authority has included in the adopted budget an investment of \$225,000 in upgrades to computer hardware and software that operates and reports on the activity of the system. With the initial systems being installed in 2009, the computer hardware and software has been in continuous use for more than six years. The cost of this upgrade will be recovered over three years in annual installments of \$75,000 per year.
- The total operation and maintenance costs related to the Baggage Handling System (BHS) are reduced by an estimated \$60,300 from reimbursement by the Transportation Security Administration (TSA) for direct costs associated with their screening equipment. This reimbursement is credited against the BHS recovery assessed to the airlines.

CALCULATION OF BAGGAGE HANDLING SYSTEM CHARGE				
		FY 2012-13 Actual	FY 2013-14 Budget	FY 2014-15 Budget
Operating Requirement				
O&M Expenses		\$ 1,660,223	\$ 1,699,478	\$ 1,635,339
Debt Service		-	-	-
O&M Reserve		-	3,266	10,487
Fixed Assets		-	-	-
Capital Projects		-	-	-
Amortization of Capital Items		-	-	75,000
Less: TSA Reimbursement		(58,630)	(58,500)	(60,300)
Less: Non-Signatory Airline BHS		(9,302)	(25,000)	(25,000)
Total Baggage System Charge Revenue		1,592,290	1,619,244	1,635,526
Total Number of Bags Processed - Signatory		1,307,497	1,169,870	1,149,074
Signatory Rate per Bag Processed		1.22	\$ 1.38	\$ 1.42
Non-Signatory Rate per Bag Processed		\$ 1.48	\$ 1.52	\$ 1.57

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CONCESSION REVENUE

Concession revenues are predicted to decrease 5.4% for FY 2014-15 to \$10.08 million compared to the budget for FY 2013-14 of \$10.65 million. Concession revenue consists of the following: food and beverage, merchandise, gaming, rental cars, advertising, ground handling/support service providers and fixed base operators. This overall revenue decrease is primarily the result of a reduction in concession revenues for gaming and advertising. With the decrease in passenger traffic and its impact on the passenger mix composition since the recession of 2008-09, the Authority has seen a structural change in the discretionary spending per passenger on gaming and value of advertising opportunities to local and national firms. See Section 1 Introduction-Air Service Market Update and Section 2 Executive Summary – Airline Activity Forecast for an expanded discussion of the history and traffic assumptions used in the FY 2014-15 Budget.

The largest contributor to concession revenues is the rental car industry. The concession agreements with these firms are responsible for \$5.88 million or more than 58% of total revenue from this source. The next largest contributors are gaming, merchandise, and food and beverage. Combined these four categories represent approximately 86% of forecasted concession revenues.

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

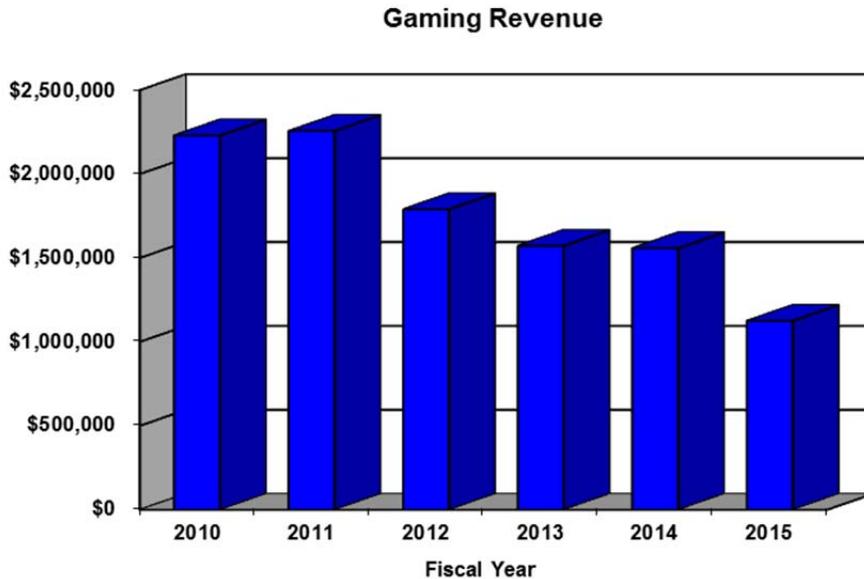
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The following narrative provides additional information regarding the largest contributors to concession revenue:

Gaming Revenue is a unique source of revenue for Nevada airports. International Game Technology (IGT) operates the gaming concession under an agreement that expires on November 30, 2015. The contract provides that IGT must pay the RTAA a concession fee of 53% of Net Win up to \$350,000 each month and 75% for Net Win over \$350,000 per month. The FY 2014-15 Budget is 27.8% under the prior year budget and a 12.8% decrease as compared to the FY 2013-14 updated forecast.

With an increasing percentage of passengers traveling for business (less likely to engage in gaming activities) as compared to leisure travelers and overall passengers less willing to spend their discretionary income, the FY 2014-15 Budget reflects a significant decrease as compared to the prior year's adopted budget.

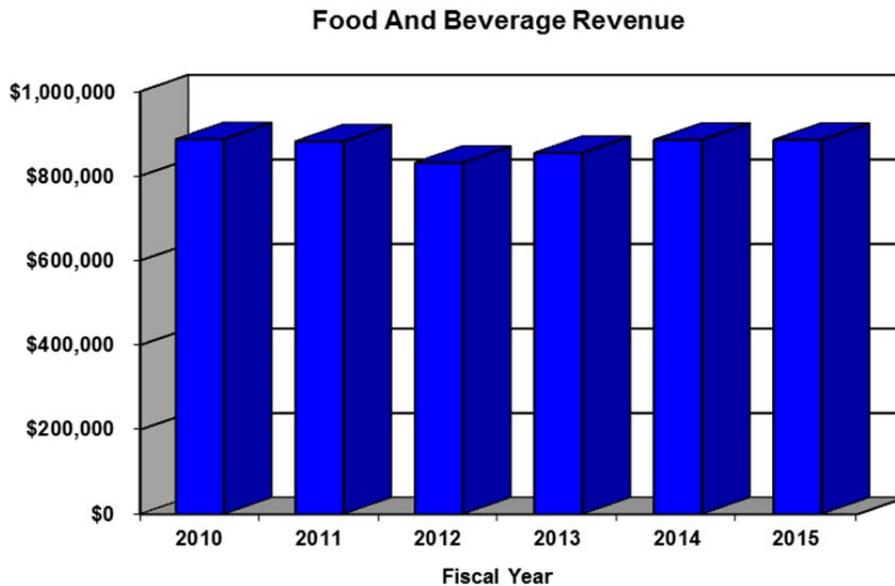
The graph depicts actual gaming concession revenues for the past four years and the budgeted amounts for FY 2013-14 and FY 2014-15.



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Food and Beverage Revenue - Creative Host Services, Inc. (CHS) was awarded the food and beverage concessions effective October 2001. Effective June 19, 2008, Creative Host Services, Inc. changed its name to SSP America, Inc. (SSP). The concession agreement calls for SSP to pay the RTAA a percentage of revenues ranging from 8% to 18% depending on product type or a Minimum Annual Guarantee (MAG), which is 85% of the previous year's payments but not less than \$885,800, whichever is greater.

While SSP has generated higher revenue per enplaned passenger due to the expanded variety of dining options available with the completion of the Airport Gateway Project, lower passenger traffic as compared to prior years has not allowed the percentage of gross sales to exceed the MAG. The MAG was also budgeted revenue amount in FY 2013-14.

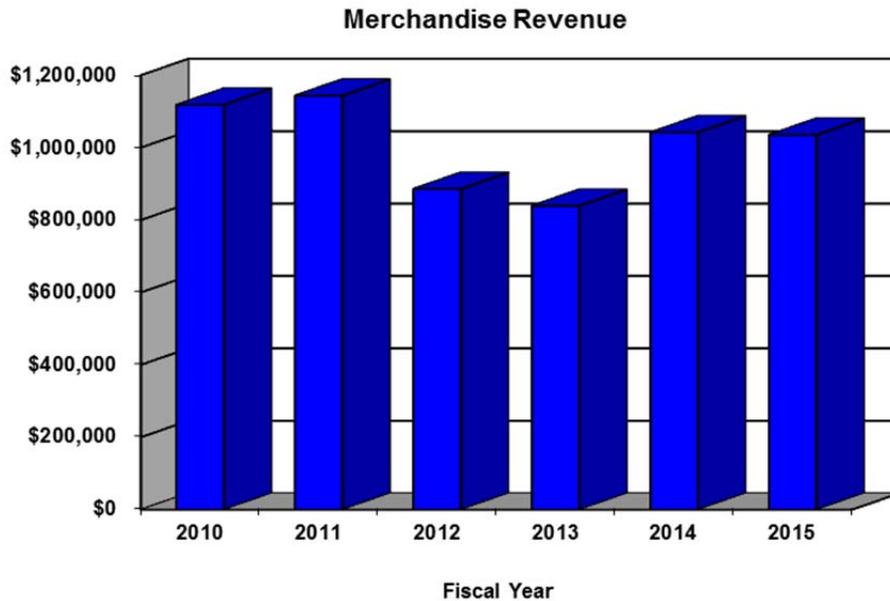


**Reno-Tahoe Airport Authority
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Merchandise Revenue is projected to be \$1,035,400, a 0.7% decrease from the FY 2013-14 Budget and 2.7% above the FY 2013-14 projected revenues. The primary concession agreement for merchandise and news and gift services is with The Paradies Shops. This agreement provides payment to the RTAA based on a percentage of revenues ranging from 12% to 23% depending on product type or a Minimum Annual Guarantee (MAG), which is 85% of previous year's payments but not less than \$901,000, whichever is greater.

The revenue increase is mainly due to the addition of new retail stores owned and operated by Paradies. The four new post security stores, branded as the High Mountain Market, include Brighton Collectibles, No Boundaries (an outdoor apparel store), In Motion (a high tech electronics shop), and CNBC (news and gifts).

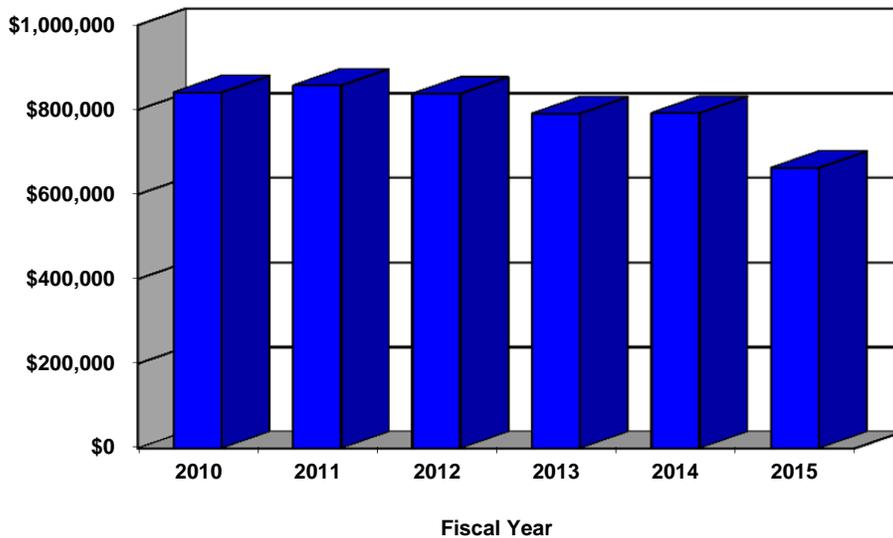
Merchandise revenue also includes Forever Heather, which is not owned and operated by The Paradies Shops.



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Advertising Revenues – The FY 2014-15 budget of \$792,700 represents a 16.4% decrease from the FY 2013-14 Budget and a decrease of 2.4% from the FY 2013-14 updated forecast. The decrease from last year’s budget is due to renegotiating of a number of advertising contracts in light of the decrease in overall passenger levels over the past five years.

Advertising Revenue



Auto Rental Revenue - All of the five auto rental concessionaires servicing the airport have a “check in” counter located at the Reno-Tahoe International Airport (RTIA). These companies are (1) The Hertz Corporation; (2) Avis Budget Car Rental, LLC doing business as Avis and Budget, (3) Vanguard Car Rental USA, LLC doing business as Alamo and National; (4) DTG Operations, Inc. doing business as Dollar and Thrifty; and (5) Enterprise Leasing Company-West, LLC.

All of these companies also qualified through their 2010 bid submissions to lease the following: (1) ready/return parking, (2) a lane in the quick turnaround (“QTA”) building and associated parking; and (3) a service facility and associated vehicle storage located away from the terminal on airport property. The ready/return parking spaces (“Ready/Return Premises”) are conveniently located in the Parking Structure, across from the Terminal; the QTA building and associated vehicle parking, which provides efficient fueling and car wash services, are located immediately north of the Parking structure; and the Service/ Storage Facilities are located south of the Terminal Building, as further described herein under a separate Ground Lease.

In 2010, the Authority also awarded one “off-airport” auto rental concession to Simply Wheelz, doing business as Advantage. This company has a “check in” counter at RTIA; however,

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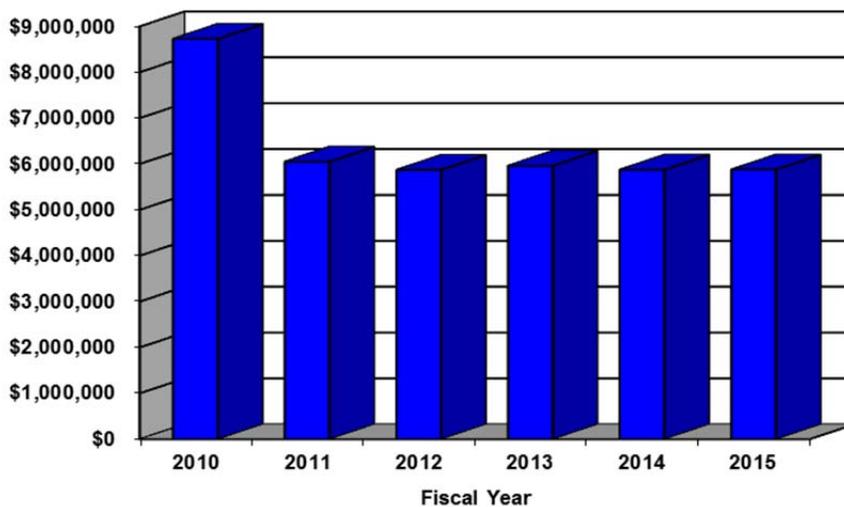
customers of this firm are shuttled to an off-airport location to pick-up their vehicle and support facilities are leased to this company by the Authority. On November 5, 2013, Advantage Rent A Car filed for bankruptcy protection and effective on May 7, 2014, under court order, this contract was assigned to Payless Car Rental, Inc. During this period, all financial obligations under the concession agreement were satisfied.

Revenues are budgeted at \$5,879,900 for FY 2014-15. This amount is based on the greater of 10% of gross receipts derived by the rental car companies or Minimum Annual Guarantees (MAG). The current agreement, which started on July 1, 2010, established the first year MAG at \$5,076,486. After the initial first year, the MAG will be the greater of the first year bid or 85% of revenue paid to Authority for the prior year. This concession represents approximately 20.5% of the Airport’s total budgeted non-airline operating revenues.

The budgeted amount is 0.1%, or approximately \$4,500 above the FY 2013-14 Budget. This slight increase is directly related to the modest forecasted increase in passenger traffic. The Minimum Annual Guarantee (MAG) for FY 2014-15 is forecasted to be set at \$5,194,758. Based on this estimate, the Authority’s budget forecasted that 10% of gross receipts will be higher than the MAG.

The agreements do have an abatement clause which waives the MAG if passenger deplanements fall below 75% of the deplanements for the corresponding month in the preceding year. The FY 2014-15 Budget does not forecast any MAG abatement due to the forecasted decrease in passenger traffic being significantly above this threshold.

Auto Rental Revenue



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Parking and Ground Transportation Revenue - Total auto parking and ground transportation revenues are budgeted to increase 3.9% from the prior year budget and 1.4% as compared to the updated FY 2013-14 projected revenues. The increase in revenue from last year's budget is due primarily to the higher revenue per transaction due to high passenger utilization and longer duration of time due to the improvement in the economy. Auto parking represents 28.8% of the RTAA's total budgeted non-airline operating revenues.



Ground transportation fees are projected to be \$219,600 in FY 2014-15, which is an increase of 5.2% from the FY 2013-14 Budget. These fees are paid by transportation operators such as limousines, shuttle buses, and taxicabs.

REIMBURSED SERVICES

Reimbursed services of \$2.63 million are budgeted in FY 2014-15, which is an increase of 2.2% from the FY 2013-14 Budget. Approximately 63% of this revenue reflects reimbursement from the airlines for the baggage handling system as described earlier in the section.

The remaining FY 2014-15 Budget of approximately \$970,000 includes payments from the Transportation Security Administration (TSA) for RTAA providing police services at the security checkpoints as well as for participation in the National Explosives Detection Canine Team Program. This category also includes reimbursement for waste disposal services and other Authority provided utilities. The disposal services fees are based on prior year actual numbers while the utilities are billed at actual costs.

Reno-Tahoe Airport Authority
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NON-OPERATING REVENUE

Non-operating revenue of \$1.638 million in the FY 2014-15 Budget is an increase of \$8,200 from the FY 2013-14 Budget and consists primarily of Customer Facility Charge (CFC) revenues and interest earnings on funds the RTAA has available for investment.

Investment Interest for FY 2014-15 is budgeted at \$123,200, a 13.5% decrease compared to the projected revenue for the current year and a 5.7% decrease from the FY 2013-14 Budget. This slight decrease is primarily due to lower earning balances reflecting the \$2.913 million early retirement of variable rate notes. Please see Section 9 – Debt.

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

Non-Operating Revenue also includes Aviation Gas Tax revenues estimated to be \$284,700 in FY 2014-15. This revenue represents a \$0.01 per gallon fee collected by the State of Nevada and remitted to RTAA through Washoe County on aviation jet fuel sold, distributed, or used in the county. The use of this revenue is restricted to funding transportation projects related to airports including ground transportation improvements and promoting the use of RTIA including efforts to increase the number and availability of flights at the airport.

NON-RATE BASE REVENUE

Non-rate base revenue of \$6.27 million is a separate classification of non-operating revenue that does not go into the calculation of the landing fees and rental rates per the airline operating agreement. Passenger Facility Charges (PFC's) of \$6.22 million are the main source of non-rate base revenues. This PFC program is a Federal program that is overseen by the Federal Aviation Administration and these funds currently cannot be spent on operation and maintenance expenses of the airport. PFC's are collected by airlines on their passengers' tickets and remitted monthly to the RTAA. These funds are spent on a list of projects reviewed by the airlines in a process prescribed by the Federal Aviation Administration. This money must be segregated from all other airport revenues.

Also included in this category is restricted investment interest earned on the revenue bond construction funds and PFC funds. The same investment policy restrictions apply to these funds as outlined for all Authority investments and hence the same rate of return is used for this calculation. These investment earnings must be returned to the construction or PFC fund pursuant to the bond resolution and the PFC rules. They cannot be used for the operation of the airports.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Summary of Budgeted Revenues

	FY 2012-13 Actual	FY 2013-14 Budget	FY 2014-15 Budget	Percent Change
Landing Fees - Reno-Tahoe				
Signatory Airlines-Scheduled Carriers	\$ 5,524,978	\$ 5,539,867	\$ 5,506,227	
Signatory Airlines - Freight Carriers	1,047,001	1,053,665	1,602,714	
Non Signatory Airlines - Scheduled Carriers	21,708	88,966	196,744	
Charters, FBO's	31,731	-	-	
Non Signatory Airlines - Charters	6,257	-	-	
Non-Signatory Airlines - Air Freight Carriers	21,511	23,347	20,167	
Air Service Incentive- Landing Fees	(60,153)	(150,000)	(250,000)	
	6,593,034	6,555,845	7,075,852	8%
Aircraft Fees - Reno-Tahoe				
Fuel Flowage	175,221	173,400	158,500	
Aircraft Parking	43,850	37,200	45,700	
Fuel Farm Use Fee and Ground Rent- RFFC	592,175	588,400	588,400	
Fuel Farm Use Fee - Jet West	6,750	18,000	18,000	
	817,996	817,000	810,600	-1%
Aircraft Fees - Reno-Stead				
Fuel Flowage	13,011	16,800	13,800	
Landing Fees	9,652	13,400	9,900	
	22,663	30,200	23,700	-22%
TOTAL Aircraft Fees	\$ 7,433,693	\$ 7,403,045	\$ 7,910,152	7%
Concession Revenue				
Gaming Revenue	\$ 1,572,532	\$ 1,558,000	\$ 1,125,400	-28%
Food and Beverage Revenue	854,770	885,800	885,800	0%
Merchandising Revenue				
Duty Free Shop	90,684	88,500	-	
Newsstand and Gift Shop	748,702	953,700	1,035,400	
	839,386	1,042,200	1,035,400	-1%
Other Concession Revenue				
FBO's and Ground Handling				
Fixed Base Operators - Reno-Tahoe	57,436	73,800	61,100	
Security Services	39,112	40,900	39,100	
Ground Handling/Support Services	182,159	204,700	207,300	
	278,707	319,400	307,500	-4%
Stead Concession Revenue				
Fixed Base Operators - Reno-Stead	20,875	21,000	21,500	
Other Concession Revenue	183	700	200	
	21,058	21,700	21,700	0%
Advertising Revenue	791,324	792,700	662,900	-16%
Miscellaneous Concession Revenue				
Other Concessions	20,555	20,500	18,900	
Luggage Carts	16,486	15,600	15,600	
ATM	120,960	122,000	122,000	
	158,001	158,100	156,500	-1%
Total Other Concession Revenue	1,249,090	1,291,900	1,148,600	-11%
Total Concession Revenue Excluding Auto Rental and Gaming	2,943,246	3,219,900	3,069,800	-5%

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Summary of Budgeted Revenues

	FY 2012-13 Actual	FY 2013-14 Budget	FY 2014-15 Budget	Percent Change
On Airport Auto Rental	5,962,655	5,875,400	5,879,900	0%
	<u>5,962,655</u>	<u>5,875,400</u>	<u>5,879,900</u>	
TOTAL Concession Fees	\$ 10,478,433	\$ 10,653,300	\$ 10,075,100	-5%
Auto Parking and Ground Transportation				
Auto Parking/Traffic Control				
Public Parking Lot	8,413,325	7,685,600	8,003,000	
Employee Parking	270,246	284,700	274,800	
Parking Fines	6,005	7,100	7,500	
	<u>8,689,576</u>	<u>7,977,400</u>	<u>8,285,300</u>	4%
Ground Transportation				
Taxi Loop	89,674	83,400	83,900	
Limousines	7,121	5,500	7,200	
Buses/Courtesy Shuttles	123,054	116,000	123,900	
Permit Fees	4,605	3,900	4,600	
	<u>224,454</u>	<u>208,800</u>	<u>219,600</u>	5%
TOTAL Auto Parking and Ground Transportation	\$ 8,914,030	\$ 8,186,200	\$ 8,504,900	4%
Space Rentals				
Terminal Rents, Signatory Airlines				
Ticket Counter	\$229,718	\$304,100	\$301,500	
Hold Room	1,184,669	1,566,600	1,630,800	
Back Office	444,804	588,900	581,800	
Bag Claim	1,058,492	1,401,200	1,457,100	
Bag Service Office	124,436	164,800	171,300	
Bag Makeup	1,060,392	1,403,800	1,459,600	
Baggage System	713,918	945,100	982,700	
Operations Space	545,325	651,900	712,900	
Common Use Drives	257,078	340,400	353,900	
Outside Storage	25,594	33,900	35,200	
Gate Use Charge/ Non-Signatory Use Fees	185,872	273,100	367,600	
Air Service Incentive- Terminal Rent	-	(100,000)	(150,000)	
	<u>\$5,830,298</u>	<u>\$7,573,800</u>	<u>\$7,904,400</u>	4%
Terminal Rents, Other				
Government Agencies	295,995	302,100	314,700	
Car Rental Counters & Offices	302,768	307,000	319,900	
Other Terminal Rents	142,219	135,700	197,100	
	<u>740,982</u>	<u>744,800</u>	<u>831,700</u>	12%
Reno/Tahoe Non-Terminal Rents				
Building Rental	1,211,355	1,307,800	1,352,700	
Building Rental - Auto Rental	448,263	453,000	457,600	
Hangar Rental	751,795	888,900	808,300	
Land Rental	1,458,286	1,452,900	1,457,500	
Land Rental - Auto Rental	970,185	977,000	983,700	
	<u>4,839,885</u>	<u>5,079,600</u>	<u>5,059,800</u>	0%
Reno Stead Rents				
Hangar Rental	262,760	275,400	279,300	
Airfield Rental	60,076	47,300	47,800	
Land Rental	146,783	150,900	144,700	
Unmanned Aircraft System (UAS) Testing	-	-	240,000	
Sewer Use Fee	8,388	7,100	7,200	
Wash Rack	242	300	300	
Mini Warehouse Rent	10,239	10,600	10,700	
Other Rental	77,490	62,000	41,500	
	<u>565,976</u>	<u>553,600</u>	<u>771,500</u>	39%
TOTAL Space Rentals	\$ 11,977,142	\$ 13,951,800	\$ 14,567,400	4%

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Summary of Budgeted Revenues

	FY 2012-13 Actual	FY 2013-14 Budget	FY 2014-15 Budget	Percent Change
Reimbursed Services				
Security Services	459,873	388,300	383,300	
Utilities	106,787	174,100	179,600	
Maintenance	14,983	13,000	6,100	
Disposal Fees	199,398	205,800	202,200	
Other	81,159	27,000	78,500	
Rental Car QTA Admin Costs	57,315	62,600	60,400	
BHS Reimbursement - Signatory Airline	1,592,290	1,619,244	1,635,526	
BHS Reimbursement - Non-Signatory Airline	9,302	25,000	25,000	
BHS - TSA Reimbursement	58,630	58,500	60,300	
TOTAL Reimbursed Services	\$ 2,579,739	\$ 2,573,544	\$ 2,630,926	2%
Miscellaneous Revenue				
Miscellaneous Revenue	(25,053)	25,400	39,300	
Damage Claim Reimbursement	117,146	-	-	
	92,093	25,400	39,300	55%
TOTAL OPERATING REVENUE	\$ 41,475,129	\$ 42,793,289	\$ 43,727,778	2%
Non-Operating Revenue				
Investment Interest	161,563	128,700	121,700	
Investment Interest, CFC	554	1,200	500	
Investment Interest, Fuel Tax Fund	713	800	1,000	
Gain (Loss) on Sale of Fixed Assets	32,003	-	81,300	
Aviation Gas Tax	276,338	308,600	284,700	
CFC Revenue	1,088,981	1,190,100	1,148,400	
Miscellaneous	(8,517)	-	-	
TOTAL Non-Operating Revenue	1,551,635	1,629,400	1,637,600	1%
TOTAL Pledged Revenue	\$ 43,026,764	\$ 44,422,689	\$ 45,365,378	2%
Non-Pledged Revenue				
Investment Interest, Construction-Subordinate	1,106	2,500	-	
Investment Interest, Other Restricted	-	200	200	
Investment Interest, Flood Grant	6,886	6,900	7,000	
Investment Interest, Flood Proceeds	25,831	22,100	22,300	
Investment Interest, Consent Decree	-	4,100	5,100	
Investment Interest, PFC	11,340	6,600	11,100	
PFC Revenue	6,442,063	6,379,200	6,221,500	
Gain (Loss) on Investments Value	(120,355)	-	-	
TOTAL Non-Pledged Revenue	\$ 6,366,871	\$ 6,421,600	\$ 6,267,200	-2%
TOTAL REVENUES	\$ 49,393,635	\$ 50,844,289	\$ 51,632,578	2%

**Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET
 Non-Airline Revenues**

2012-13 Actual	2013-14 Budget	2013-14 Forecast	2014-15 Budget	% Percent Change FY 15 Budget to	
				FY 14 Budget	FY 14 Forecast

Non Airline Revenue

Aircraft Fees - Reno	817,996	817,000	807,200	810,600	-0.8%	0.4%
Aircraft Fees - Stead	22,663	30,200	23,200	23,700	-21.5%	2.2%
Gaming Concession	1,572,532	1,558,000	1,291,300	1,125,400	-27.8%	-12.8%
Food & Beverage	854,770	885,800	885,800	885,800	0.0%	0.0%
Merchandising Revenue	839,386	1,042,200	1,008,400	1,035,400	-0.7%	2.7%
Advertising	791,324	792,700	679,400	662,900	-16.4%	-2.4%
Other Concessions	457,766	499,200	478,100	485,700	-2.7%	1.6%
Auto Rental	5,962,655	5,875,400	5,753,800	5,879,900	0.1%	2.2%
Auto Parking	8,689,576	7,977,400	8,179,600	8,285,300	3.9%	1.3%
Ground Transportation	224,454	208,800	210,600	219,600	5.2%	4.3%
Other Terminal Rents	740,982	744,800	765,600	831,700	11.7%	8.6%
Reno/Tahoe Non-Terminal Rents	4,839,885	5,079,600	4,936,500	5,059,800	-0.4%	2.5%
Reno Stead Rents	565,976	553,600	525,000	771,500	39.4%	47.0%
Baggage Handling System	1,660,223	1,702,744	1,702,753	1,720,826	1.1%	1.1%
Reimbursed Services	919,516	870,800	904,200	910,100	4.5%	0.7%
Miscellaneous	92,093	25,400	38,700	39,300	54.7%	1.6%
Total Non Airline Revenue	\$ 29,051,797	\$ 28,663,644	\$ 28,190,153	\$ 28,747,526	0.3%	2.0%
Non Operating Revenue	1,551,635	1,629,400	1,556,800	1,637,600	0.5%	5.2%
TOTAL NON-AIRLINE REVENUES	\$ 30,603,432	\$ 30,293,044	\$ 29,746,953	\$ 30,385,126	0.3%	2.1%

Section 7 – Expenditures

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

The total Operating and Maintenance (O&M) expenses in the adopted FY 2014-15 Budget are \$38,569,773. This is 3.9% above the FY 2013-14 Budget and 4.2% above the FY 2013-14 projected expenditures.

	CURR. YR.	CURR. YR.	BUDGET	PERCENT CHANGE	
	BUDGET	PROJECTED	REQUEST	FY15 BUDGET TO FY14	
	2013-14	2013-14	2014-15	BUDGET	PROJECTED
Personnel Services	\$ 24,983,395	\$ 24,598,873	\$ 25,771,165	3.2%	4.8%
Utilities & Communications	2,849,635	2,884,685	2,862,700	0.5%	-0.8%
Purchased Services	5,135,666	5,238,962	5,627,235	9.6%	7.4%
Materials & Supplies	1,794,195	1,815,495	1,905,619	6.2%	5.0%
Administrative Expenses	2,376,785	2,492,765	2,403,054	1.1%	-3.6%
Total	\$ 37,139,676	\$ 37,030,780	\$ 38,569,773	3.9%	4.2%

One significant change incorporated into the FY 2014-15 Budget is the impact of the Federal Aviation Administration (FAA) selection of Nevada as one of six test sites for unmanned aircraft systems (UAS). With the Reno-Stead Airport ideally positioned to be Northern Nevada’s center for UAS development, this historic but fluid development has placed a higher degree of uncertainty on the budget than in previous years.

In FY 2014-15, the Authority has added a new department named the Unmanned Aircraft Systems (UAS) with its function to support UAS operations and development at the Reno–Stead Airport. The budget reflects hiring a new project manager and the inclusion of \$50,000 in purchased services, \$10,000 in materials and supplies, and \$30,000 associated with UAS marketing in administrative costs.

The Airport’s budget process is a zero-based process in which each expenditure line item is evaluated on its own merit each year. Staff has developed an annual work plan to implement the recently adopted FY 2014-2018 Strategic Plan with its focus on achievement of the strategic priorities and meeting the guiding principles/operating practices. Please see Section 3 Strategic Initiatives and Budget Goals for a more detailed explanation.

The following narrative lists the more significant changes:

- The Personnel Services budget is increasing by 3.2% from the FY 2013-14 Budget and is 4.8% above the updated projected expenditures for the 2013-14 Fiscal Year. The following are the primary drivers associated with this increase:
 1. The FY 2014-15 budget includes funding of the following two (2) new Project Manager positions:

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

- a. Project Manager – Information Technology. This position will be responsible for managing large technology projects such as the Flight Information Display System (FIDS)/Paging/Visual Paging replacement project and the Airport Communications Center Upgrade project. In addition, this position will coordinate and participate in all phases of the System Development Life Cycle (SDLC) for each technology project, including change management, system analysis, design, acquisition, installation, testing, training and transitions to support agreements.
 - b. Project Manager/ Coordinator – Unmanned Aircraft Systems (UAS). This position will be responsible to coordinate UAS related operational activities at the Reno-Stead Airport including services necessary to facilitate UAS testing per the RTAA’s agreement with Nevada Institute for Autonomous Systems, Inc. (NIAS). It is anticipated that UAS operations will grow to include flights during all hours and days of the week, including weekends, which will exceed current staff capabilities.
2. Existing employee salaries and overtime are proposed to increase \$551,600 or 3.3%. This increase reflects current collective bargaining agreements and the civil service and management guidelines in place.
 3. With preliminary increases in the cost of health insurance of approximately 35%, significant modifications were made to the benefit plan structure to encourage “employee consumerism” of health benefits. These modifications include a change from a traditional HMO plan, where all costs beyond fixed co-pays are covered by insurance, to higher deductible plans paired with RTAA contributions into either a Health Reimbursement Account (HRA) or a Health Savings Account (HSA). These accounts are established to partially offset the higher out of pocket impact to employees of these elevated deductibles. Both an HRA and an HSA are tax-advantaged medical savings accounts available to taxpayers who are enrolled in high-deductible health plans and are designed to be used for out of pocket medical and related expenses.

In addition to the modifications to the benefit plan structure, the budget reflects changes to establish internal parity by adjusting the contribution structure where all employees are responsible for paying 15% of the incremental costs of spouse/child/family coverage.

With the proposed changes, the FY 2014-15 Budget reflects health insurance costs of approximately \$2.738 million, an increase of \$155,000 or 6.0% as compared to the prior year budget.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

4. In FY 2014-15, retirement and post-employment health insurance contributions to the Public Employees' Retirement System (PERS) of approximately \$4,483,200 are included in the proposed budget. This represents an increase of \$202,700 or 4.7% over the prior year budget.

This increase reflects a contribution rate of 25.75% for Regular Employees and 40.50% for Police/Fire members as established by PERS effective on July 1, 2013 for a two year period. With no increase in the contribution rate included in the FY 2014-15 Budget, the increased costs reflect higher salaries and additional staff positions outlined in Item 1 and 2 above.

5. To further address employee benefit costs, the FY 2014-15 Budget reflects a change in the benefit package offered to employees covered under the Management Guidelines. In the prior year, management employees were offered a benefit bank that provides each employee the option to choose from a host of options in the amount equal to what family health insurance coverage would cost. For management employees who take less than family coverage (no coverage, single coverage, or employee plus spouse only), the employee was permitted to allocate the balance of the bank in supplemental benefits such as Deferred Compensation, Flexible Savings Account, extra life insurance, critical illness coverage, prepaid legal insurance, and identity theft insurance.

The FY 2014-15 Budget permanently removed this benefit at an estimated savings of \$209,800 as compared to last year's budget.

As part of the FY 2014-15 budget review process, 12.5 positions remain "frozen" and are not funded in the requested budget. With the support of the Board, RTAA management over the past five years has aggressively and proactively taken cost reduction steps in response to the recession and its impact on passenger levels.

- The FY 2014-15 Budget for Utilities and Communications is 0.5% or approximately \$13,000 above the FY 2013-14 Budget and 0.8% or \$22,000 under the updated projected expenditures for the 2013-14 Fiscal Year.

The slight increase in the FY 2014-15 Budget for utilities is due to increases in electricity, water and communications budgets partially offset by savings in natural gas and solid waste disposal costs.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

- The Purchased Services Budget is 9.6% or approximately \$492,000 above the FY 2013-14 Budget and increasing 7.4% or \$388,000 above the updated projected expenditures for the 2013-14 fiscal year. The increase is comprised of the following major changes:
 1. Increase of \$60,600 in higher repair and maintenance costs associated with the access control and closed-circuit television (CCTV). This increase reflects the system expansion associated with the Airport Gateway Project and aging equipment.
 2. Increase of \$80,000 in contracted services to provide information technology support to airport operations and maintenance. Growth in the number and complexity of airport systems has reached the stage where existing staff is no longer able to properly support these systems.
 3. Increase of \$150,000 in contracted services to allow the RTAA to meet payment card industry (PCI) standards and enhance cyber security of information systems. With the growing issues surrounding computer security, the RTAA needs to provide additional resources to ensure our systems meet prudent industry standards.
 4. Increase in consulting services of \$42,500 for Phase (b) and (c) of a legislative tax abatement effort to mitigate sales and use tax on aviation parts. With the potential loss of several airport tenants due to the State of Nevada being at a competitive disadvantage compared to other western states, this effort will fund expert witnesses who will provide presentations and testimony as needed in advance of and during the 2015 legislative session. No funding for the effort was included in the FY 2013-14 adopted budget.
 5. Increase in consulting services of \$25,000 to fund an airport financial consultant to assist staff with the negotiation of a new or amended airline use and lease agreement.
 6. Increase in contracted services of \$60,000 to pay a fixed fee commission for insurance brokerage services. In FY 2012-13, compensation of \$129,652 was established on a percentage commission basis averaging 11%. This compensation was included in insurance premium costs recorded in the Administrative section of the budget. This new fixed annual fee of \$60,000, now posted to Purchased Services for FY 2014-15, is 60% lower than prior year costs and the savings is reflect in lower insurance premiums.
 7. Increase of \$101,000 in other repair and maintenance services to repair hangar doors and asphalt pavement at General Aviation East and West at Reno-Tahoe International Airport.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

8. Increase of \$72,000 in other repair and maintenance services to repair asphalt pavement at the rental car services facilities. This work is funded by the Customer Facility Charge of \$1.25 per rental car transaction day authorized by the Board of Trustees on August 1, 2012.
 9. Decrease of \$50,000 in lower legal services, \$25,000 in lower engineering consultant services, and \$53,200 in lower Baggage Handling System repair and maintenance services to partially offset the increases outlined above.
- The Materials and Supplies Budget is increasing 6.2% or \$111,000 from the FY 2013-14 Budget and 5.0% or \$90,000 from the projected expenditures for FY 2013-14. The largest increase is \$61,800 for paint supplies needed to replace the current thermoplastic hold bars and signs.
 - The Administrative Expense Budget is increasing 1.1% or \$26,000 from the FY 2013-14 Budget and decreasing 3.6% or approximately \$90,000 from the projected expenditures for FY 2013-14.

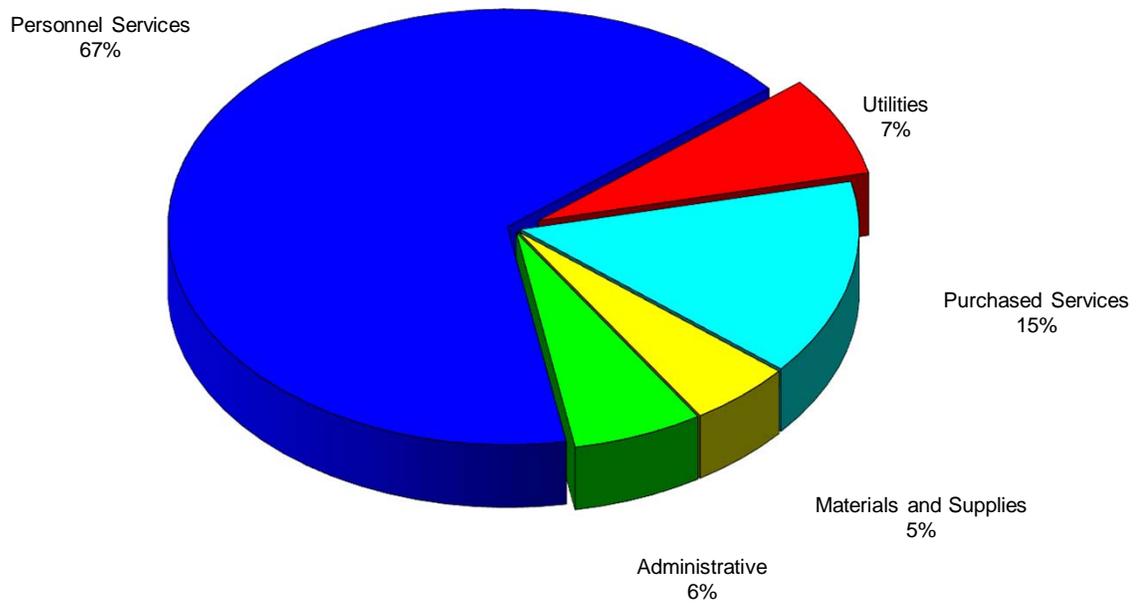
This increase is mainly due to the implementation of the new Strategic Plan and includes additional funding for the following: (1) sponsorship of the National Championship Air Races of \$65,000, (2) airport economic development marketing, analysis, and studies of \$60,000; (3) community outreach of \$35,800 to enhance General Aviation community marketing and the authority's social media and community events/partnerships; and (4) development of a UAS website and marketing of \$25,000.

The budget increases are partially offset by eliminating one-time expenditures in the FY 2013-14 Budget associated with the triennial mass casualty exercise of \$18,000, conference sponsorship of \$25,000; and relocation of the new President/CEO of \$32,600.

**Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET**

Operation & Maintenance Expenditures

FY 2014-15 O&M Expenditures



EXPENDITURES	
Personnel Services	\$ 25,771,165
Utilities	2,862,700
Purchased Services	5,627,235
Materials and Supplies	1,905,619
Administrative	<u>2,403,054</u>
Total	\$ 38,569,773

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Summary of Budgeted Expenditures

Account Group	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
Personnel Services	\$ 23,255,521	\$ 24,983,395	\$ 25,771,165	3.2%
Utilities and Communications	2,559,354	2,849,635	2,862,700	0.5%
Purchased Services	4,588,047	5,135,666	5,627,235	9.6%
Materials and Supplies	1,850,484	1,794,195	1,905,619	6.2%
Administrative Expenses	2,273,581	2,376,785	2,403,054	1.1%
 Total Operating Expenses	 \$ 34,526,988	 \$ 37,139,676	 \$ 38,569,773	 3.9%
Property, Plant and Equipment	377,564	214,500	257,650	20.1%
 TOTAL	 <u><u>\$ 34,904,552</u></u>	 <u><u>\$ 37,354,176</u></u>	 <u><u>\$ 38,827,423</u></u>	 <u><u>3.9%</u></u>

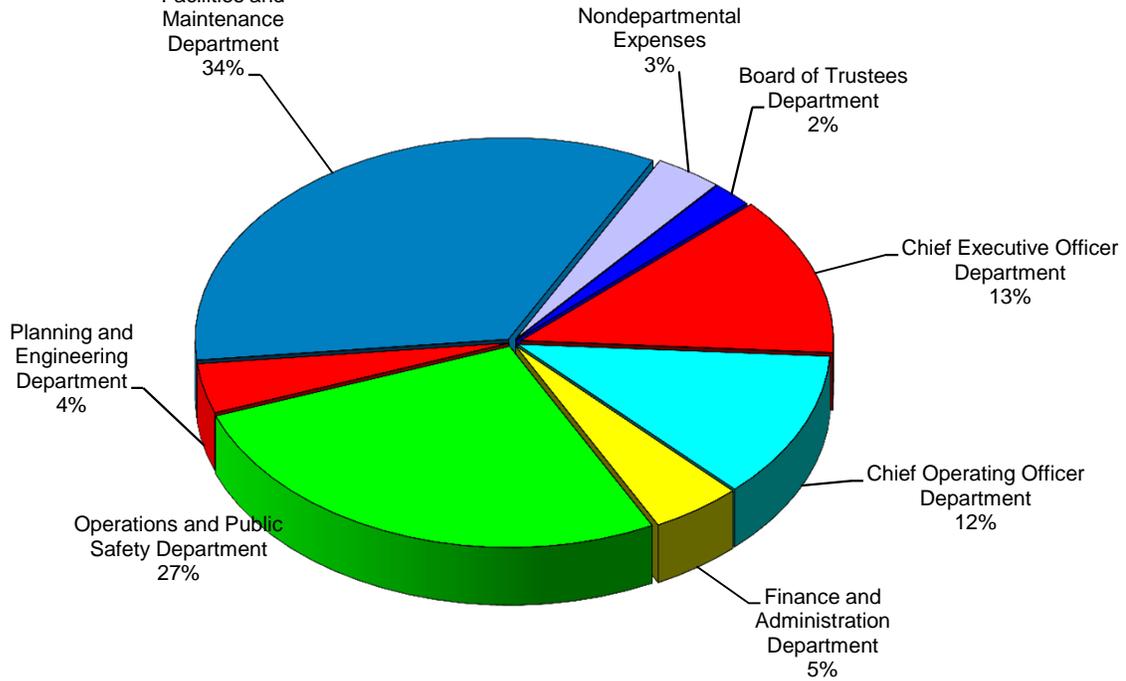
Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Resources Applied by Organizational Unit

	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	CHANGE
Board of Trustees Department				
Board of Trustees	\$ 292,240	\$ 178,080	\$ 140,130	-21.3%
Internal Audit	151,753	239,075	237,275	-0.8%
Legal Counsel	398,211	470,000	419,550	-10.7%
TOTAL	<u>842,203</u>	<u>887,155</u>	<u>796,955</u>	<u>-10.2%</u>
President/CEO Department				
President/CEO	1,223,360	749,200	752,800	0.5%
Air Service Development Section	437,519	580,295	662,310	14.1%
Marketing and Public Affairs Section	789,421	831,030	1,039,845	25.1%
Economic Development Section	942,614	1,044,627	1,172,323	12.2%
Outside Properties Section	748,181	1,144,021	1,298,151	13.5%
TOTAL	<u>4,141,096</u>	<u>4,349,173</u>	<u>4,925,429</u>	<u>13.2%</u>
Executive Vice-President/COO Department				
Executive Vice-President/COO	360,887	446,250	385,700	-13.6%
Technology and Information Systems Section	1,538,727	1,562,140	2,056,180	31.6%
Reno-Stead Airport Section	845,874	981,863	1,016,640	3.5%
Unmanned Aircraft Systems	-	-	232,600	%
Human Resources Section	833,277	921,440	880,315	-4.5%
TOTAL	<u>3,578,765</u>	<u>3,911,693</u>	<u>4,571,435</u>	<u>16.9%</u>
Finance and Administration Department				
Accounting and Administration	881,905	955,155	965,540	1.1%
Finance and Budgeting Section	263,193	300,375	331,100	10.2%
Purchasing and Materials Management Section	477,129	502,230	506,645	0.9%
TOTAL	<u>1,622,227</u>	<u>1,757,760</u>	<u>1,803,285</u>	<u>2.6%</u>
Operations and Public Safety Department				
Vice-President of Operations and Public Safety	275,290	298,005	295,370	-0.9%
Airsides Operations Section	1,708,028	1,878,270	1,891,570	0.7%
Landside Operations Section	1,068,072	1,359,160	1,441,150	6.0%
Airport Rescue and Fire Section	2,374,133	2,620,935	2,649,545	1.1%
Airport Police Section	2,429,826	2,710,739	2,853,687	5.3%
Airport Security Section	1,135,154	1,248,010	1,242,325	0.0%
TOTAL	<u>8,990,504</u>	<u>10,115,119</u>	<u>10,373,647</u>	<u>2.6%</u>
Planning and Engineering Department				
Planning and Environmental Services Section	641,184	752,611	857,990	14.0%
Engineering and Construction Section	533,682	682,950	677,500	-0.8%
TOTAL	<u>1,174,867</u>	<u>1,435,561</u>	<u>1,535,490</u>	<u>7.0%</u>
Facilities and Maintenance Department				
Director of Facilities and Maintenance	698,470	707,786	708,980	0.2%
Airfield Maintenance Section	3,217,483	3,434,991	3,473,230	1.1%
Building Maintenance and Services Section	6,312,208	7,325,785	7,409,983	1.1%
Baggage Handling System Section	1,660,223	1,699,478	1,635,339	-3.8%
TOTAL	<u>11,888,384</u>	<u>13,168,040</u>	<u>13,227,532</u>	<u>0.5%</u>
Nondepartmental Operation and Maintenance Expenses	1,762,584	1,123,400	944,225	-15.9%
Nondepartmental Non Rate Base Expenses	<u>526,358</u>	<u>391,775</u>	<u>391,775</u>	<u>0.0%</u>
Total Operations and Maintenance Expense	34,526,988	37,139,676	38,569,773	3.9%
Property, Plant & Equipment	<u>377,564</u>	<u>214,500</u>	<u>257,650</u>	<u>20.1%</u>
TOTAL	<u>\$ 34,904,552</u>	<u>\$ 37,354,176</u>	<u>\$ 38,827,423</u>	<u>3.9%</u>

**Reno-Tahoe Airport Authority
FY 2013-14
ANNUAL BUDGET**

Departmental Operation & Maintenance Expenditures

FY 2013-14 O&M by Department



DEPARTMENT	
Board of Trustees Department	\$ 796,955
Chief Executive Officer Department	4,925,429
Chief Operating Officer Department	4,571,435
Finance and Administration Department	1,803,285
Operations and Public Safety Department	10,373,647
Planning and Engineering Department	1,535,490
Facilities and Maintenance Department	13,227,532
Nondepartmental Expenses	<u>1,336,000</u>
Total	\$ 38,569,773

Note: Fixed Assets and Capital Projects not included

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

Board of Trustees

Mission Statement: Responsible for setting policies that govern the operation of the Authority through the adoption of resolutions and awarding of contracts.

General Counsel

Mission Statement: Provide legal services to the Board of Trustees and staff, including advice, litigation defense, contract and legal document review, coordination of use of other outside counsel, attendance at Board meetings and other meetings where required, consultation with Board and staff on Open Meeting Law requirements, and performance of other duties as required.

Key Duties and Responsibilities:

- Attend Board meetings.
- Answer questions asked by Board members.
- Review all documents as requested by the President/CEO.
- Answer all legal related questions asked by staff.
- Provide resolution dispute services.
- Coordinate the services of outside legal firms used for the following specialty areas: labor issues, environmental, condemnation, and bankruptcies.
- Review all outside counsel invoices.

Internal Audit

Mission Statement: To provide highly reliable and objective evaluations of the organization's operations to assist management with their important business and financial decisions, and to protect and safeguard the organization's resources and assets.

Key Duties and Responsibilities:

- Conduct audits that focus on value-added auditing techniques.
- Conduct lease compliance audits with a focus on reporting accuracy and timeliness.
- Monitor Public Parking Operations - Perform on-going monitoring of operational activities specific to the parking garage audit program.
- Audit rental car companies on a quarterly basis for agreement compliance to minimize effects of paperless financial record keeping.

Reno-Tahoe Airport Authority
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- Prepare proposed fiscal year budgets for the Internal Audit Department and General Counsel.
- Perform special audit assignments as requested.
- Participate in committees and/or organizational development opportunities.
- Participate in professional organizations that augment Internal Audit skills and professional development.
- Perform risk assessment to assist in the development of the annual audit plan and to help minimize financial and procedural hazards. All stakeholders will be invited to add value to the risk assessment effort.

Reno-Tahoe Airport Authority
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BOARD OF TRUSTEES
 Department 101

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$25,093	\$25,600	\$30,600	20%
Trustee Stipend	41190	60,480	60,480	60,480	0%
Group Insurance	41340	5,284	7,300	7,100	-3%
Retirement	41360	5,888	6,600	7,900	20%
TOTAL PERSONNEL SERVICES		96,745	99,980	106,080	6%
PURCHASED SERVICES					
Consultants - General	43140	65,900	8,000	0	-100%
Office Equipment Rental	43210	1,895	2,000	2,000	0%
Freight Expense	43430	48	200	0	-100%
Other Purchased Services	43490	3,091	500	500	0%
TOTAL PURCHASED SERVICES		70,934	10,700	2,500	-77%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,306	2,000	1,500	-25%
Paper	44110	546	300	300	0%
Postage	44120	268	150	150	0%
Printing & Forms	44130	1,238	1,000	1,000	0%
Office Small Equipment	44410	0	2,550	0	-100%
TOTAL MATERIALS & SUPPLIES		3,358	6,000	2,950	-51%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	520	500	500	0%
Conference Registration Fees	45130	830	4,800	5,000	4%
Training Expense	45140	380	600	600	0%
Meeting Expense	45150	10,810	10,000	10,000	0%
Travel & Reimbursed Expense	45210	4,015	10,500	10,000	-5%
Recruitment Expense	45230	104,398	35,000	0	-100%
Community Relations	45398	250	0	2,500	%
TOTAL ADMINISTRATIVE EXPENSES		121,204	61,400	28,600	-53%
TOTAL DEPARTMENT EXPENSES		<u>\$292,240</u>	<u>\$178,080</u>	<u>\$140,130</u>	<u>-21%</u>

Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET

INTERNAL AUDIT
 Executive Section 204

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$78,676	\$144,700	\$147,900	2%
Temporary Employees	41120	4,200	0	0	0%
Vacation Pay	41130	8,291	0	800	%
Sick Leave	41140	7,004	2,000	1,500	-25%
Holiday Pay	41150	4,755	0	0	0%
Medicare	41320	1,571	2,100	2,100	0%
Group Insurance	41340	4,236	14,200	20,800	46%
Disability Insurance	41342	899	1,600	1,600	0%
Self Funded Rx	41343	(121)	0	0	0%
Vision Insurance	41344	216	200	300	50%
Dental Insurance	41347	1,715	1,600	1,900	19%
Workers Comp	41350	323	200	200	0%
Retirement	41360	23,256	37,300	38,100	2%
Benefit Bank Deferred Comp	41430	8,787	9,200	0	-100%
TOTAL PERSONNEL SERVICES		143,807	213,100	215,200	1%
PURCHASED SERVICES					
Consultants - General	43140	5,146	20,000	20,000	0%
Office Equipment Rental	43210	548	600	600	0%
Freight Expense	43430	11	0	0	0%
TOTAL PURCHASED SERVICES		5,705	20,600	20,600	0%
MATERIALS & SUPPLIES					
Office Supplies	44100	25	300	150	-50%
Paper	44110	0	100	25	-75%
Postage	44120	0	50	25	-50%
Printing & Forms	44130	0	50	75	50%
Office Small Equipment	44410	0	50	50	0%
TOTAL MATERIALS & SUPPLIES		25	550	325	-41%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	370	515	385	-25%
Books & Subscriptions	45120	820	400	425	6%
Conference Registration Fees	45130	500	550	0	-100%
Training Expense	45140	0	1,160	240	-79%
Meeting Expense	45150	0	0	100	%
Travel & Reimbursed Expense	45210	526	2,200	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		2,216	4,825	1,150	-76%
TOTAL SECTION EXPENSES		<u>\$151,753</u>	<u>\$239,075</u>	<u>\$237,275</u>	<u>-1%</u>

**Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET**

**GENERAL COUNSEL
 Executive Section 102**

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PURCHASED SERVICES					
Legal Contracted Service	43110	395,892	450,000	400,000	-11%
Other Professional Services	43190	2,076	15,000	15,000	0%
Other Purchased Services	43490	<u>243</u>	<u>200</u>	<u>250</u>	<u>25%</u>
TOTAL PURCHASED SERVICES		<u>398,211</u>	<u>465,200</u>	<u>415,250</u>	<u>-11%</u>
ADMINISTRATIVE EXPENSE					
Books & Subscriptions	45120	0	600	600	0%
Conference Registration Fees	45130	0	1,600	1,700	6%
Travel & Reimbursed Expense	45210	<u>0</u>	<u>2,600</u>	<u>2,000</u>	<u>-23%</u>
Fines and Settlements	45920	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL ADMINISTRATIVE EXPENSES		<u>0</u>	<u>4,800</u>	<u>4,300</u>	<u>-10%</u>
TOTAL SECTION EXPENSES		<u><u>\$398,211</u></u>	<u><u>\$470,000</u></u>	<u><u>\$419,550</u></u>	<u><u>-11%</u></u>

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

President/CEO

Mission Statement: Implements Board policy to ensure the operation and maintenance of a high quality, customer service oriented, financially self-sufficient airport system. The system must be safe, efficient, and cost effectively developed. In addition, this department is responsible for representing the RTAA’s interests and maintaining strong governmental relations at the local, state, and federal levels.

Key Duties and Responsibilities:

- Responsible for the safe, efficient, and profitable development and operation of the Reno-Tahoe International Airport and the Reno-Stead Airport.
- Develop policies and plans for the operation and maintenance of both airports.
- Direct and manage staff in the development and implementation of work plans to achieve the Strategic Priorities and Guiding Principles /Operating Practices established by the Board of Trustees.
- Maintain continuing and pertinent communication with the Board of Trustees.
- Represent the RTAA’s plans and initiatives through speaking engagements in professional meetings.
- Lead negotiations with regulators, major customers and other stakeholders.
- Communicate effectively with public, government, community and aviation industry leaders.

President/CEO - Initiatives:

FY 2014-15 New Initiatives

- 1. Facilitate the effectiveness of the Regional Air Service Committee (formerly Regional Marketing Committee) through coordination with RTAA air service development efforts.**

Description: This initiative will encourage engagement, two-way communication and the free exchange of ideas and pertinent data/knowledge.

Performance Measure: In coordination with the RTAA’s efforts, the Regional Air Service Committee will provide marketing resource proposals to air carriers considering new air service to our community.

Strategic Initiative / Guiding Principle: Increase Air Service

Reno-Tahoe Airport Authority
FY 2014-15
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Section 7 – Expenditures

2. Add, remove, or revise current organizational values so they align with the new organizational culture as adopted in the Strategic Plan.

Description: This initiative will develop and update the organizational values to be in alignment with the recently adopted Strategic Plan.

Performance Measure: Alignment between the actual culture and stated values as measured by employee survey data and Board of Trustee feedback.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

**Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET**

**PRESIDENT/CEO
Department 201**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$690,711	\$340,100	\$343,900	1%
Vacation Pay	41130	47,453	4,800	0	-100%
Sick Leave	41140	19,579	12,700	2,100	-83%
Holiday Pay	41150	15,798	0	0	0%
Automobile Allowance	41250	17,539	12,000	7,200	-40%
Medicare	41320	13,263	3,900	4,000	3%
Group Insurance	41340	21,253	20,800	19,500	-6%
Disability Insurance	41342	5,280	9,300	3,100	-67%
Self Funded Rx	41343	(106)	0	0	0%
Vision Insurance	41344	215	300	300	0%
Dental Insurance	41347	1,829	2,000	1,900	-5%
Workers Comp	41350	1,485	300	400	33%
Retirement	41360	102,627	76,000	77,000	1%
Benefit Bank Deferred Comp	41430	2,529	2,200	0	-100%
TOTAL PERSONNEL SERVICES		939,454	484,400	459,400	-5%
PURCHASED SERVICES					
Other Professional Services	43190	162,415	170,000	170,000	0%
Office Equipment Rental	43210	1,730	400	500	25%
Freight Expense	43430	315	300	300	0%
Other Purchased Services	43490	194	0	0	0%
TOTAL PURCHASED SERVICES		164,654	170,700	170,800	0%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,827	2,500	2,500	0%
Paper	44110	246	500	500	0%
Postage	44120	79	200	200	0%
Printing & Forms	44130	134	400	400	0%
TOTAL MATERIALS & SUPPLIES		3,287	3,600	3,600	0%
ADMINISTRATION EXPENSES					
Educational & Professional Fees	45100	2,542	0	0	0%
Membership Dues	45110	68,513	63,000	87,000	38%
Books & Subscriptions	45120	3,164	4,000	4,000	0%
Conference Registration Fees	45130	4,565	3,500	3,500	0%
Meeting Expense	45150	11,117	10,000	10,000	0%
Travel & Reimbursed Expense	45210	26,064	10,000	13,500	35%
Community Relations	45398	0	0	1,000	%
TOTAL ADMINISTRATIVE EXPENSES		115,964	90,500	119,000	31%
TOTAL DEPARTMENT EXPENSES		\$1,223,360	\$749,200	\$752,800	0%

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

Air Service Development

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

Key Duties and Responsibilities:

- Communicate current airport status and promote air carriers and their destinations serving RTIA to regional customers.
- Develop and present route analyses and business plans to airlines designed to maintain existing air service, as well as attract new air service opportunities.
- Develop air service marketing and advertising programs to promote local market demand and incorporate the business community in the messaging.
- Develop and present air cargo business plans to domestic and international cargo carriers.
- Meet with carriers, forwarders, end users and other air cargo entities; utilizing existing relationships, present comprehensive business cases to key staff and stakeholders in order to further the development process, leading to new service.
- Partner with community organizations that contribute to the air service and business development of RTIA such as the Regional Air Service Committee (RASC), Economic Development Authority of Western Nevada (EDAWN), Northern Nevada Development Authority (NNDAA), Reno Sparks Convention and Visitors Authority (RSCVA), Nevada Commission of Tourism (NCOT), Governor’s Office of Economic Development (GOED), and Ski Lake Tahoe.
- Partner with business and professional organizations that are related to the travel industry such as the American Association of Airport Executives (AAAE), Airports Council International- North America (ACI-NA), The International Air Cargo Association (TIACA), and Network USA.
- Increase knowledge of air passenger, air cargo and travel industry by participating in professional training. (AAAE, JumpStart, Network USA, National Transportation Safety Board (NTSB) training.
- Proactively seek ad hoc opportunities to increase air passenger and/or cargo service i.e. charters, extra sections, larger aircraft.
- Pursue international charter carriers to support international ski charters.
- Build on relationships with RTIA airline managers and RTIA airline executive decision makers.
- Manage a community Business Advisory Council (BAC).
- Enhance relationships with local, national and international freight forwarders.
- Build on air service recovery by forging strong airline relationships through a combination of conference meetings and headquarters meetings.

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

- Use marketing and relationships to maintain status as Gateway to Lake Tahoe.
- Determine and report the level of air carrier activity at RTIA by completing a Monthly Flight Schedule.
- Research and report the monthly and year-to-date Passenger and Air Cargo Statistics.

Air Service Development - Initiatives:

FY 2013-14 – Current Initiatives

1. Foster locally supported programs to mitigate new air service start up risks with regional partners.

Description: Enlist support from the Regional Air Service Committee for new airline opportunities that seek community risk mitigation.

Performance Measure: Created a high value community risk mitigation plan to seek New York (JFK) service to RTIA. This program will include contributions by a wide variety of community stakeholders.

Progress: Plans for potential New York service are in place. This is now being used as a foundation for future plans, which includes measuring the value of local tourism data bases.

Strategic Initiative / Guiding Principle: Increase Air Service

2. Bring together Asian and South American international air cargo programs, carriers and forwarding partners. Identify future air cargo facility and infrastructure needs for the southwest quadrant.

Description: Seek additional cargo carriers that will support RTIA cargo growth

Performance Measure: Increase RTIA volume in FY 2013-14, as measured by pounds of cargo, by 1% over the same period last year.

Progress: RTIA cargo growth in pounds was 4.5% in Calendar Year 2013 compared to the prior year and increased 7.5% in FY 2013-14. In addition, RTAA secured the launch of Amerijet International cargo service on July 8, 2014.

Strategic Initiative / Guiding Principle: Expand Cargo Development and Service

**Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures**

FY 2014-15 New Initiatives

1. Redevelop the RTAA’s Business Advisory Council (BAC).

Description: This initiative will develop a new format for this advisory group that will encourage engagement, two-way communication and an exchange of ideas and pertinent data/knowledge. This effort will also continue to broaden demographics of the group to incorporate varying industries, urban and rural, and expanded age demographics.

Performance Measure: Air service levels compared to communities of similar population size.

Strategic Initiative / Guiding Principle: Increase Air Service

2. Incumbent carrier meetings at least twice (2x) per year outlining specific market proposals for specific carriers.

Description: This effort will develop and present route analyses and business plans to airlines designed to maintain existing services and promote new air service.

Performance Measure: Hold two meetings each with Alaska, American, Delta, Southwest, United, and US Airways by June 30, 2015. Retain at least six carriers at RTIA.

Strategic Initiative / Guiding Principle: Increase Air Service

3. Strengthen Air Service Marketing Plan to maintain the existing number of average daily seats.

Description: This effort will clarify the roles of the Regional Air Service Committee (RASC) and the RTAA in terms of marketing funding in compliance with Federal Aviation Administration (FAA) guidelines.

Performance Measure: Maintain average daily seats at 6,251.

Strategic Initiative / Guiding Principle: Increase Air Service

4. Enhance Air Service Development Plan utilizing business travel survey and Business Advisory Council intelligence.

Description: This effort is to collect and use data derived from local businesses and council members to enhance the business case portion of route analyses presentations to airlines.

Reno-Tahoe Airport Authority
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Performance Measure: Completion of updated Air Service Development Plan.

Strategic Initiative / Guiding Principle: Increase Air Service

5. Coordinate a legislative effort to establish a State of Nevada funding source for air service development.

Description: Working with a coalition of interested stakeholders, this effort will draft and propose legislation to create a State supported fund that can be used, in combination with local community funds, to attract new air service at Nevada commercial airports.

Performance Measure: Adoption of a state aviation fund for air service development as part of a state wide aviation program.

Strategic Initiative / Guiding Principle: Increase Air Service

6. Present at least twenty-four (24) route analyses of new routes and next steps with the carriers.

Performance Measure: Presentation of twenty four (24) route analyses by June 30, 2015.

Strategic Initiative / Guiding Principle: Increase Air Service

7. Target a minimum of four (4) new air service markets in FY2014-15 in order to maintain an average number of fifteen (15) destinations.

Performance Measure: Maintain an average of fifteen (15) destinations during Fiscal Year 2014-15.

Strategic Initiative / Guiding Principle: Increase Air Service

8. Establish cargo focus group targeting regional cargo users to increase current and new cargo service.

Description: Identify primary regional cargo users across multiple platforms such as e-commerce, pharmaceutical, electronics, and other air cargo demand industries, including freight forwarders. Once group is identified and is currently meeting on a regular basis.

Performance Measure: Establish a Cargo Focus Group and begin regular meetings by June 30, 2015.

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Strategic Initiative / Guiding Principle: Expand Cargo Development and Service

9. Meet with incumbent air cargo carriers/station managers a minimum of twice (2x) per year.

Description: Share new regional developments and understand future schedule plans.

Performance Measure: Hold two meetings each with Amerijet International, FedEx and United Parcel Service. Retain all air cargo carriers at RTIA.

Strategic Initiative / Guiding Principle: Expand Cargo Development and Service

10. Increase activity with the Council of Supply Chain Management Professionals (CSCMP).

Description: Engage in regional activities and supply chain events to obtain current information from supply chain entities.

Performance Measure: Attend 80% of all organization meetings and functions.

Strategic Initiative / Guiding Principle: Expand Cargo Development and Service

11. Update international cargo demand study.

Description: Utilize 2012 (or later) cargo data to create a platform in which to quantify growth or changes in regional demand

Performance Measure: Complete study by December 31, 2015.

Strategic Initiative / Guiding Principle: Expand Cargo Development and Service

12. Meet with key/priority cargo carriers regarding new service and next steps.

Description: Continue momentum with key carriers and freight forwarders. Hold meetings that include a comprehensive business cases to support additional cargo air service.

Performance Measure: New daily cargo flights by June 30, 2015.

Strategic Initiative / Guiding Principle: Expand Cargo Development and Service

**Reno-Tahoe Airport Authority
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**AIR SERVICE BUSINESS DEVELOPMENT
Executive Section 202**

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$172,846	\$290,200	\$370,800	28%
Vacation Pay	41130	15,706	0	0	0%
Sick Leave	41140	11,528	3,300	3,300	0%
Holiday Pay	41150	10,048	0	0	0%
Comp Time	41160	351	0	0	0%
Overtime Pay	41210	89	0	0	0%
Automobile Allowance	41250	0	0	4,800	%
Medicare	41320	3,197	4,400	5,400	23%
Group Insurance	41340	17,035	30,800	31,900	4%
Disability Insurance	41342	1,991	3,600	3,800	6%
Self Funded Rx	41343	(236)	0	0	0%
Vision Insurance	41344	431	500	400	-20%
Dental Insurance	41347	3,450	3,000	2,500	-17%
Workers Comp	41350	808	500	700	40%
Retirement	41360	47,738	74,700	95,500	28%
Benefit Bank Deferred Comp	41430	6,794	10,300	0	-100%
TOTAL PERSONNEL SERVICES		291,775	421,300	519,100	23%
PURCHASED SERVICES					
Consultants - General	43140	4,000	0	0	0%
Other Professional Services	43190	1,378	3,995	3,995	0%
Office Equipment Rental	43210	587	2,400	600	-75%
Freight Expense	43430	73	1,000	1,000	0%
Other Purchased Services	43490	69	70	70	0%
TOTAL PURCHASED SERVICES		6,108	7,465	5,665	-24%
MATERIALS & SUPPLIES					
Office Supplies	44100	329	0	500	%
Paper	44110	0	0	250	%
Postage	44120	243	0	50	%
Printing & Forms	44130	134	0	200	%
TOTAL MATERIALS & SUPPLIES		706	0	1,000	%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	2,330	2,630	2,960	13%
Conference Registration Fees	45130	8,295	17,000	16,485	-3%
Training Expense	45140	385	2,000	2,000	0%
Meeting Expense	45150	4,377	2,500	2,500	0%
Meeting Exp-Air Svc Task Force	45151	208	500	500	0%
Travel & Reimbursed Expense	45210	94,810	79,000	64,300	-19%
Travel&Reimb Exp-Air Svc Task	45211	591	7,800	7,800	0%
Employee Mileage Reimbursement	45240	0	100	0	-100%
Air Service Development	45350	296	0	0	0%
Other Advertising & Promotion	45390	14,192	20,000	20,000	0%
Conference Sponsorship	45391	0	20,000	20,000	0%
Community Outreach	45398	13,447	0	0	0%
TOTAL ADMINISTRATIVE EXPENSES		138,931	151,530	136,545	-10%
TOTAL SECTION EXPENSES		\$437,519	\$580,295	\$662,310	14%

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

Marketing and Public Affairs

Mission Statement: Provide public information to the news media on a 24 hours / 7 days a week basis and support RTAA efforts in striving as a forward thinking, community minded airport, continually improving the image of the airport through public awareness activities and services.

Key Duties and Responsibilities:

- Provide airport information and community outreach through various forms of media & programs.
- Maintain and enhance customer service and community outreach by hosting staff and community meetings, as well as holding press conferences.
- Enhance service through customer service feedback program, including the answering of Ask the Airport questions.
- Work with RTAA staff, airlines, tenants and community partners to create targeted customer service programs that help passengers have a positive travel experience, especially during peak travel times.
- Optimize communication of airport activities, events and services.
- Emergency contingency and crisis response.
- Provide equipment for the day-to-day operation and documentation of public relations, marketing and customer service programs.
- Utilize social media as a full-fledged marketing, public relations, and customer service tool.
- Use in-house graphic skills to enhance presentations, web site, social media, invitations, economic development promotions and advertisements.
- Develop and manage General Aviation marketing to enhance customer utilization and increase T-Hangar occupancy.
- Maintain membership and attendance at monthly community meetings to extend community outreach and continue professional development.
- Remain informed on media issues, record news stories and share media reports with staff.
- Compile and report quarterly statistics from media monitoring service.
- Provide airport information through media interviews and hold editorial board meetings twice a year.
- Send media alerts for every publicity opportunity to media outlets including press releases, social media, web and phone calls
- Use magazine display advertising to promote RTIA as the gateway to Lake Tahoe.
- Improve organizational communication through newsletters, employee notices and all employee meetings.

Reno-Tahoe Airport Authority
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- Provide for an RTIA Art Plan and program.
- Maintain and Update RTIA Website.
- Communicate airport construction impacts to customers.
- Coordinate four quarterly Community Outreach Committee (COC) Meetings.
- Continue RTAA’s music events in the terminal building, including holiday and Artown performances.
- Design and help maintain land development marketing materials.
- Coordinate with the Reno-Sparks Convention and Visitors Authority (RSCVA), airlines, Transportation Security Administration (TSA), tenants and staff to provide outstanding service to conventions.
- Maintain and enhance partnership marketing opportunities with organizations such as University of Nevada, Reno-Tahoe Open, American Century Celebrity Golf Tournament, Nevada Military Support Alliance, KNPB Public Television, Burning Man, State of Nevada Indian Commission, Nevada Mining Association, Nevada Manufacturing Association, and Ski Lake Tahoe.
- Promote RTAA’s corporate aviation potential through yearly attendance at national events.

Marketing and Public Affairs - Initiatives:

FY 2013-14 – Current Initiatives

1. Implement a locally oriented air service marketing and public relations plan.

Description: Develop targeted and ongoing air service marketing and advertising program to support local market demand and incorporate the business community in the messaging. This effort may include a variety of low-cost, high reach electronic marketing mediums including social media.

Performance Measure: Launch two marketing programs that promote and support new air service to RTIA.

Progress: Marketing programs were launched locally for Allegiant, Alaska and Southwest Airlines during FY 2013-14.

Strategic Initiative / Guiding Principle: Increase Air Service

Reno-Tahoe Airport Authority
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2. Support Reno Air Racing Association / National Championship Air Race on the 50th anniversary event.

Description: This effort involves providing a chalet tent at the event and the invitation of potential clients in order to promote air service, cargo, and economic development at both airports.

Performance Measure: Ensure the chalet is full of economic development, air service and political clients each day.

Progress: Complete. The event was very well attended for each day of the event. Potential opportunities and new contacts were developed in both the air service and Unmanned Aircraft System (UAS) development areas.

Strategic Initiative / Guiding Principle: Increase Air Service, Optimize General Aviation Operation and Services, and Facilitate Economic Development at both Airports

3. Coordinate a community introduction program for the new President/CEO.

Description: Create an on-boarding plan for the new CEO.

Performance Measure: Schedule four (4) or more civic presentations by December 31, 2013.

Progress: Completed. Numerous lunches, coffees, dinners and presentations were set with community leaders.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

4. Develop a customer satisfaction score by completing a customer service survey.

Performance Measure: Completion of customer satisfaction survey by June 30, 2014.

Progress: Completed.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

Reno-Tahoe Airport Authority
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FY 2014-15 New Initiatives

1. Continue General Aviation (GA) marketing and implementation of customer service plan to enhance customer satisfaction and T-Hangar occupancy.

Description: Draft a GA marketing and customer relations plan with a goal of increasing based aircraft numbers and enhancing tenant relations. Work with partners like Atlantic Aviation, Aircraft Owners and Pilots Association (AOPA), the Reno-Tahoe Aviation Group and tenants to create a broad plan that will include creation of a new GA web site, publishing a quarterly newsletter, and hosting special events.

Performance Measure: Complete marketing plan and coordinate implementation with the T-Hangar Management Company by December 31, 2014.

Strategic Initiative / Guiding Principle: Optimize General Aviation Operations and Services

2. Expand focus and grow social media engagement.

Description: Develop an overall social media plan that grows followers.

Performance Measure: Grow social media by 10% as measured by "friends" and "followers". (Current baseline followers: (1) Facebook 2,656 and (2) Twitter 1,301)

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

3. Increase hours of positive earned media.

Description: This initiative will require that staff remain on-call for media 24/7, 365 and send media alerts for every publicity opportunity to media outlets including press releases, social media, web and phone calls. In addition, executive management will hold editorial board meetings twice a year.

Performance Measure: Increase the number of hours of news coverage from 320 to 350.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

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4. Develop Unmanned Aircraft Systems (UAS) marketing and public relations program.

Description: Research and draft a UAS marketing plan for Reno-Stead that builds awareness of the facility as an FAA-approved test site.

Performance Measure: Attract one company to the Reno-Stead Airport for UAS testing per quarter.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports

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MARKETING AND PUBLIC AFFAIRS
 Executive Section 203

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$362,014	\$417,800	\$509,100	22%
Temporary Employees	41120	2,193	4,000	4,000	0%
Vacation Pay	41130	32,866	1,000	2,200	120%
Sick Leave	41140	21,838	5,800	6,100	5%
Holiday Pay	41150	20,708	0	0	0%
Comp Time	41160	1,411	0	0	0%
Overtime Pay	41210	636	0	0	0%
Automobile Allowance	41250	4,800	4,800	4,800	0%
Medicare	41320	6,566	6,000	7,400	23%
FICA	41321	143	0	0	0%
Group Insurance	41340	39,964	55,900	63,400	13%
Disability Insurance	41342	3,539	3,500	4,700	34%
Self Funded Rx	41343	(282)	0	0	0%
Vision Insurance	41344	703	900	1,000	11%
Dental Insurance	41347	5,976	5,900	5,900	0%
Workers Comp	41350	1,010	600	800	33%
Retirement	41360	99,987	107,600	131,100	22%
TOTAL PERSONNEL SERVICES		604,075	613,800	740,500	21%
PURCHASED SERVICES					
Data Processing	43130	0	0	4,800	%
Consultants - General	43140	2,375	16,000	14,000	-13%
Other Professional Services	43190	2,896	22,500	22,370	-1%
Office Equipment Rental	43210	4,709	4,000	4,000	0%
Contracted Services	43340	0	250	0	-100%
Freight Expense	43430	427	300	300	0%
Other Purchased Services	43490	196	100	100	0%
TOTAL PURCHASED SERVICES		10,604	43,150	45,570	6%
MATERIALS & SUPPLIES					
Office Supplies	44100	4,818	6,000	6,300	5%
Paper	44110	188	300	300	0%
Postage	44120	116	200	200	0%
Printing & Forms	44130	219	700	600	-14%
Sign and Sign Maintenance	44430	5,353	4,000	17,200	330%
TOTAL MATERIALS & SUPPLIES		10,695	11,200	24,600	120%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	3,828	3,725	1,890	-49%
Books & Subscriptions	45120	2,769	2,955	460	-84%
Conference Registration Fees	45130	0	1,700	1,500	-12%
Training Expense	45140	424	2,500	2,500	0%
Meeting Expense	45150	312	1,200	1,225	2%
Travel & Reimbursed Expense	45210	2,259	2,500	4,000	60%

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MARKETING AND PUBLIC AFFAIRS
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	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
Employee Mileage Reimburseme	45240	0	300	300	0%
Publications	45320	40,250	31,500	0	-100%
Other Advertising & Promotion	45390	1,606	13,000	40,000	208%
Conference Sponsorship	45391	15,174	25,000	0	-100%
Art Program	45393	2,662	8,500	10,000	18%
Community Outreach	45398	94,763	70,000	167,300	139%
TOTAL ADMINISTRATIVE EXPENSES		<u>164,048</u>	<u>162,880</u>	<u>229,175</u>	<u>41%</u>
TOTAL SECTION EXPENSES		<u>\$789,421</u>	<u>\$831,030</u>	<u>\$1,039,845</u>	<u>25%</u>

Reno-Tahoe Airport Authority
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Airport Economic Development

Mission Statement:

The Airport Economic Development (AED) Department serves to achieve the following: (1) retain and expand the variety and number of in-terminal, non-airline revenue tenants, as well as its on and off airport tenant base, resulting in long-term airport property leases; (2) monitor and support the airlines, in-terminal concessions, and general aviation tenants, while effectively managing real property assets, to maximize revenue, minimize risk exposure and optimize the customer experience; (3) work with developers and existing tenants to enhance the general aviation experience; and (4) actively market available land at Reno-Tahoe International Airport (RTIA) and Reno Stead Airport (RTS).

Key Duties and Responsibilities:

- Work closely with Airport concessionaires to provide excellent value and customer satisfaction to passengers and customers.
- Review on a continual basis the services and products offered to the traveling public with a focus on: (1) increasing sales; (2) capitalizing on the opportunity to refresh services and products; and (3) improving the airport environment and experience.
- Increase customer service performance of all retail, food & beverage, rental car operators and general aviation.
- Negotiate lease extensions and associated capital improvements, as appropriate.
- Sustain and manage the advertising program during the period in which an RFP process is in place to obtain a new advertising concessionaire. Work with the new advertising concessionaire to revise the advertising locations and refresh the concepts to attract and diversify as well as retain and expand the current program, target national advertisers, and create new marketing opportunities.
- Manage RTIA Terminal Airline Space to ensure there are sufficient Airline Ticket Counter and Office, Baggage Service Office, Operations, Gate and Holdroom Space.
- Coordinate and ensure contract compliance for all AED Use and Lease Agreements.
- Provide communication and maintain customer relations with local and corporate airline representatives.
- Oversee and manage rental car concession and facility leases at RTIA including use of customer facility charge (CFC) revenue to maintain and improve Authority owned facilities.
- Oversee and manage general aviation hangars at RTIA and RTS.
- Operate the Airport Mini-Warehouse, Park to Travel and 1280 Terminal Way facilities with a focus on facilities utilization and revenue optimization.
- Based on facility assessments, identify and correct deferred maintenance in order to increase utilization, occupancy rates, and revenue of all income producing property, including commercial, general aviation and industrial facilities.

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- Issue individual Request for Qualifications (RFQ) for available airport-owned land and facilities, aeronautical and non-aeronautical, at both Reno-Tahoe International Airport and Reno-Stead Airport.
- Lead and/or work closely with the state and local economic development agencies, as well as other community partners, to pursue possible business opportunities at Reno-Tahoe International Airport and Reno-Stead Airport.
- Optimize the use of the property management software and focus on system updates and data monitoring to ensure the following: (1) accurate billing statements each month to ensure revenue stream; (2) ensure that all active lease information is entered, monitored and maintained; and (3) manage effectively all lease compliance activities.
- Improve communication, service and product delivery to customers, stakeholders, and internal RTAA departments; work collaboratively, meet established deadlines and follow through on assignments in a timely and responsible manner with a superior work product.
- Provide frontline AED staff with skills training to ensure the basic suite of business software training is current, and ensure that administration and property management functions are consistent with RTAA policies and practices.

Airport Economic Development - Initiatives:

FY 2013-14 – Current Initiatives

1. Develop and implement an electronic way-finding program.

Description: Collaborate with FourWinds Interactive to develop touch screen way-finding kiosks for both the upper and lower levels of the Airport. Kiosks will assist passengers not only in way-finding, but will also provide marketing opportunities for all Airport tenants.

Performance Measure: Installation of kiosks completed.

Progress: 100% complete

Strategic Initiative / Guiding Principle: Provide a Positive Experience for All and Customer Service

2. Research and implement a Mystery Shopper Program.

Description: Research and implement a Mystery Shopper quarterly program for the food and beverage restaurants both pre- and post-security. All results and action items will be reviewed quarterly by Airport Economic Development staff with the local and regional food and beverage concessionaire to further enhance performance, customer service, and product quality standards.

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Performance Measure: Ten mystery shops completed each quarter.

Progress: 100% program implemented. On-going shops each quarter.

Strategic Initiative / Guiding Principle: Provide a Positive Experience for All and Customer Service.

3. Expand concessionaire participation in the Airport’s social media platforms and the new Interactive Kiosks Program.

Description: Work with all concessionaires to encourage participation in the Airport’s social media platforms and the new Interactive Kiosks Program.

Performance Measure: Increase in the percentage of tenants utilizing social media platforms.

Progress: Implemented. Staff is holding quarterly tenant meetings and held additional meetings specifically tailored to address social media opportunities. Tenants have been encouraged to submit social media ideas and requests to RTAA Marketing staff to assist in their promotional efforts.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports.

4. Increase Occupancy of Existing Buildings/RTIA Hangars.

Description: Pro-actively market all properties to take advantage of location and leasing opportunities to increase revenue and occupancy rates.

Performance Measure: Increase existing building lease revenue 5% by June 30, 2014.

Progress: Progress on this effort includes:

Existing Buildings - In FY 2013-14, the 1200 and 1250 Terminal Way buildings were leased and occupancy at the Airport Mini Warehouse has been increased. These accomplishments have resulted in a monthly lease revenue increase of approximately \$9,000.

RTIA Hangars

- a. In FY 2013-14, three commercial box hangars were leased, which resulted in a monthly lease revenue increase of approximately \$5,300.

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- b. A lease amendment was executed for Dassault Aircraft Services for a monthly lease revenue increase of \$31,396.
- c. T-Hangar occupancy has been increased from 79% to 93%.
- d. A Letter of Intent has been received for construction of a new commercial box hangar at the Brookside parcel.
- e. For FY 2013-14, non-airline terminal building rental revenue was up 4.5% and non-terminal building rent was up 6.7% as compared to the same period last year.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports.

5. Develop a plan for additional concession opportunities.

Description: Develop a plan for additional concession opportunities on the concourses after the Gateway Project is complete; refer to Interested Parties List; go to Request for Proposal to solicit new concessions, when air service increases.

Performance Measure: Complete a study by the end of FY14 to determine how much, if any, and when additional retail can be added to the Concourses. This is dependent upon an increase in air service.

Progress: On-going.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports.

FY 2014-15 New Initiatives

1. Aviation partial tax abatement campaign.

Description: Nevada is in a competitive disadvantage with the seven (7) surrounding western states from a sales and use tax perspective. To create a better business climate for GA and Unmanned Aircraft Systems (UAS), the goal is to achieve partial tax abatement in the 2015 Legislative Session. This will be the third attempt to achieve Bill passage.

Performance Measure: Complete a county-level economic impact study of a proposed Aviation Tax Abatement by June 30, 2014 and, with the support of RTAA's lobbyist, work with the Governor's Office of Economic Development and stakeholders to lead an abatement campaign through June 30, 2015.

Reno-Tahoe Airport Authority
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Strategic Initiative / Guiding Principle: Optimize General Aviation Operations and Services and Facilitate Economic Development at both Airports.

2. Improve marketing of General Aviation (GA) Hangars for lease at RTIA.

Description: Work with Marketing/Public Affairs to update RTIA website to include commercial box hangars for rent, advertise vacant T-Hangars, and create informational site for general aviation users.

Performance Measure: Average of 80% occupancy for GA hangars by June 30, 2015.

Strategic Initiative / Guiding Principle: Optimize General Aviation Operations and Services.

3. Draft, issue and complete a Request for Qualifications (RFQ) for RTIA T-Hangar Management Services.

Description: Draft and solicit Request for Qualifications for firms who wish to provide T-Hangar management services at RTIA.

Performance Measure: Executed agreement, manage operations transition (if needed), and have service provider fully operational by March 31, 2015.

Strategic Initiative / Guiding Principle: Optimize General Aviation Operations and Services.

4. Facilitate RTIA Vacant Aeronautical Land Development.

Description: Facilitate vacant land development at RTIA (Airport East, Southeast Quadrant and Mill/Rock). These RFQs may be issued individually.

Performance Measure: Based on market demand and/or a competitive process, enter into due diligence on one or more of the vacant parcels by June 30, 2015.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports.

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5. Draft, issue and complete a Request for Proposal (RFP) for RTIA Advertising Concessionaire.

Description: Draft and issue a RFP for national and local advertising firms to manage the advertising concession at RTIA. Manage the advertising program in-house until a new advertising concessionaire is selected and approved by the Board.

Performance Measure: Complete the RFP process and select a new advertising concessionaire by March 31, 2015. In the interim, sustain the advertising program in-house. From April 2015 through June 2015, staff will transition the advertising program from in-house to the new concessionaire and create a plan to diversify and grow the advertising program at RTIA in FY 2015-16.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports.

6. Draft, issue and complete an amendment to the current Nonexclusive Vehicle Rental Concession Lease or draft, issue and complete a Request for Proposals (RFP) for a new Nonexclusive Vehicle Rental Concession Lease.

Description: The rental car company leases at RTIA will expire on June 30, 2015 and the rental car companies will have to determine whether they wish to exercise the first of three one-year extension options or go to an RFP process. If a new lease agreement is required, the contract will need to consider such things as on-demand vehicles and other services as well as address whether new additional brands can be added after execution of the agreement.

Performance Measure: Complete negotiations with the rental car companies at RTIA, issue an amendment to the current Nonexclusive Vehicle Rental Concession Lease, or draft, issue and complete an RFP for a new lease for rental cars, and possibly on-demand vehicles and/or other new services at RTIA by June 30, 2015.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports.

7. Complete negotiations, draft and issue a new Airline-Airport Use and Lease Agreement.

Description: In conjunction with the Finance/Budget department, this effort is to complete negotiations, draft and issue a new Airline-Airport Use and Lease Agreement.

Performance Measure: Execute a new Airline-Airport Use and Lease Agreement with all signatory airlines by June 30, 2015.

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Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports.

8. Complete the Request for Qualifications (RFQ) process for Reno-Stead Airport vacant land.

Description: Upon the designation that the State of Nevada was selected to be one of six eligible Unmanned Aircraft Systems (UAS) test sites by the Federal Aviation Administration (FAA), staff issued a RFQ in March 2014 for approximately 3,500 acres of vacant land at the Reno-Stead Airport. The RFQ process involves is a three phase approach: (1) Phase 1 - determine a qualified development team; (2) Phase 2 - conduct due diligence; and (3) Phase 3 - review development proposals.

Performance Measure: The RFQ was issued in March 2014 and Phase 1 was completed by May 15, 2014. Phase 2 is scheduled to be completed by October 15, 2014 and, depending upon due diligence findings and agreement negotiations, Phase 3 is scheduled to be completed by June 30, 2015.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports.

9. Complete negotiations and execute a ground lease with development partner for RTIA Home Gardens.

Description: Through a competitive process, a development partner was selected and due diligence is in progress on a 50 acre site at the corner of McCarran Boulevard and Airway Drive during FY 2013-14. This effort will be to complete the negotiations, obtain Board of Trustee approval, and execute a long-term agreement.

Performance Measure: Execution of a long-term lease agreement by June 30, 2015.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports.

**Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET**

**ECONOMIC DEVELOPMENT
Executive Section 304**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$513,644	\$603,300	\$619,100	3%
Vacation Pay	41130	52,693	100	1,700	1600%
Sick Leave	41140	23,608	3,400	4,200	24%
Holiday Pay	41150	28,895	0	0	0%
Comp Time	41160	2,930	0	0	0%
Car Allowance	41250	4,800	4,800	4,800	0%
Medicare	41320	9,544	8,900	9,000	1%
Group Insurance	41340	50,722	67,100	79,700	19%
Disability Insurance	41342	5,615	5,600	6,300	13%
Self Funded Rx	41343	(303)	0	0	0%
Vision Insurance	41344	841	1,100	1,100	0%
Dental Insurance	41347	7,007	6,500	6,900	6%
Workers Comp	41350	1,131	700	800	14%
Retirement	41360	139,885	155,300	159,400	3%
Benefit Bank Deferred Comp	41430	9,013	8,100	0	-100%
TOTAL PERSONNEL SERVICES		850,025	864,900	893,000	3%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	0	0	1,500	%
Water	42130	8,755	7,000	8,500	21%
Sewer	42140	849	0	500	%
Communications	42210	6	0	0	0%
TOTAL UTILITIES & COMMUNICATIONS		9,610	7,000	10,500	50%
PURCHASED SERVICES					
Consultants - General	43140	7,575	13,000	55,000	323%
Real Estate Appraising & Neg.	43170	7,500	20,000	17,500	-13%
Other Professional Services	43190	4,651	30,000	45,000	50%
Office Equipment Rental	43210	5,461	5,000	5,000	0%
Land Rental	43240	4,400	4,400	4,400	0%
Contracted Services	43340	350	8,000	10,000	25%
Other Repair/Maintenance Svc	43390	9,615	0	2,500	%
Freight Expense	43430	627	1,000	750	-25%
Permits & Records Fees	43460	50	200	200	0%
Airport Advertising	43470	2,826	3,000	3,000	0%
Other Purchased Services	43490	2,480	5,000	3,000	-40%
TOTAL PURCHASED SERVICES		45,535	89,600	146,350	63%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,906	4,000	2,000	-50%
Paper	44110	848	1,000	1,000	0%
Postage	44120	2,273	2,000	2,200	10%
Printing & Forms	44130	1,455	1,500	750	-50%

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ECONOMIC DEVELOPMENT
 Executive Section 304

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
Office Small Equipment	44410	2,080	500	500	0%
Sign and Sign Maintenance	44430	0	1,000	1,150	15%
TOTAL MATERIALS & SUPPLIES		8,562	10,000	7,600	-24%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	780	26,732	3,025	-89%
Conference Registration Fees	45130	1,150	2,145	3,148	47%
Meeting Expense	45150	1,060	2,000	1,500	-25%
Travel & Reimbursed Expense	45210	9,259	1,650	7,000	324%
Employee reimbursed mileage	45240	0	200	0	-100%
Legal Ads	45340	0	400	200	-50%
Economic Development	45360	16,634	40,000	100,000	150%
TOTAL ADMINISTRATIVE EXPENSES		28,883	73,127	114,873	57%
TOTAL SECTION EXPENSES		<u>\$942,614</u>	<u>\$1,044,627</u>	<u>\$1,172,323</u>	<u>12%</u>

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OUTSIDE PROPERTIES
 Executive Section 306

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$63,718	\$88,700	\$96,500	9%
Temporary Employees	41120	\$5,440	\$0	\$0	0%
Vacation Pay	41130	\$4,240	\$0	\$0	0%
Sick Leave	41140	\$7,397	\$0	\$0	0%
Holiday Pay	41150	\$3,821	\$0	\$0	0%
Overtime Pay	41210	\$1,651	\$1,000	\$0	-100%
Shift Differential	41230	\$772	\$0	\$0	0%
Medicare	41320	\$1,067	\$1,300	\$1,400	8%
FICA	41321	\$326	\$0	\$0	0%
Group Insurance	41340	\$14,202	\$23,300	\$23,900	3%
Disability Insurance	41342	\$642	\$700	\$800	14%
Self Funded Rx	41343	(\$182)	\$0	\$0	0%
Vision Insurance	41344	\$293	\$400	\$400	0%
Dental Insurance	41347	\$2,516	\$2,500	\$2,300	-8%
Workers Comp	41350	\$1,267	\$200	\$200	0%
Retirement	41360	\$17,525	\$19,100	\$20,900	9%
TOTAL PERSONNEL SERVICES		124,697	137,200	146,400	7%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	68,269	73,500	61,000	-17%
Natural Gas	42120	15,128	18,050	8,500	-53%
Water	42130	16,219	18,800	15,900	-15%
Sewer	42140	12,083	16,500	12,700	-23%
Solid Waste Disposal	42150	6,329	9,700	8,200	-15%
TOTAL UTILITIES & COMMUNICATIONS		118,028	136,550	106,300	-22%
PURCHASED SERVICES					
Other Professional Services	43190	2,391	4,200	0	-100%
Contracted Services	43340	187,651	398,417	418,300	5%
Other Repair/Maintenance Svc	43390	293,770	418,804	597,026	43%
Permits & Recorders Fees	43460	838	0	0	0%
Other Purchased Services	43490	15,597	7,000	5,300	-24%
TOTAL PURCHASED SERVICES		500,248	828,421	1,020,626	23%
MATERIALS & SUPPLIES					
Office Supplies	44100	514	1,600	1,000	-38%
Paper	44110	40	150	0	-100%
Postage	44120	637	350	650	86%
Printing & Forms	44130	188	400	300	-25%
Janitorial Supplies	44260	293	5,550	2,675	-52%
Repair & Maint. Supplies	44300	596	9,000	3,500	-61%
Vehicles	44310	0	150	0	-100%
Locks & Hardware	44333	1,886	1,200	750	-38%

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OUTSIDE PROPERTIES
 Executive Section 306

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
Small Tools - Minor Equipment	44400	335	500	500	0%
Office Small Equipment	44410	0	300	300	0%
Sign and Sign Maintenance	44430	508	3,000	1,500	-50%
TOTAL MATERIALS & SUPPLIES		4,997	22,200	11,175	-50%
ADMINISTRATIVE EXPENSE					
Meeting Expense	45150	101	0	0	0%
Employee reimbursed mileage	45240	0	500	0	-100%
Legal Ads	45340	110	150	150	0%
Other Advertising & Promotion	45390	0	10,000	9,000	-10%
Credit Card Fees	45500	0	9,000	4,500	-50%
TOTAL ADMINISTRATIVE EXPENSES		211	19,650	13,650	-31%
TOTAL SECTION EXPENSES		<u>\$748,181</u>	<u>\$1,144,021</u>	<u>\$1,298,151</u>	<u>13%</u>

**Reno-Tahoe Airport Authority
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Section 7 – Expenditures**

Executive Vice-President/Chief Operating Officer (COO)

Mission Statement: To support the mission of the Airport and the goals and objectives of the RTAA Board. The Executive Vice President/COO oversees the daily operations of the Airport and coordinates resource allocation to enhance the operating department's ability to do their job.

Key Duties and Responsibilities:

- Responsible for the safe and efficient operation of the Reno-Tahoe International Airport and the Reno-Stead Airport.
- Develop policies and plans for the operation and maintenance of both airports.
- Provide airport information and community outreach through various forms of media & programs.
- Maintain and enhance customer service and community outreach by hosting staff and community meetings.
- Enhance service through customer service feedback program, including the answering of Ask the Airport questions.
- Work with RTAA staff, airlines, tenants and community partners to create targeted customer service programs that help passengers have a positive travel experience, especially during peak travel times.

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**EXECUTIVE VICE-PRESIDENT/COO
Department 251**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$212,975	\$285,500	\$248,400	-13%
Vacation Pay	41130	20,531	2,300	2,000	-13%
Sick Leave	41140	13,069	11,100	11,800	6%
Holiday Pay	41150	12,465	0	0	0%
Comp Time	41160	1,535	0	0	0%
Overtime Pay	41210	71	0	0	0%
Automobile Allowance	41250	4,800	7,200	4,800	-33%
Medicare	41320	4,511	4,500	4,000	-11%
Group Insurance	41340	15,426	26,900	21,300	-21%
Disability Insurance	41342	2,215	2,700	2,800	4%
Self Funded Rx	41343	(121)	0	0	0%
Vision Insurance	41344	356	600	400	-33%
Dental Insurance	41347	2,989	3,500	2,700	-23%
Workers Comp	41350	323	300	200	-33%
Retirement	41360	53,882	73,500	64,000	-13%
TOTAL PERSONNEL SERVICES		345,026	418,100	362,400	-13%
PURCHASED SERVICES					
Consultants - General	43140	0	10,000	5,000	-50%
Office Equipment Rental	43210	4,186	1,000	2,500	150%
Freight Expense	43430	77	150	50	-67%
TOTAL PURCHASED SERVICES		4,264	11,150	7,550	-32%
MATERIALS & SUPPLIES					
Office Supplies	44100	841	300	150	-50%
Paper	44110	0	50	50	0%
Postage	44120	(3)	50	50	0%
Printing & Forms	44130	858	100	150	50%
Medical Supplies	44270	125	100	0	-100%
TOTAL MATERIALS & SUPPLIES		1,821	600	400	-33%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,215	1,800	1,250	-31%
Books & Subscriptions	45120	6	0	0	0%
Conference Registration Fees	45130	1,199	2,900	4,200	45%
Training Expense	45140	129	600	400	-33%
Meeting Expense	45150	1,819	3,000	2,500	-17%
Travel & Reimbursed Expense	45210	5,408	7,100	7,000	-1%
Community Assistance Reimbt	45212	0	1,000	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		9,776	16,400	15,350	-6%
TOTAL DEPARTMENT EXPENSES		\$360,887	\$446,250	\$385,700	-14%

Reno-Tahoe Airport Authority
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Human Resources

Mission Statement: To provide strategic, innovative and proactive human resource service excellence.

Key Duties and Responsibilities:

- Provide excellent customer service to public inquiries regarding job opportunities, the application and hiring process, requests for information and complaints.
- Monitor federal and state legislative changes, incorporating into current policies and procedures any applicable changes.
- Measure key Human Resources functions to provide meaningful and relevant data in support of organizational effectiveness.
- Conduct research, compile data, perform statistical analyses and prepare comprehensive technical reports and summaries to present and interpret data on various human resources related issues.
- Plan and conduct employee recruitment and selection activities; confer with hiring authorities on job demands and appropriate requirements; develop job announcements, advertisements, supplemental applications and other recruitment materials.
- Develop and administer job-related selection procedures and ensure that all phases of recruitment and selection comply with applicable federal, state and local laws, regulation and guidelines.
- Assist in orienting new employees to the organization by providing the following: (1) programs regarding policies, (2) support for management in their orientation efforts and (3) offering a comprehensive organizational overview that instills pride and ownership.
- Conduct classification studies; prepare new or modified class specifications; recommend the classification of new or modified positions; conduct and participate in surveys and studies regarding compensation and benefits information to other organizations.
- Provide ongoing management training on the performance appraisal system. Support managerial efforts to review and update as necessary performance factors for applicability to current positions and or changing organizational needs; support the completion of employee evaluations in a timely manner.
- Administer the employee emergency communications call system to provide instructions to employees in the event of an emergency.
- Maintain the Human Resources Information System (HRIS); updating system with current information; compile and analyze database reports as needed.
- Advise managers, supervisors and employees on a variety of employee and employee relations issues, including performance management, discipline and policy interpretation.
- Consult with employees and their representatives and assist in the resolution of routine grievances, disputes and contract interpretation.

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- Coordinate labor contract negotiations, including development of management priorities, creation of bargaining proposals and facilitation of negotiation meetings.
- Provide training to ensure proper administration and supervisory oversight of current and new provisions of the collective bargaining agreements.
- Administer, communicate and assist employees with the RTAA’s employee benefit programs.
- Insure that training offerings and opportunities operate in support of and maintain a close connection to the strategic plan and organizational values.
- Plan, schedule, conduct and evaluate training programs and resources to all levels of the organization that offer opportunities for professional development, enhancement of skills & abilities, and increased job success for all divisions and departments.
- Meet with managers, supervisors and staff to conduct needs analyses, identify performance barriers and training gaps and provide appropriate solutions.
- Support the organization’s technology by offering continual training to increase end users’ skill and comfort levels.
- Coordinate the employee wellness program to foster healthier employee lifestyle choices to reduce health risk factors, improve overall well-being, and maintain a productive, active work force.
- Administer programs such as employee recognition and incentive awards that support and enhance the employee experience, increase engagement, and lead to a more productive and satisfied workforce.
- Coordinate exiting processes and conduct employee exit interviews.
- In collaboration with the Public Relations / Marketing Department, participate in broadening communication to the organization as a whole.
- Expand on existing celebrations and communications of employee achievement in real time, via e-mail, and all employee meetings; semi-annually and as achievements occur.
- Coordinate all-employee meetings and all-employee bulletins.

Human Resources - Initiatives:

FY 2013-14 – Current Initiatives

1. Launch “We Heard You” campaign and participate in the FY 2014 Best Places to Work survey.

Description: The “We Heard You” effort will focus on highlighting how employee concerns derived from the last employee survey (and/or through various other communication channels with employees) are being addressed. Participation in the Best Places to Work

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survey will provide the organization with another vehicle to continue gathering feedback from employees on ways to improve the work environment at the RTAA.

Performance Measure: Launch of “We Heard You” campaign by February 2014; Employee participation in the Best Places to Work survey of at least 50 percent (50%).

Progress: The “We Heard You” campaign was launched in early 2014 and the organization participated in the Best Places to Work survey. Results from the survey are continuing to be evaluated.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

2. Develop and implement a three (3) year strategic training program.

Description: This effort will ensure that training programs align with organizational strategy and direction and provide the workforce with skills and abilities needed to support the growth of the organization.

Performance Measure: Completion of year one components outlined in the plan by June 30, 2014.

Progress: All components of year one are at or near completion, and year two components have started or are in the work plan for FY 14/15.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

3. Negotiate new collective bargaining agreements with Fire, Police and Teamster employee groups, focusing on identified priorities.

Description: This effort will focus on negotiations between management and union representatives for the purpose of arriving at a mutually acceptable continuation to the current collective bargaining agreements for Fire, Police and Teamster employees, all of which expire June 30, 2014.

Performance Measure: New bargaining agreements executed by June 30, 2014.

Progress: Negotiation sessions with all three employee groups/unions were initiated in February 2014. Bargaining agreements with Police and Teamster employee groups were executed in August 2014.

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Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All.

4. Conduct organization wide salary/compensation survey.

Description: This effort will focus on comparing RTAA wages to the local market and the aviation industry for the purpose of ensuring that the RTAA's wages are competitive for attracting and retaining talent.

Performance Measure: Complete survey by the end of April 30, 2014 and complete analysis by the end of June 30, 2014.

Progress: Completed survey and analysis.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

5. Conclude 2013's Passport to Wellness Program; commence new program for 2014.

Description: This effort will provide an on-going employee wellness program to foster healthier employee lifestyle choices to reduce health risk factors, improve overall well-being, and maintain a productive, active work force.

Performance Measure: Survey completed by the end of January 2014; based on survey feedback, new program implemented in April 2014.

Progress: 2013 Passport to Wellness Program concluded; survey completed and new program implemented.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

FY 2014-15 New Initiatives

1. Increase the number of staff professional certifications.

Description: This effort will analyze current certification levels and encourage designated individuals to obtain certifications in order to increase job knowledge and organizational development.

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Performance Measure: Ten percent (10%) increase in staff professional certifications by June 30, 2015.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

2. Participate in the FY 2015 Best Places to Work survey or conduct other kind of employee satisfaction survey.

Description: Participation in the Best Places to Work survey or conducting another kind of employee satisfaction survey will allow the organization to continue gathering feedback from employees on ways to improve the work environment at the RTAA.

Performance Measure: Employee participation in the Best Places to Work/Employee Satisfaction survey of at least 60 percent.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All.

3. Establish and implement an employee recognition program to support the integration of the new organizational values into RTAA culture.

Description: This effort will provide a new and exciting employee recognition program that will focus on the values of the organization in order to increase employee engagement and satisfaction.

Performance Measure: Establishment and implementation of new program by December 2014.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

**Reno-Tahoe Airport Authority
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**HUMAN RESOURCES
Executive Section 252**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$306,452	\$380,700	\$375,700	-1%
Vacation Pay	41130	25,322	1,800	1,500	-17%
Sick Leave	41140	7,195	5,600	4,600	-18%
Holiday Pay	41150	16,199	0	0	0%
Comp Time	41160	554	0	0	0%
Incentive Awards	41260	10,942	11,085	17,000	53%
Service Awards	41270	4,467	3,355	4,465	33%
Physical Exam Expense	41310	23,728	22,195	20,020	-10%
Medicare	41320	5,198	5,600	5,400	-4%
Wellness Program	41330	1,548	4,400	4,400	0%
Group Insurance	41340	26,448	45,800	45,000	-2%
PEBP Subsidy	41341	159,319	167,400	162,400	-3%
Disability Insurance	41342	2,410	3,700	3,600	-3%
Self Funded Rx	41343	(197)	0	0	0%
Vision Insurance	41344	430	700	700	0%
Dental Insurance	41347	3,265	4,500	4,000	-11%
Section 125 Flex Plan	41349	5,958	6,000	6,000	0%
Workers Comp	41350	727	500	500	0%
Retirement	41360	78,005	98,000	96,700	-1%
Unemployment	41370	77,527	60,000	45,000	-25%
Benefit Bank Deferred Comp	41430	6,453	2,000	0	-100%
TOTAL PERSONNEL SERVICES		761,949	823,335	796,985	-3%
PURCHASED SERVICES					
Consultants - General	43140	0	3,100	3,100	0%
Other Professional Services	43190	10,338	22,950	18,950	-17%
Office Equipment Rental	43210	4,050	3,230	3,500	8%
Freight Expense	43430	219	250	180	-28%
Permits and Recorders Fees	43460	1,494	1,500	1,725	15%
Other Purchased Services	43490	3,531	2,940	3,115	6%
TOTAL PURCHASED SERVICES		19,631	33,970	30,570	-10%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,537	1,700	2,000	18%
Paper	44110	473	450	425	-6%
Postage	44120	443	550	550	0%
Printing & Forms	44130	653	900	900	0%
TOTAL MATERIALS & SUPPLIES		3,107	3,600	3,875	8%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	695	540	2,955	447%
Books & Subscriptions	45120	200	550	200	-64%
Conference Registration Fees	45130	170	750	925	23%
Training Expense	45140	323	1,000	1,000	0%
Organizational Training	45141	22,336	28,545	13,830	-52%

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**HUMAN RESOURCES
 Executive Section 252**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
Meeting Expense	45150	481	0	1,445	%
Tuition Reimbursement	45160	13,282	15,000	13,000	-13%
Accreditation Incentive Program	45180	0	1,500	1,500	0%
Travel & Reimbursed Expense	45210	0	1,100	1,100	0%
Interview Expense	45230	4,890	6,550	8,930	36%
Legal Ads	45340	6,214	5,000	4,000	-20%
TOTAL ADMINISTRATIVE EXPENSES		<u>48,591</u>	<u>60,535</u>	<u>48,885</u>	<u>-19%</u>
TOTAL SECTION EXPENSES		<u><u>\$833,277</u></u>	<u><u>\$921,440</u></u>	<u><u>\$880,315</u></u>	<u><u>-4%</u></u>

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Section 7 – Expenditures

Technology and Information Systems (TIS)

Mission Statement: To facilitate the implementation, proper use, security, and convenience of information technologies at the RTAA.

Key Duties and Responsibilities:

- Maintenance and repair activities in the following areas:
 - Computer workstations and printers
 - Data communications network infrastructure
 - Application and database servers
 - System backup and security
 - Passenger information systems
 - Policy and legal compliance
- Implement new Technology and Information Systems:
 - Data Loss Prevention (DLP) technology
 - Disaster recovery and business continuity technology
 - Purchasing Card Industry (PCI) compliance technology
 - Business and communications technology at the new Reno-Stead terminal building
- Limit access to RTAA information technology resources to authorized users. This includes email, data storage areas, and Internet access.
- Reduce telecommunications costs through contract negotiation.
- Maintain software and hardware for airport security system (ACAMS, WebEOC and CCTV) equipment. Project management for various projects.
- Implement a strategy to comply with Purchasing Card Industry (PCI) security and privacy standards, as well as Nevada Revised Statutes (NRS) 597.970 Electronic Data Privacy requirements.
- Implement and audit policies and procedures designed to further protect the authority's systems and data.

Technology and Information Systems - Initiatives:

FY 2013-14 – Current Initiatives

- 1. Expand RTAA disaster recovery and business continuity capabilities.**
- 2. Description:** The TIS department will use existing equipment and technology to separate and duplicate mission critical functions to ensure that mission critical systems are durable and recoverable during critical events and natural disasters. An auxiliary computer room has been created in the base building of the old air traffic control tower. Dedicated equipment is

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installed in a “cold standby” configuration, enabling TIS staff to transfer computing operation in the event of problems in the main computing facility.

Performance Measure: Project Completion

Progress: Completed

Strategic Initiative / Guiding Principle: Safety and Security

3. Facilitate the technology requirements for the new Reno-Stead Terminal Building /Emergency Operations Center (EOC).

Description: Facilitating the relocation of existing and the installation of new technologies at the new Reno-Stead terminal building. Systems to be relocated include: computer workstations and servers, telephone system, radio system, weather reporting, CCTV, etc. New technologies include: audio-visual, EOC system, digital surveillance, cable new service, etc.

Performance Measure: Project Completion

Progress: All existing technology relocated; all new technology installed except additional EOC telephone capabilities (to be completed in FY 2014-15).

Strategic Initiative / Guiding Principle: Optimize General Aviation Operations and Services

4. Replace aging flight information display system (FIDS) monitors on both concourses and in the entry to the bag claim area.

Description: There are 16 large format LCD displays that are past their expected life and are failing in quality. The oldest large format displays are to be replaced to improve appearance and readability.

Performance Measure: Project Completion

Progress: The ticket counter displays and half of concourse displays were replaced. The remainder of the equipment replacement is to be completed by the end of FY 2014-15.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

**Reno-Tahoe Airport Authority
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FY 2014-15 New Initiatives

1. Replace and consolidate the existing Flight Information Display System (FIDS) and the Terminal Public Address System, adding visual paging capabilities.

Description: The RTAA currently owns, operates, and maintains a Flight Information Display System (FIDS) and a Terminal Public Address and Fire Emergency Annunciation System. These two systems are past end-of-life and must be replaced.

This project provides for the replacement of these two disparate systems with one integrated system. It also provides for the addition of visual paging functionality. The project will consist of two phases: (1) planning and (2) construction. The planning phase will involve the use of an integrator to conduct needs analysis, design, and bid preparation activities, as well as to provide guidance through the acquisition process. The construction phase will involve the installation, testing, and training necessary to implement the new technologies, as well as contract project management and quality control and assurance services.

Performance Measure: Successful completion of project planning and beginning of construction by June 30, 2015.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All

2. Replace aging technology at the Airport Communications Center including analog video switching matrix and the security surveillance video recording system.

Description: The RTAA relies heavily on an Airport Communications Center to dispatch Security, Police, Fire, Operations, and Maintenance personnel. The center hosts a variety of systems and technologies including: telephone, two-way radio, fire alarm monitoring, security access and control, video surveillance, criminal justice information, flight information, paging, emergency notification, computer-aided dispatch, and emergency management systems. These technologies are made available to communications specialists through an elaborate analog video, keyboard, and mouse switching technology. Many of these technologies are entering their ninth year of operation and have become increasingly difficult to operate and support.

This project will provide for the design, acquisition, and installation of replacement technology. The project will consist of two phases: (1) planning and (2) construction. The planning phase will involve the use of an integrator to conduct needs analysis, design, and bid preparation activities, as well as to provide guidance through the acquisition process. The construction phase will involve the installation, testing, and training necessary to implement

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the new technologies, as well as contract project management and quality control and assurance services.

Performance Measure: Successful completion of project planning and beginning of construction by June 30, 2015

Strategic Initiative / Guiding Principle: Safety and Security

3. Achieve Purchasing Card Industry (PCI) compliance.

Description: RTAA TIS staff and contract resources will work together with system vendors and banking services providers to achieve PCI compliance. A comprehensive cyber security plan, with associated policies, will be created. The plan will be implemented and compliance assured through training, auditing, and testing.

Performance Measure: Achieve compliance with PCI standards and NRS 597 and 603. Develop a Cyber Security Policy and Business Continuity Plan by June 30, 2015.

Strategic Initiative / Guiding Principle: Safety and Security

4. Implement VMWare Site Recovery Manager technology to improve disaster recovery response. Synchronize primary and secondary computing facilities.

Description: RTAA TIS staff will work with software and hardware vendors to implement VMWare Site Recovery Manager Technology. This will provide automatic transition from primary to secondary computing facilities in the event an emergency. It will also position the authority to perform “role swapping” between the centers for preventative maintenance activities and for equipment replacement. This will enable the IT resources to operate on an uninterrupted basis.

Performance Measure: Successful implementation of VMWare Site Recovery Manager technology by June 30, 2015.

Strategic Initiative / Guiding Principle: Safety and Security

5. Implement Data Loss Prevention (DLP) technology to prevent the loss of sensitive personal information in accordance with Nevada Revised Statutes (NRS) 597 and 603.

Description: TIS staff will implement a technology solution to prevent unauthorized data removal from the system. This will be accomplished by controlling removable storage media

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(e.g. USB sticks, CDs, DVDs, etc.), and by scanning outgoing email for sensitive information. This initiative will establish administrative and audit capabilities.

Performance Measure: Successful implementation of DLP technology.

Strategic Initiative / Guiding Principle: Safety and Security

6. Implement Application Whitelisting to prevent malware (e.g. computer virus) infection. Develop and implement administrative and testing procedures.

Description: RTAA TIS staff will implement application whitelisting technology from Bit9 Corporation. This technology will prevent viruses and other malware from infecting RTAA computers.

Performance Measure: Successful implementation of Bit9 whitelisting technology by June 30, 2015.

Strategic Initiative / Guiding Principle: Safety and Security

7. Transition systems support responsibilities for Airport Communications technology from the Operations Department to the TIS Department.

Description: The TIS department will assume responsibility for all of the technology at the Airport Communications Center, except the 800 MHz radio and the Fire Alarm Reporting systems. Responsibility for these two systems will remain with the Operations, and Facilities Departments, respectively.

In order to accomplish this, an Airport Systems Technician will be contracted to provide end-user and systems support functions. In addition, existing support contract administration functions will be provided by a new permanent IT Project Manager/Contract Administrator position.

Performance Measure: Successful transition of support responsibilities by December 31, 2014.

Strategic Initiative / Guiding Principle: Safety and Security

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	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$429,435	\$498,900	\$593,900	19%
Vacation Pay	41130	38,559	3,200	2,200	-31%
Sick Leave	41140	31,370	8,200	9,600	17%
Holiday Pay	41150	22,861	0	0	0%
Comp Time	41160	2,450	0	0	0%
Overtime Pay	41210	3,615	3,000	3,000	0%
Overtime Call Back	41213	113	0	0	0%
Shift Differential	41230	36	0	0	0%
Medicare	41320	7,457	7,200	8,600	19%
Group Insurance	41340	43,277	59,300	73,200	23%
Disability Insurance	41342	4,429	4,500	5,200	16%
Self Funded Rx	41343	(336)	0	0	0%
Vision Insurance	41344	922	1,200	1,100	-8%
Dental Insurance	41347	6,441	6,000	6,600	10%
Workers Comp	41350	2,262	2,000	2,400	20%
Retirement	41360	113,814	128,500	152,900	19%
Uniform Allowance	41380	0	100	100	0%
TOTAL PERSONNEL SERVICES		706,703	722,100	858,800	19%
UTILITIES AND COMMUNICATIONS					
Communications	42210	297,735	218,500	248,000	14%
TOTAL UTILITIES & COMMUNICATIONS		297,735	218,500	248,000	14%
PURCHASED SERVICES					
Data Processing	43130	380,943	532,500	635,740	19%
Office Equipment Rental	43210	711	0	750	%
Contracted Services	43340	0	0	230,000	%
Other Repair/Maintenance Svcs	43390	26,546	23,000	23,000	0%
Freight Expense	43430	951	0	1,000	%
TOTAL PURCHASED SERVICES		409,151	555,500	890,490	60%
MATERIALS & SUPPLIES					
Office Supplies	44100	54	100	500	400%
Paper	44110	40	100	300	200%
Postage	44120	60	100	100	0%
Printing & Forms	44130	50	0	50	%
Office Small Equipment	44410	98,284	53,800	38,500	-28%
Employee Safety Equipment	44450	0	100	100	0%
Telephone Equipment and Labor	44460	24,482	9,230	10,010	8%
TOTAL MATERIALS & SUPPLIES		122,970	63,430	52,060	-18%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	687	750	100	-87%
Books & Subscriptions	45120	704	600	1,000	67%
Conference Registration Fees	45130	60	60	1,500	2400%
Training Expense	45140	675	1,200	1,600	33%
Meeting Expense	45150	41	0	0	0%

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TECHNOLOGY AND INFORMATION SYSTEMS

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	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
Travel & Reimbursed Expense	45210	0	0	2,630	%
TOTAL ADMINISTRATIVE EXPENSES		2,168	2,610	6,830	162%
TOTAL EXPENSES BEFORE FIXED ASSETS		1,538,727	1,562,140	2,056,180	32%
FIXED ASSETS					
Fixed Asset Acquisition	48150	254,207	0	38,000	%
TOTAL SECTION EXPENSES		<u>\$1,792,934</u>	<u>\$1,562,140</u>	<u>\$2,094,180</u>	<u>34%</u>

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Reno – Stead Airport

Mission Statement: A well-trained Reno-Stead staff will provide a safe, well-maintained, clean and efficiently run general aviation airport that provides superior customer service.

Key Duties and Responsibilities:

- Maintain and preserve:
 - Airfield and roadway pavements and markings
 - Airfield lighting systems
 - Reno-Stead vehicle and equipment fleet
 - RTAA owned buildings and hangars
 - Airport landscapes
 - Airport fence and security systems
- Provide support for National Championship Air Races.
- Support neighborhood relations by attendance at regularly scheduled Silver Knolls POA meetings, North Valleys Citizen Advisory Board and North Valleys Neighborhood Advisory Board meetings.
- Represent the President/CEO on routine and emergency matters at the Reno-Stead Airport.
- Ensure the safe, secure, and effective operation of the airport.
- In cooperation with other departments; ensure leases, tenant information and safety inspections are managed in a timely, cooperative manner.
- Work with Airport Economic Development to increase revenue opportunities.
- Provide required Occupational Safety Health Administration (OSHA) safety training.
- Provide Reno-Stead Airport representation during planning and execution of construction activities.
- Review and manage the Reno-Stead Airport snow removal plan and operation.
- Provide RTAA liaison for FAA approved safety programs and training opportunities at Reno-Stead Airport.
- Publish and train staff on the revised Airport Emergency Plan.
- Provide outstanding customer service to staff, tenants, aviation users, and the public at Reno-Stead Airport.

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Reno – Stead Airport - Initiatives:

FY 2013-14 – Current Initiatives

1. Complete construction of new Reno-Stead Terminal / EOC building by December 2013.

Description: Complete construction of Terminal / EOC and maximize use in support of airport.

Performance Measure: Building occupancy and new tenants

Progress: Complete – On schedule, under budget.

Strategic Initiative / Guiding Principle: (1) Optimize GA Operations and Services, (2) Facilitate Economic Development at both airports, (3) Provide a Positive Environment and Experience for All, (4) Customer Service, and (5) Environmental Responsibility

2. Assist the State of Nevada in obtaining FAA designation for Unmanned Aircraft System (UAS) testing.

Description: This initiative requires providing operational/facility information and logistical support for the State application to serve as one of six sites designated by the Federal Aviation Administration (FAA) for UAS testing.

Performance Measure: Range designation and full customer support of the UAS application.

Progress: Complete. In December 2013, Nevada was chosen as one of the six test sites nationally for testing of UAS in order to integrate these aircraft into the National Airspace System by 2015. The Reno-Stead Airport is identified as one of the sites within the State to host UAS testing.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports

3. Support the Reno Air Race Association (RARA) and the 50th Anniversary of the National Championship Air Races (NCAR).

Description: Provide operational and logistic support to NCAR.

Performance Measure: The NCAR to be held successfully with full RTS support.

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Progress: Complete. The event was successfully held in September 2013. RTS staff was recognized by the NCAR Director of Operations for their support and efficient operation.

Strategic Initiative / Guiding Principle: (1) Safety and Security, (2) Customer Service, and (3) Professionalism and Ethics.

FY 2014-15 New Initiatives

1. Develop Reno-Stead Airport as an Unmanned Aircraft System (UAS) development, testing and training center.

Description: This initiative includes surveying potential UAS customer to determine test site requirements, comparing UAS requirements to existing conditions, developing a facility improvement plan (if needed), and implementing needed infrastructure and equipment upgrades. In addition, this initiative includes hosting site visits and providing operational support of UAS Testing.

Performance Measure: Successful testing by at least six (6) UAS companies in FY 2014-15.

Strategic Initiative / Guiding Principle: (1) Facilitate Economic Development at Both Airports, (2) Customer Service, and (3) Professionalism and Ethics

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**RENO STEAD AIRPORT
Executive Section 254**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$338,724	\$434,400	\$448,200	3%
Vacation Pay	41130	29,030	0	1,100	%
Sick Leave	41140	12,110	6,200	6,300	2%
Holiday Pay	41150	17,956	16,000	0	-100%
Comp Time	41160	874	0	0	0%
Overtime Pay	41210	14,222	13,500	16,000	19%
Overtime Call Back	41213	615	750	500	-33%
Standby	41220	0	600	600	0%
Shift Differential	41230	1,017	2,000	2,200	10%
Holiday worked Pay	41280	4,422	5,000	5,000	0%
Medicare	41320	5,226	5,600	5,600	0%
Group Insurance	41340	35,972	66,000	67,900	3%
Disability Insurance	41342	3,273	3,500	3,600	3%
Self Funded Rx	41343	(282)	0	0	0%
Vision Insurance	41344	1,065	1,600	1,000	-38%
Dental Insurance	41347	5,507	6,500	6,100	-6%
Workers Comp	41350	8,454	9,200	10,100	10%
Retirement	41360	93,229	111,400	115,000	3%
Uniform Allowance	41380	1,559	3,200	3,200	0%
Benefit Bank Deferred Comp	41430	2,398	3,000	0	-100%
TOTAL PERSONNEL SERVICES		575,371	688,450	692,400	1%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	51,904	61,000	64,000	5%
Natural Gas	42120	8,516	10,000	10,000	0%
Water	42130	12,863	8,500	15,000	76%
Sewer	42140	19,563	15,000	16,500	10%
Solid Waste Disposal	42150	4,033	4,100	4,000	-2%
Hazardous Waste Disposal	42180	865	500	500	0%
TOTAL UTILITIES & COMMUNICATIONS		97,743	99,100	110,000	11%
PURCHASED SERVICES					
Other Professional Services	43190	101	5,000	10,000	100%
Office Equipment Rental	43210	3,068	2,500	2,400	-4%
Equipment Rental	43211	230	1,000	1,000	0%
Contracted Services	43340	10,116	10,000	23,970	140%
Other Repair/Maintenance Svc:	43390	1,767	13,000	13,000	0%
Freight Expense	43430	572	1,000	400	-60%
Permits & Recorders Fees	43460	1,139	1,928	2,125	10%
Other Purchased Services	43490	160	750	500	-33%
TOTAL PURCHASED SERVICES		17,152	35,178	53,395	52%

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**RENO STEAD AIRPORT
Executive Section 254**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
MATERIALS & SUPPLIES					
Office Supplies	44100	1,663	1,800	1,800	0%
Paper	44110	74	0	100	%
Postage	44120	225	400	250	-38%
Printing & Forms	44130	103	200	200	0%
Oil and Lubricants	44210	2,690	3,200	3,500	9%
Chemicals	44220	378	500	500	0%
Herbicides	44221	10,708	12,000	12,000	0%
Fertilizer	44222	0	500	450	-10%
Auto Fuel	44230	7,427	8,000	6,400	-20%
Diesel Fuel	44240	11,219	13,500	14,500	7%
Janitorial Paper Supplies	44250	280	500	600	20%
Janitorial Supplies	44260	1,223	1,800	600	-67%
Medical Supplies	44270	258	450	400	-11%
Other Operating Supplies	44290	35	0	0	0%
Repair & Maintenance Supply	44300	5,333	4,000	4,500	13%
Vehicles	44310	4,936	4,400	6,000	36%
Heating & Air Conditioning	44320	83	1,500	1,000	-33%
Machinery	44330	31,088	28,000	30,000	7%
Locks & Hardware	44333	1,315	800	600	-25%
Seeds, Plants & Trees	44340	85	150	200	33%
Plumbing Supplies	44350	1,886	1,000	1,000	0%
Electrical Supplies	44360	3,216	1,400	1,000	-29%
Runway/Taxiway	44361	503	1,200	1,500	25%
Ramp Lighting	44362	778	750	700	-7%
Lumber & Building Supplies	44370	1,444	3,800	1,500	-61%
Paint Supplies	44380	6,857	3,500	2,500	-29%
Other Repairs-Maint Supplies	44390	665	0	0	0%
Small Tools - Minor Equipment	44400	3,153	4,000	4,000	0%
Sign and Sign Maintenance	44430	102	600	600	0%
Employee Safety Equipment	44450	1,949	2,000	2,200	10%
Asphalt & Cement	44510	375	0	0	0%
Runways/taxiway Repair	44530	47,658	45,000	50,000	11%
Fence and Gate Repair Parts	44540	1,025	1,500	1,500	0%
TOTAL MATERIALS & SUPPLIES		148,735	146,450	150,100	2%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	701	630	385	-39%
Conference Registration Fees	45130	525	875	875	0%
Training Expense	45140	86	750	700	-7%
Meeting Expense	45150	108	0	0	0%
Travel & Reimbursed Expense	45210	4,165	6,930	6,785	-2%
Other Advertising & Promotion	45390	1,288	3,500	2,000	-43%
TOTAL ADMINISTRATIVE EXPENSES		6,872	12,685	10,745	-15%
TOTAL SECTION EXPENSES		\$845,874	\$981,863	\$1,016,640	4%

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**Unmanned Aircraft Systems
Executive Section 255**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$0	\$0	\$99,800	%
Medicare	41320	0	0	1,400	%
Group Insurance	41340	0	0	11,900	%
Disability Insurance	41342	0	0	1,100	%
Vision Insurance	41344	0	0	100	%
Dental Insurance	41347	0	0	900	%
Workers Comp	41350	0	0	1,700	%
Retirement	41360	0	0	25,700	%
TOTAL PERSONNEL SERVICES		0	0	142,600	%
PURCHASED SERVICES					
Consultants - General	43140	0	0	25,000	%
Equipment Rental	43211	0	0	25,000	%
TOTAL PURCHASED SERVICES		0	0	50,000	%
MATERIALS & SUPPLIES					
Office Supplies	44100	0	0	500	%
Postage	44120	0	0	200	%
Machinery	44330	0	0	1,000	%
Runway/Taxiway	44361	0	0	5,000	%
Paint Supplies	44380	0	0	800	%
Small Tools - Minor Equipment	44400	0	0	1,000	%
Sign and Sign Maintenance	44430	0	0	500	%
Runways/taxiway Repair	44530	0	0	1,000	%
TOTAL MATERIALS & SUPPLIES		0	0	10,000	%
ADMINISTRATIVE EXPENSE					
Conference Registration Fees	45130	0	0	5,000	%
Other Advertising & Promotion	45390	0	0	25,000	%
TOTAL ADMINISTRATIVE EXPENSES		0	0	30,000	%
TOTAL SECTION EXPENSES		\$0	\$0	\$232,600	%

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Accounting

Mission Statement: Provide accurate and timely financial and statistical information to our customers; maintain a strong cash management system; maximize investment earnings; bill and collect revenue; and provide timely paying of bills. This section is responsible for maintenance, reporting, and management of all accounting services in support of the Authority's financial goals and objectives.

Key Duties and Responsibilities:

- Process accounts payable biweekly including check issuance and wire transfer to ensure vendors are paid timely and accurately, and review of invoices for appropriateness.
- Process purchasing cards payments on a timely basis and review reporting online.
- Prepare accounts receivable invoices twice monthly. The outstanding accounts receivable are maintained at a level of 3% or less. Conduct monthly meetings to review outstanding accounts receivable. Report to Executive Management all outstanding amounts over 60 days.
- Complete Payrolls biweekly. Assure compliance with all IRS wage and reporting regulations and timely submittals of all year-end reports.
- Compile financial and statistical reports monthly and review for accuracy. Perform analytical reviews and reports for Executive Management.
- Develop and issue quarterly financial statement and revise monthly management reports provided to Airport senior management and the Board of Trustees.
- Record and track fixed assets including construction in progress and recognition of depreciation expenses.
- Record and report all FAA Airport Improvement grant and Passenger Facility Charge revenue activity.
- Administer Transportation Security Administration grants associated with the canine explosive detection teams and law enforcement officer coverage of the security checkpoints.
- Account for Customer Facility Charge revenue and expenditures associated with fees collection to maintain and repair rental car facilities.
- Coordinate staff member work with independent auditors to compile the annual financial statements.
- Ensure that cash flows meet RTAA needs while maximizing investment opportunities.
- Reconcile all bank balances and resolve outstanding issues.
- Attend industry seminars and keep current on official pronouncements of accounting practice.
- Participate and provide financial support to ad-hoc and standing RTAA committees, which may include employee relations and strategic planning.

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Accounting - Initiatives:

FY 2013-14 – Current Initiatives

1. Obtain the Government Finance Officer Association (GFOA) Certificate of Achievement award for Financial Statement Presentation

Description: To obtain the award, the Comprehensive Annual Financial Report must be easily readable, efficiently organized, and conform to the program standards. It must include the report of an independent auditor on the fair presentation of the financial statements and the report must satisfy both generally accepted accounting principles and applicable legal requirements.

Performance Measure: Award of the Certificate

Progress: The Fiscal Year 2012-13 CAFR was awarded the Certificate of Achievement.

Strategic Initiative / Guiding Principle: Financial Integrity.

2. Complete the Financial System Upgrade, in conjunction with the Technology and Information System department, including system testing and verification.

Description: The upgrade will enhance management reporting abilities through Sage MAS Intelligence Report Writing. With this tool, the department will develop new reports and develop a management dashboard report to present the RTAA management staff available in “real time” viewing information.

Performance Measure: All components of the software functioning as expected.

Progress: Implementation is complete for Sage MAS 500, GCR Airport Business Module, and GCR Airport Project Module. All modules are working properly. MAS Intelligence Report Writing is installed and staff has had initial training to fully use the program.

Strategic Initiative / Guiding Principle: Financial Integrity.

3. Implement new banking services per the outcome of the current Request for Proposals – Banking Services. Convert software and bank accounts to the selected bank or banks.

Description: A Banking Services RFP was completed in May, 2013 for the following services: (1) general banking; (2) trust and paying agent services; (3) merchant card services;

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and (4) procurement card services. This initiative includes negotiation of the final contract and implementation of any new services awarded.

Performance Measure: Complete contract negotiations and have all banking services in place by June 30, 2014, including software set up and users trained and operating successfully.

Progress: All banking services are in place except the Purchasing Card portion. P-Card system configuration is complete and staff training is underway and scheduled to be completed by September 30, 2014.

Strategic Initiative / Guiding Principle: Financial Integrity.

4. Prepare and publish a Request for Proposal (RFP) for auditing services as required by NRS 354.624. Review all submittals, conduct interviews, and recommend a final selection to the Board of Trustees for approval.

Description: Update and issue Request for Proposal for auditing services to be shown on the RTAA website and copies sent to known Accounting and Auditing firms in the Reno-Tahoe area.

Performance Measure: Firm Selected and approved by Board or Trustees at the March 13, 2014 Board Meeting.

Progress: Completed on Schedule.

Strategic Initiative / Guiding Principle: Financial Integrity.

FY 2014-15 New Initiatives

1. Obtain the Government Finance Officer Association (GFOA) Certificate of Achievement award for Financial Statement Presentation.

Description: To be awarded the Certificate of Achievement, the Comprehensive Annual Financial Report must be easily readable, efficiently organized, and conform to the program standards. It must include the report of an independent auditor on the fair presentation of the financial statements and the report must satisfy both generally accepted accounting principles and applicable legal requirements.

Performance Measure: Award of the Certificate of Achievement for FY 2013-14.

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Strategic Initiative / Guiding Principle: Financial Integrity.

- 2. Continued implementation of the Sage MAS Intelligence Report Writing tool. Staff will focus on expanding utilize this report writing tool to enhance financial reporting and provide a summary dashboard report for management use.**

Description: This software tool allows staff to generate and update financial information in an easy to update and access platform. The outcome of this effort is to create management reports and templates available to management staff to improve the timeliness and quality of financial reporting.

Performance Measure: Convert the monthly financial reports, currently prepared in Excel, to the MAS Intelligence Report Writing and complete development of the management dashboard, along with selected RTAA management training, by June 30, 2015.

Strategic Initiative / Guiding Principle: Financial Integrity.

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**ACCOUNTING AND ADMINISTRATION
Section 302**

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$465,379	\$544,400	\$555,200	2%
Vacation Pay	41130	34,642	3,000	2,700	-10%
Sick Leave	41140	22,083	9,700	9,700	0%
Holiday Pay	41150	24,415	0	0	0%
Comp Time	41160	3,185	0	0	0%
Overtime Pay	41210	28	100	0	-100%
Medicare	41320	7,883	8,000	8,100	1%
Group Insurance	41340	53,198	85,800	85,100	-1%
Disability Insurance	41342	4,915	5,200	5,500	6%
Self Funded Rx	41343	(384)	0	0	0%
Vision Insurance	41344	992	1,400	1,200	-14%
Dental Insurance	41347	8,030	9,000	7,700	-14%
Workers Comp	41350	1,131	700	800	14%
Retirement	41360	122,526	140,200	143,000	2%
Benefit Bank Deferred Comp	41430	6,794	7,700	0	-100%
TOTAL PERSONNEL SERVICES		754,814	815,200	819,000	0%
PURCHASED SERVICES					
Accounting and Auditing	43120	60,730	63,000	66,150	5%
Trustee & Paying Agent Fees	43180	5,149	6,500	8,000	23%
Other Professional Services	43190	5,987	5,800	1,600	-72%
Office Equipment Rental	43210	3,478	3,100	3,500	13%
Freight Expense	43430	111	100	100	0%
Other Purchased Services	43490	38,515	47,500	47,500	0%
TOTAL PURCHASED SERVICES		113,970	126,000	134,050	6%
MATERIALS & SUPPLIES					
Office Supplies	44100	3,164	3,500	3,500	0%
Paper	44110	491	900	600	-33%
Postage	44120	4,228	4,400	3,750	-15%
Printing & Forms	44130	1,087	1,500	1,200	-20%
TOTAL MATERIALS & SUPPLIES		8,970	10,300	9,050	-12%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	1,865	1,455	1,240	-15%
Books & Subscriptions	45120	529	350	350	0%
Conference Registration Fees	45130	85	100	100	0%
Training Expense	45140	680	1,350	1,350	0%
Meeting Expense	45150	275	400	400	0%
Travel & Reimbursed Expense	45210	717	0	0	0%
TOTAL ADMINISTRATIVE EXPENSES		4,151	3,655	3,440	-6%
TOTAL SECTION EXPENSES		\$881,905	\$955,155	\$965,540	1%

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Purchasing and Materials Management

Mission Statement: To ensure that all materials, supplies, equipment, and services required to operate Reno-Tahoe International and Reno Stead Airports are acquired in a timely manner, at the lowest possible cost, consistent with the quality required, and in compliance with all applicable procurement legislation.

Key Duties and Responsibilities:

- Purchase materials, supplies, equipment and services needed for day-to-day operation in a timely, cost effective manner in compliance with applicable laws.
- Comply with the requirements for competitive bidding contained in NRS 332 and 338 and the Airport Improvement Project Handbook by preparing bids and proposal requests that are budgeted in the Fiscal Year 2014-15 budget.
- Continue to inventory stored property and assist Departments/Divisions in identifying the property for continued storage, addition to stock, or disposal.
- Continue to review items in warehouse inventory to establish appropriate items and stock levels.
- Conduct bi-annual inventory of Authority fixed assets scheduled in Fiscal Year 2014-15.
- Continue monitoring usage of and updates to the procurement card system and its interface with the Authority's accounting system.
- Continue to receive and issue materials and supplies for work order-based purchases.
- Order and receive stock inventory to support RTAA maintenance and operation.
- Maintain and operate storeroom, stock locations and bins on a daily on-going basis.
- Prepare and dispose of surplus property in bi-annual public auctions in accordance with statutory requirements
- Continue to scan all contracts, Professional Service Agreements, and blanket purchase orders and placed them on the public drive thus providing instant access to both Accounting staff and users
- Evaluate and complete implementation of the Purchasing and Materials Management process changes to improve the communication and timeliness of the contracting process
- Cross train employees on customizing Professional Service Agreements and managing Request for Proposal processes

Purchasing and Materials Management - Initiatives:

FY 2013-14 – Current Initiatives

- 1. Cross train employees on customizing Professional Service Agreements (PSAs) and managing Request for Proposal processes.**

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Performance Measure: Train staff member to customize the PSA and managed the Procurement Card portion of the Banking Services Request for Proposal process to be completed by September 30, 2013.

Progress: Completed by established deadline.

Strategic Initiative / Guiding Principle: Financial Integrity.

2. Update policy and procedure manuals to ensure on-going compliance with the new Airport Improvement Project (AIP) Grant Oversight Risk Model Policy.

Description: Ensure compliance with AIP Grant Oversight Risk Model Policy.

Performance Measure: All purchasing policies and procedures will be updated and available for Federal Aviation Administration (FAA) review by March 31, 2013.

Progress: Completed

Strategic Initiative / Guiding Principle: Financial Integrity.

3. Upon completion of the Banking Service Request for Proposal (RFP), implement a new procurement card system, including staff training, should a new provider be selected.

Performance Measure: The new procurement card system configuration, system testing, and training of staff is to be completed by June 30, 2014.

Progress: A new procurement card provided was selected and a professional services contract executed. System configuration and development of a training program is underway. Full implementation is anticipated to be completed by September 30, 2014.

Strategic Initiative / Guiding Principle: Financial Integrity.

FY 2014-15 New Initiatives

1. In conjunction with the Technology and Information Systems Department, research options, development cost estimates, and evaluate the cost/benefit of purchasing process improvements such as on-line bidding.

Description: The Authority has dated methods and procedures regarding use of information technology to facility the procurement of goods and services including the on-line

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registration and notification of vendors, distribution and receipt of bid documents, and the routing and tracking of purchase requisitions. This goal is to look at solutions in place by other local governments and business to determine realistic options and the cost/benefit of investing in new software.

Performance Measure: Complete research and prepare recommendations for senior management consideration by December 31, 2014.

Strategic Initiative / Guiding Principle: Financial Integrity.

- 2. Evaluate the existing Fixed Asset Inventory Process and prepare a cost/benefit analysis that evaluates the purchase of scanning hardware, bar tags, and upgraded software as compared to anticipated productivity gains.**

Description: The Authority has dated methods and procedures of completing its bi-annual fixed asset inventory. This effort will evaluate and obtain pricing of scanning equipment, bar tags and updated software to improve efficiency in completing the inventory effort and to integrate results into the existing fixed asset accounting software.

Performance Measure: Complete research, obtain cost estimates, and prepare recommendations for senior management consideration by December 31, 2014.

Strategic Initiative / Guiding Principle: Financial Integrity.

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PURCHASING AND MATERIALS MANAGEMENT
 Section 303

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$274,132	\$315,100	\$326,200	4%
Vacation Pay	41130	26,292	2,900	2,200	-24%
Sick Leave	41140	15,100	9,100	9,300	2%
Holiday Pay	41150	14,944	0	0	0%
Overtime Pay	41210	60	500	500	0%
Medicare	41320	2,487	2,500	2,400	-4%
Group Insurance	41340	34,193	48,600	51,400	6%
Disability Insurance	41342	3,066	3,100	3,100	0%
Self Funded Rx	41343	(248)	0	0	0%
Vision Insurance	41344	566	700	700	0%
Dental Insurance	41347	4,481	4,400	4,200	-5%
Workers Comp	41350	3,473	3,400	3,700	9%
Retirement	41360	72,297	80,900	83,800	4%
Uniform Allowance	41380	760	750	750	0%
Benefit Bank Deferred Comp	41430	8,561	10,900	0	-100%
TOTAL PERSONNEL SERVICES		460,163	482,850	488,250	1%
PURCHASED SERVICES					
Office Equipment Rental	43210	3,473	3,600	3,550	-1%
Contracted Services	43340	1,126	0	0	0%
Other Repair/Maintenance Svcs	43390	0	1,500	500	-67%
Freight Expense	43430	2,141	3,000	2,500	-17%
Permits & Recorders Fees	43460	0	100	75	-25%
TOTAL PURCHASED SERVICES		6,740	8,200	6,625	-19%
MATERIALS & SUPPLIES					
Office Supplies	44100	822	1,200	1,200	0%
Paper	44110	165	250	250	0%
Postage	44120	112	100	100	0%
Printing & Forms	44130	130	500	400	-20%
Medical Supplies	44270	53	405	350	-14%
Other Operating Supplies	44290	306	500	450	-10%
Machinery	44330	109	200	200	0%
Small Tools - Minor Equipment	44400	3,586	2,500	2,500	0%
Office Small Equipment	44410	51	200	200	0%
Employee Safety Equipment	44450	439	500	600	20%
Purchase Price Variance	44750	(12)	0		0%
TOTAL MATERIALS & SUPPLIES		5,762	6,355	6,250	-2%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	1,472	1,375	1,470	7%
Books & Subscriptions	45120	446	450	450	0%
Training Expense	45140	0	700	500	-29%
Legal Advertisements	45340	2,547	2,300	3,100	35%
TOTAL ADMINISTRATIVE EXPENSES		4,464	4,825	5,520	14%
TOTAL SECTION EXPENSES		\$477,129	\$502,230	\$506,645	1%

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Finance and Budgeting

Mission Statement: To provide financial analysis and budgeting services with a focus on effective resource utilization, asset protection, long-term strategic planning, and financial stability. This department is responsible for (1) budgeting and forecasting revenue and expense outcomes, (2) calculating airline rates, fees, and charges, (3) funding capital improvement needs, and (4) providing risk management services through coordination with insurance brokers and securing insurance coverage at reasonable costs.

Key Duties and Responsibilities:

- Coordinate the Authority’s annual operating budget including the forecast of revenues to assist in the establishment of expenditure targets.
- Prepare and review the proposed budget to the Board of Trustees. This effort includes preparation of written narrative and oral presentations.
- Prepare and present the monthly financial package at monthly Finance Committee meetings with a focus on actual versus budget results.
- Calculate airline rates and charges and perform the mid-year review and year end settlement analysis including presentations to the airlines.
- Maintain the Authority’s financial forecasting models including airline activity forecasting, capital project funding, and non-airline revenue forecasting.
- Review Board memo fiscal impacts, and other analyses as requested.
- Complete insurance applications, provide insurance company tours, administer RTAA liability claims, and review RTAA contract insurance requirements.
- Solicit and negotiate a new agreement to provide insurance brokerage services.
- Perform ad-hoc financial analysis and reviews and reports in support of Executive Management.
- Prepare Passenger Facility Charge (PFC) applications to fund capital improvement projects
- Update FAA Grants status reports, assist with annual Single Audit, and administer PFC program as required.
- Coordinate all Authority senior and subordinate lien debt financing.
- Attend Strategic Planning and Project Review Committee meetings, and report on project expenditures as requested.
- Assist the Accounting Department in preparation of the annual financial statements
- Forecast RTAA cash and liquidity flows to ensure RTAA
- Conduct employee evaluations in a timely manner
- Set training goals and encourage all staff to take advantage of all appropriate RTAA in house training opportunities

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- Attend industry seminars and keep current on official pronouncements of accounting practice

Finance and Budgeting - Initiatives:

FY 2013-14 – Current Initiatives

- 1. Prepare a Request for Proposal (RFP) and negotiate a new contract for insurance brokerage services**

Performance Measure: Board of Trustees approval of Professional Services Agreement by June 30, 2014.

Progress: The Board of Trustees approved a Professional Services Agreement for brokerage services on January 16, 2014

Strategic Initiative / Guiding Principle: Guiding Principles - Financial Integrity.

- 2. Enhance management reporting abilities through MAS Intelligence Report Writing. Develop new reports and convert existing reports. Develop a management dashboard report and train selected RTAA management staff in “real time” viewing information.**

Description: The upgrade will enhance management reporting abilities through Sage MAS Intelligence Report Writing. With this tool, the department will develop new reports and develop a management dashboard report to present the RTAA management staff available in “real time” viewing information.

Performance Measure: Create reports and dashboard and train management staff.

Progress: MAS Intelligence was installed on Finance computers in January, 2014 and staff has received training in the new software.

Strategic Initiative / Guiding Principle: Guiding Principles - Financial Integrity.

- 3. Revise the budget development process to focus resource allocation on achievement of Strategic Priorities.**

Performance Measure: Prepare and reformat the budget forms based on the Strategic Priorities prior to distribution to the staff.

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Progress: This was completed prior to distribution of budget materials to staff in December, 2013.

Strategic Initiative / Guiding Principle: Guiding Principles - Financial Integrity.

4. Obtain the Government Finance Officer Association (GFOA) Distinguished Budget Presentation Award for FY 2013-14

Description: To obtain the award, a budget submission is prepared to provide a comprehensive review of the financial structure and strategic plans of the Authority. This document is evaluated based on its success as a policy document, a financial plan, an operations guide, and a communications device.

Performance Measure: Obtain the Distinguished Budget Presentation Award for FY 2014-15

Progress: The Fiscal Year 2013-14 Annual Budget was awarded the Distinguished Budget Presentation Award.

Strategic Initiative / Guiding Principle: Financial Integrity.

FY 2014-15 New Initiatives

1. Provide financial analysis support for the negotiation of a new agreement or the extension of the existing Airline Use and Lease Agreement.

Performance Measure: Signed airline agreements prior to July 1, 2015

Strategic Initiative / Guiding Principle: Financial Integrity.

2. Continued implementation of the Sage MAS Intelligence Report Writing tool. Staff will focus on expanding utilize this report writing tool to enhance financial reporting and provide a summary dashboard report for management use.

Description: This software tool allows staff to generate and update financial information in an easy to update and access platform. The outcome of this effort is to create management reports and templates available to management staff to improve the timeliness and quality of financial reporting.

Performance Measure: Convert the monthly financial reports, currently prepared in Excel, to the MAS Intelligence Report Writing and complete development of the management dashboard, along with selected RTAA management training, by June 30, 2015.

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3. Obtain the Government Finance Officer Association (GFOA) Distinguished Budget Presentation Award for FY 2014-15

Description: To obtain the award, a budget submission is prepared to provide a comprehensive review of the financial structure and strategic plans of the Authority. This document is evaluated based on its success as a policy document, a financial plan, an operations guide, and a communications device.

Performance Measure: Obtain the Distinguished Budget Presentation Award for FY 2014-15

Strategic Initiative / Guiding Principle: Financial Integrity.

4. Prepare and submit Passenger Facility Application #12 to fund critically needed capital improvement projects.

Description: Passenger Facility Charge is a \$4.50 per enplaned passenger fee collect by the airlines and submitted to the RTAA to fund Federal Aviation Administration (FAA) approved capital improvement projects. This effort will identify eligible projects, define work scope, obtain cost estimates, prepare materials for airline consultation, and submit an application for FAA review and approval. The PFC program is outlined in detail in Section 8 - Capital Projects.

Performance Measure: Obtain a record of decision approving the application from the FAA by January 31, 2015.

Strategic Initiative / Guiding Principle: Financial Integrity.

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**FINANCE AND BUDGETING
Section 305**

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$150,506	\$184,000	\$190,500	4%
Vacation Pay	41130	14,860	1,700	1,700	0%
Sick Leave	41140	12,786	4,200	3,500	-17%
Holiday Pay	41150	8,372	0	0	0%
Medicare	41320	2,649	2,700	2,800	4%
Group Insurance	41340	16,571	23,300	23,900	3%
Disability Insurance	41342	1,830	1,900	1,900	0%
Self Funded Rx	41343	(121)	0	0	0%
Vision Insurance	41344	286	400	400	0%
Dental Insurance	41347	2,520	2,500	2,300	-8%
Workers Comp	41350	323	200	200	0%
Retirement	41360	41,960	47,400	49,000	3%
TOTAL PERSONNEL SERVICES		252,542	268,300	276,200	3%
PURCHASED SERVICES					
Consultants - General	43140	4,100	25,000	50,000	100%
Office Equipment Rental	43210	1,846	1,600	1,600	0%
Freight Expense	43430	20	50	50	0%
TOTAL PURCHASED SERVICES		5,967	26,650	51,650	94%
MATERIALS & SUPPLIES					
Office Supplies	44100	395	500	400	-20%
Paper	44110	100	100	100	0%
Postage	44120	170	100	100	0%
Printing & Forms	44130	1,363	1,500	0	-100%
TOTAL MATERIALS & SUPPLIES		2,027	2,200	600	-73%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,831	2,125	1,550	-27%
Books & Subscriptions	45120	493	500	550	10%
Training Expense	45140	176	500	300	-40%
Meeting Expense	45150	0	100	100	0%
Legal Ads	45340	157	0	150	%
TOTAL ADMINISTRATIVE EXPENSES		2,657	3,225	2,650	-18%
TOTAL SECTION EXPENSES		<u>\$263,193</u>	<u>\$300,375</u>	<u>\$331,100</u>	<u>10%</u>

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NONDEPARTMENTAL
 Section 900

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	354,735	\$175,000	\$125,000	-29%
Temporary Employees	41120	0	(300,000)	(300,000)	0%
Self Funded Rx	41343	(981)	0	0	-100%
Vision Service Plan	41344	(981)	0	0	0%
Dental Insurance	41347	(981)	0	0	0%
Post Employment Health Plan	41410	(51,471)	85,000	0	0%
TOTAL PERSONNEL SERVICES		300,319	(40,000)	(175,000)	0%
PURCHASED SERVICES					
Other Professional Services	43190	186,234	30,000	30,000	0%
Air Service Studies	43193	92,014	110,000	100,000	-9%
Contracted Services	43340	198,159	39,000	99,000	154%
Freight Expense	43430	502	0	0	0%
TOTAL PURCHASED SERVICES		476,909	179,000	229,000	28%
MATERIALS & SUPPLIES					
Office Supplies	44100	(126)	0	0	0%
Paper	44110	1,091	0	0	0%
Inventory Adjustments	44292	510	0	0	0%
TOTAL MATERIALS & SUPPLIES		1,475	0	0	0%
ADMINISTRATIVE EXPENSE					
Air Service Development	45350	188,826	201,775	197,200	-2%
Miscellaneous Expense	45370	1	0	0	0%
Other Advertising & Promotion	45390	59,283	50,000	50,000	0%
Airport Liability	45410	162,960	179,300	151,100	-16%
Vehicle Liability	45420	53,174	54,800	50,600	-8%
Bonds Employees/Officers	45440	8,752	10,000	10,200	2%
Buildings & Contents	45450	552,425	668,200	637,600	-5%
Public Officials Liability	45460	71,326	80,300	61,200	-24%
Public Safety Liability	45470	77,946	81,800	74,100	-9%
Other Insurance	45490	117,474	50,000	50,000	0%
Credit Card Fees	45500	218,072	0	0	0%
TOTAL ADMINISTRATIVE EXPENSES		1,510,239	1,376,175	1,282,000	-7%
FIXED CHARGES					
Int Exp 2005 Bonds	71130	1,213,898	1,161,500	1,101,300	-5%
Int Exp 2011A Subordinate Note	71150	207,231	282,288	214,500	-24%
Int Exp 2011B Subordinate Note	71160	0	137,407	75,098	-45%
TOTAL FIXED CHARGES		1,421,129	1,581,195	1,390,898	-12%
TOTAL SECTION EXPENSES		<u>\$3,710,071</u>	<u>\$3,096,370</u>	<u>\$2,726,898</u>	<u>-12%</u>

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Vice President of Operations and Public Safety

Mission Statement: Ensure leadership and direction in managing, coordinating and integrating all aspects of landside, terminal, airside and general aviation operations in compliance with safety and security regulations for an efficient, safe and seamless experience for all Airport users.

Key Duties and Responsibilities:

- Provide direction and support to Airside Operations, Security, ARFF, Police and Landside Operations Divisions.
- Ensure airport is continually in compliance with 14 CFR 139 Certification of Airports and 14 CFR 1542 Airport Security.
- Represent the President/CEO on routine and emergency matters during non-business hours.
- Ensure the safe, secure, and effective operation of the airport during non-business hours.
- Sustain parking and ground transportation net revenues.
- Improve indications and warnings to RTAA staff and tenants about situations that may negatively impact safe, secure, efficient airport operations; sustain decision-grade information/situation reporting; and expand emergency response capabilities.
- Monitor and control costs to ensure efficient operations.
- Effectively orient and train new organizational leaders on department missions, constraints, restrictions, and opportunities.
- Provide outstanding customer service to staff, tenants, aviation users, and the public from parking to the runways and back again.

Operations and Public Safety - Initiatives:

FY 2013-14 – Current Initiatives

1. Conduct a Part 139 annual mass casualty emergency response exercise.

Performance Measure: The Emergency Response Exercise is completed by May 2014

Progress: Completed on May 29, 2014.

Strategic Initiative / Guiding Principle: Safety and Security

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VICE-PRESIDENT OF OPERATIONS AND PUBLIC SAFETY
 Department 401

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$166,493	\$188,800	\$197,200	4%
Vacation Pay	41130	22,585	0	0	0%
Sick Leave	41140	9,877	1,900	3,000	58%
Holiday Pay	41150	9,033	0	5,000	%
Overtime Pay	41210	313	200	750	275%
Medicare	41320	3,185	3,000	2,900	-3%
Group Insurance	41340	11,193	14,200	20,800	46%
Disability Insurance	41342	1,105	1,000	2,200	120%
Self Funded Rx	41343	(148)	0	0	0%
Vision Insurance	41344	349	200	300	50%
Dental Insurance	41347	2,987	1,500	1,900	27%
Workers Comp	41350	2,019	1,400	1,500	7%
Retirement	41360	37,308	48,600	50,800	5%
Benefit Bank Deferred Comp	41430	7,375	15,800	0	-100%
TOTAL PERSONNEL SERVICES		273,673	276,600	286,350	4%
PURCHASED SERVICES					
Office Equipment Rental	43210	879	850	3,400	300%
TOTAL PURCHASED SERVICES		879	850	3,400	300%
MATERIALS & SUPPLIES					
Office Supplies	44100	249	400	400	0%
Paper	44110	9	80	20	-75%
Postage	44120	7	100	50	-50%
Printing & Forms	44130	170	200	200	0%
TOTAL MATERIALS & SUPPLIES		434	780	670	-14%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	275	275	550	100%
Conference Registration Fees	45130	0	400	300	-25%
Training Expense	45140	0	0	2,650	%
Meeting Expense	45150	29	100	100	0%
Disaster Exercise Expense	45170	0	18,000	0	-100%
Travel & Reimbursed Expense	45210	0	1,000	1,350	35%
TOTAL ADMINISTRATIVE EXPENSES		304	19,775	4,950	-75%
TOTAL DEPARTMENT EXPENSES		<u>\$275,290</u>	<u>\$298,005</u>	<u>\$295,370</u>	<u>-1%</u>

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Airside Operations and Communications

Mission Statement: Ensure a safe and efficient means of integrated transportation for the public within the Reno-Tahoe Airport Authority system; ensure compliance with 14 CFR Part 139 of the Federal Aviation Regulations; provide effective communications support to RTAA staff, tenants, customers, and supporting entities; prepare to act decisively to protect life and property by organizing appropriate responses to events at RTAA.

Key Duties and Responsibilities:

- Ensure airport is continually in compliance with 14 CFR 139 FAA Certification of Airports and FAA Certification Inspection is passed.
- Represent the President/CEO on routine and emergency matters during non-business hours to ensure continuing operation.
- Successfully complete Airside Operations duties as part of the Federal Aviation Administration (FAA) required annual table-top and triennial exercises.
- Mitigate the risk of bird strikes and animal strikes in accordance with the Wildlife Hazard Plan.
- Identify and implement opportunities to improve runway and ramp safety.
- Develop and administer airfield driving regulations and airport rules and regulations.
- Conduct training on Safety Management System (SMS) and Operational Risk Management. Assess and mitigate hazards.
- Manage Emergency Operations Center (EOC) during emergencies.
- Simplify and, where possible, expand the use of WebEOC software as a daily, common operating picture tool for RTAA staff and tenants to promote familiarity with the system for emergency use.
- Provide staff and tenant training on the revised Airport Emergency Plan (AEP).
- Provide daily reports on the results of the self-inspection program and verify corrections of deficiencies.
- Effectively manage ramp space to meet air carrier, cargo, general aviation, and Customs/Immigration operations.
- Ensure Operations representation during planning and execution of construction activities.
- Ensure proper notification of airfield construction activities in order to maintain a safe operations area for aircraft operations and construction.
- Provide for the consistent and accurate communications while performing high confidence in Airport Communications reliability across all shifts.
- Ensure all team members are capable of independently facilitating communications for the first 45 minutes of an Alert III response, and capable of operating communications as part of the incident command staff in the Mobile Command Vehicle.

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- Dispatch all routine and emergency calls for police, security, operations, fire and maintenance.
- Monitor and maintain radio traffic on seven (7) radio channels, make notifications to management and tenants using email and InfoRad paging system. Log all calls for service in a Computer Aided Dispatch computer program.
- Develop, coordinate, and publish a Continuity of Operations Plan consistent with Homeland Security Presidential Directive (HSPD)-20, National Continuity Policy and Federal Emergency Management Agency (FEMA) Continuity Guidance Circular 1, “Continuity Guidance for Non-Federal Entities”, and regional and tenant plans.
- Prepare and perform Snow Desk duties and update the Snow and Ice Control Plan.
- Hold pre-season coordination meetings and ensure snow is removed from runways and taxiways within 30 minutes of onset of event.
- Improve Snow and Ice Control processes through monitoring and evaluating snow season activities and attending the International Snow Symposium.
- Monitor weather for effect on operations, construction projects and maintenance activities. Monitor weather in local area and nationwide for delays and other disruptions to air traffic that could affect RTIA. Monitor local area weather for thunderstorms.
- Activate emergency alert notifications, recall essential personnel, and open the Emergency Operations Center (EOC).
- Provide seamless communications support from the Mobile Command Vehicle.
- Administer and provide user training on the Authority’s 800 MHz radio system and participation in the inter-agency program.
- Conduct communications cross-training with Reno and Regional Emergency Medical Services Authority (REMSA) dispatch centers.
- Monitor door alarms and access control points, verify badge access and print access point reports upon request; dispatch police and/or security to access control point violations.
- Operate airport telephone paging system, answer questions from the public, direct operational phone inquiries, and operate direct phone lines with the FAA Tower and Airport Fire and Rescue Division.
- Monitor Fire Alarm System for the terminal building, parking structures, U.S. Customs building and airfield maintenance.
- Advise airlines of ramp freezes and other emergency situations using the airline ring down telephone system.
- Monitor and operate the National Crime Information Center computer for incoming information from outside police agencies and for the Department of Homeland Security bulletins.
- Identify and prepare areas on the Reno-Tahoe International Airport airfield for parking up to 500 additional aircraft during special events such as the National Championship Air Races.
- Maintain software and hardware for communications.

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- Provide job-related training to include training on the new systems and requirements in the Operations; provide cross-familiarization training to elevate knowledge and skills; prepare and present training on operations in movement areas and other topics.
- Conduct Emergency Operations Communications training drills as needed.
- Maintain professional certifications

Airside Operations and Communications - Initiatives:

FY 2013-14 – Current Initiatives

1. Revise airside driving regulations.

Description: Revise RTAA Airside Traffic Regulations to update guidelines for recent changes and improvements.

Progress: Complete.

Strategic Initiative / Guiding Principle: Safety and Security

2. Coordinate, consolidate, and publish revised Airport Rules and Regulations.

Description: Provide a comprehensive revision of the RTAA Airport Rules and Regulations.

Progress: The revision was completed. The update is currently under review by senior management.

Strategic Initiative / Guiding Principle: Safety and Security

FY 2014-15 New Initiatives

1. Update the Airside Driver Safety Program

Description: This training program is being revised based on an adaptive curriculum that focuses on individual driver profiles.

Performance Measure: Zero accidents or damage to vehicles.

Strategic Initiative / Guiding Principle: Safety and Security

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AIRSIDE OPERATIONS
 Section 402

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$884,936	\$1,051,400	\$1,125,400	7%
Vacation Pay	41130	67,033	2,800	5,000	79%
Sick Leave	41140	45,033	15,100	16,900	12%
Holiday Pay	41150	42,790	10,000	0	-100%
Overtime Pay	41210	46,062	25,000	30,000	20%
Overtime Call Back	41213	9,144	8,000	7,500	-6%
Shift Differential	41230	15,757	17,000	16,000	-6%
Holiday worked Pay	41280	18,262	22,000	20,000	-9%
Medicare	41320	16,770	15,600	16,300	4%
Group Insurance	41340	85,985	145,900	168,400	15%
Disability Insurance	41342	9,592	10,500	10,900	4%
Self Funded Rx	41343	(654)	0	0	0%
Vision Insurance	41344	1,698	2,400	2,500	4%
Dental Insurance	41347	13,539	14,500	15,100	4%
Workers Comp	41350	11,793	13,000	14,500	12%
Retirement	41360	242,647	270,700	289,800	7%
Uniform Allowance	41380	1,527	1,700	2,000	18%
Benefit Bank Deferred Comp	41430	24,419	23,200	0	-100%
TOTAL PERSONNEL SERVICES		1,536,333	1,648,800	1,740,300	6%
PURCHASED SERVICES					
Other Professional Services	43190	40,000	38,000	38,000	0%
Office Equipment Rental	43210	3,089	2,485	3,210	29%
Other Repair/Maintenance Svcs	43390	97,556	155,000	78,000	-50%
Freight Expense	43430	856	350	400	14%
TOTAL PURCHASED SERVICES		141,501	195,835	119,610	-39%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,700	2,800	2,800	0%
Paper	44110	228	400	400	0%
Postage	44120	12	50	50	0%
Printing & Forms	44130	210	300	300	0%
Medical Supplies	44270	72	100	100	0%
Other Operating Supplies	44290	10,382	12,500	12,500	0%
Vehicles	44310	22	0	0	0%
Office Small Equipment	44410	2,153	4,000	2,000	-50%
TOTAL MATERIALS & SUPPLIES		15,780	20,150	18,150	-10%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,981	2,235	625	-72%
Books & Subscriptions	45120	4,063	4,000	4,210	5%
Conference Registration Fees	45130	499	1,000	1,000	0%
Training Expense	45140	5,408	4,000	4,375	9%

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**AIRSIDE OPERATIONS
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	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
Meeting Expense	45150	825	500	500	0%
Travel & Reimbursed Expense	45210	1,638	1,750	2,800	60%
TOTAL ADMINISTRATIVE EXPENSES		<u>14,414</u>	<u>13,485</u>	<u>13,510</u>	<u>0%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		1,708,028	1,878,270	1,891,570	1%
FIXED ASSETS					
Fixed Asset Acquisition	48150	91,218	36,680	68,350	86%
TOTAL SECTION EXPENSES		<u>\$1,799,247</u>	<u>\$1,914,950</u>	<u>\$1,959,920</u>	<u>2%</u>

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Landside Operations

Mission Statement: To enhance parking and ground transportation revenue, provide exceptional customer service to all Landside Operations end users, and maximize technological advances to ensure efficient and effective operations.

Key Duties and Responsibilities:

- Provide and maintain all aspects of Ground Transportation to provide services, collect all appropriate revenue, and maintain compliance with all Reno-Tahoe International Airport regulations.
- Maximize revenue generating opportunities by continued personnel training, exploration of potential new sources, and utilization of proven advanced technologies.
- Review and analyze parking and ground transportation rate structure to ensure revenue generation reflects market rates.
- Provide the traveling public with highest quality of parking services and providing real value while maintaining a safe, secure environment.
- Develop a ground transportation (GT) education and customer service program that establishes guidelines for operating on the airport.
- Review existing Landside policies and procedures in order to develop a unified Standard Operating Procedures manual that will be used to ensure continuity of staff processes such as cash handling, customer service and minor system maintenance and repairs.

Landside Operations - Initiatives:

FY 2013-14 – Current Initiatives

1. Research and evaluate employee parking privileges and revenue to ensure equity among Airport staff and tenants.

Description: Staff will review employee parking privileges and assign parking locations for tenants based on employee function. This initiative will help provide equity in how tenant companies pay for and are provided parking privileges.

Performance Measure: Prepare recommendations for equitable distribution of parking costs and parking locations among tenants and Airport personnel for review by December 31, 2013.

Progress: Complete. Recommendations were enacted to reallocate parking areas among Tenants and Airport staff. Parking payment by tenant companies was reviewed and modified

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to ensure that payment for employee parking was being received monthly from tenants. Airport staff was extended privileges to park in the employee lot of their choice based on suggestions made in the 2013 Employee Survey.

Strategic Initiative / Guiding Principle: Positive a Positive Environment for All and Financial Integrity.

2. Review and improve parking validation process.

Description: Create a more manageable process for parking validation in order to more efficiently facilitate movement of parking customers being provided with parking validation for special events conducted at the Airport.

Performance Measure: Prepare recommendations for a more efficient customer exits, fewer validations at the front desk and improved audit trail for validations by December 31, 2013.

Progress: Complete. A process has been created to minimize the need for parking validations to be signed by individuals authorized to provide validation. Instead, parking validations are issued and tracked (audited) via parking authorization cards issued by the department. These cards are turned over by patrons upon exit along with the parking ticket they were issued upon entry.

Strategic Initiative / Guiding Principle: Customer Service and Financial Integrity

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	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$409,853	\$507,900	\$530,100	4%
Temporary Employees	41120	9,258	12,000	10,000	-17%
Vacation Pay	41130	29,966	0	0	0%
Sick Leave	41140	18,818	6,800	6,900	1%
Holiday Pay	41150	20,057	19,000	0	-100%
Overtime Pay	41210	13,744	12,000	11,000	-8%
Shift Differential	41230	18,678	20,000	19,500	-3%
Holiday worked Pay	41280	18,754	15,630	16,000	2%
Medicare	41320	7,552	7,400	7,700	4%
FICA	41321	667	0	0	0%
Group Insurance	41340	68,060	120,400	133,400	11%
Disability Insurance	41342	4,221	4,900	4,800	-2%
Self Funded Rx	41343	(536)	0	0	0%
Vision Insurance	41344	1,415	2,000	1,900	-5%
Dental Insurance	41347	11,112	12,200	11,900	-2%
Workers Comp	41350	15,993	15,400	17,500	14%
Retirement	41360	121,384	130,800	136,500	4%
Uniform Allowance	41380	413	1,300	1,300	0%
Benefit Bank Deferred Comp	41430	3,564	4,600	0	-100%
TOTAL PERSONNEL SERVICES		772,972	892,330	908,500	2%
PURCHASED SERVICES					
Other Professional Services	43190	243,664	216,740	248,000	14%
Office Equipment Rental	43210	2,540	2,200	2,580	17%
Equipment Rental	43211	6,456	6,600	16,430	149%
Contracted Services	43340	13,371	4,100	4,100	0%
Freight Expense	43430	1,003	750	900	20%
Contracted Services - Towing	43450	0	250	250	0%
TOTAL PURCHASED SERVICES		267,034	230,640	272,260	18%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,406	2,000	2,000	0%
Paper	44110	220	400	400	0%
Postage	44120	533	400	350	-13%
Printing & Forms	44130	11,900	14,000	13,000	-7%
Medical Supplies	44270	55	50	50	0%
Other Operating Supplies	44290	7,419	2,750	2,000	-27%
Machinery	44330	0	15,000	15,000	0%
Seeds, Plants & Trees	44340	32	0	0	0%
Sign and Sign Maintenance	44430	4,078	10,000	10,000	0%
Employee Safety Equipment	44450	158	150	150	0%
TOTAL MATERIALS & SUPPLIES		26,801	44,750	42,950	-4%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,265	1,340	1,340	0%
Meeting Expense	45150	0	100	100	0%

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	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
Credit Card Fees	45500	0	190,000	216,000	14%
TOTAL ADMINISTRATIVE EXPENSES		1,265	191,440	217,440	14%
TOTAL EXPENSES BEFORE FIXED ASSETS		1,068,072	1,359,160	1,441,150	6%
FIXED ASSETS					
Fixed Asset Acquisition	48150	0	56,700	0	-100%
TOTAL SECTION EXPENSES		<u>\$1,068,072</u>	<u>\$1,415,860</u>	<u>\$1,441,150</u>	<u>2%</u>

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Airport Rescue and Fire Fighting (ARFF)

Mission Statement: Respond to emergencies including aircraft rescue firefighting services, structural fire protection, hazardous materials response, and emergency first aid service. Provide fire and safety inspections, fire prevention activities, and training for RTAA employees and tenants. Oversee environmental, health and safety programs.

Key Duties and Responsibilities:

- Maintain emergency response capabilities by ensuring equipment and staffing is kept at an appropriate level.
- Maintain ARFF Index C capability.
- Validate effectiveness of Driver/Operator and Acting Captain certification training programs.
- Provide aircraft refueling vehicle inspection training for all Airport Fire Division employees due to rotation of inspection program.
- Encourage participation in external training in current fire and emergency services certifications.
- Train airport employees in fire prevention practices, confined space, fire extinguisher and hazardous materials subjects.
- Maintain fire department facility and vehicles in operational readiness.
- Ensure operational status of all department vehicles, tools and equipment. Ensure a safe, clean and operational station. Order supplies and equipment as needed
- Provide supervisory training for Fire Captains to include administrative duties and Incident Commander organizational responsibilities
- Respond to emergencies on RTAA property to provide protection of life, property and the environment
- Provide specified inspections of all buildings, hangars, aircraft refueling vehicles, and other equipment. Provide hazardous operations standbys as required
- Conduct quarterly fire and safety inspections on airport property including Reno-Stead Airport and tenants
- Enhance fire prevention inspection program for Reno-Tahoe and Reno-Stead Airports
- Maintain high priority focus on safety during firefighting operations and for airport employees during their daily assigned duties
- Conduct disaster training as required by the FAA and provide required OSHA safety training
- Maintain proficiency as required by standards and codes. Expand participation in external training for current fire and emergency services certifications.
- Prepare all firefighters for bi-annual Emergency Medical Technician recertification through the State Fire Marshal's office

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- Familiarize fire department members with new Airport Emergency Plan procedures
- Train with local mutual aid agencies focusing on equipment capabilities, communications, incident command procedures and ARFF firefighting techniques

ARFF - Initiatives:

FY 2014-15 – Current Initiatives

1. **In conjunction with Purchasing, develop equipment specification, in compliance with FAA requirements, and solicit bids to acquire a 3,000 gallon Aircraft Rescue & Fire Fighting (ARFF) Vehicle to replace old fire equipment (Fire 4).**

Performance Measure: Complete acquisition by June 30, 2014.

Strategic Initiative / Guiding Principle: Safety and Security

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**AIRPORT RESCUE AND FIRE
Section 404**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$934,721	\$1,353,300	\$1,352,200	0%
Vacation Pay	41130	97,634	0	0	0%
Sick Leave	41140	47,663	0	4,200	%
Holiday Pay	41150	31,786	66,600	66,800	0%
Comp time	41160	141,269	88,000	97,500	11%
Overtime Pay	41210	250,104	75,000	90,000	20%
FLSA Overtime Pay	41211	32,156	52,420	50,000	-5%
Overtime Call Back	41213	2,094	10,000	3,200	-68%
Medicare	41320	18,564	17,200	16,800	-2%
Group Insurance	41340	237,498	277,600	258,700	-7%
Disability Insurance	41342	401	9,800	6,500	-34%
Self Funded Rx	41343	(27)	0	0	0%
Vision Insurance	41344	212	300	200	-33%
Dental Insurance	41347	560	500	1,300	160%
Workers Comp	41350	50,986	37,600	41,300	10%
Retirement	41360	417,514	520,500	517,900	0%
Uniform Allowance	41380	12,575	8,000	8,000	0%
Benefit Bank Deferred Comp	41430	5,373	8,800	0	-100%
TOTAL PERSONNEL SERVICES		2,281,084	2,525,620	2,514,600	0%
PURCHASED SERVICES					
Office Equipment Rental	43210	1,940	1,700	1,700	0%
Contracted Services	43340	5,526	4,000	6,010	50%
Other Repair/Maintenance Svcs	43390	344	2,450	2,000	-18%
Freight Expense	43430	355	1,000	1,000	0%
Other Purchased Services	43490	1,520	3,400	2,850	-16%
TOTAL PURCHASED SERVICES		9,686	12,550	13,560	8%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,064	2,000	2,000	0%
Paper	44110	211	300	300	0%
Postage	44120	12	25	25	0%
Printing & Forms	44130	797	450	550	22%
Chemicals	44220	2,589	2,000	3,700	85%
Firefighting Agent AFFF	44225	5,105	2,500	7,000	180%
Janitorial Paper Supplies	44250	618	475	475	0%
Janitorial Supplies	44260	2,300	2,340	2,000	-15%
Medical Supplies	44270	4,729	3,500	6,300	80%
Trash Can Liners	44280	40	0	0	0%
Other Operating Supplies	44290	1,734	0	0	0%
Turn Outs	44291	4,170	10,000	18,500	85%
Electrical Supplies	44360	0	80	0	-100%
Other Repairs-Maint Supplies	44390	512	1,000	800	-20%
Small Tools - Minor Equipment	44400	16,402	18,145	21,530	19%
Employee Safety Equipment	44450	10,707	10,070	16,324	62%
Hazardeous Materials Response	44451	323	1,600	1,600	0%
Emg. Preparedness Stations	44453	0	250	1,500	500%
TOTAL MATERIALS & SUPPLIES		52,313	54,735	82,604	51%

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AIRPORT RESCUE AND FIRE
 Section 404

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	619	850	1,055	24%
Books & Subscriptions	45120	1,019	3,010	2,920	-3%
Conference Registration Fees	45130	0	460	820	78%
Training Expense	45140	15,195	18,000	20,000	11%
Meeting Expense	45150	0	100	100	0%
Travel & Reimbursed Expense	45210	4,160	5,490	13,886	153%
Relocation Expense	45220	10,000	0	0	0%
Employee Mileage Reimbursement	45240	57	120	0	-100%
TOTAL ADMINISTRATIVE EXPENSE:		<u>31,051</u>	<u>28,030</u>	<u>38,781</u>	<u>38%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS:		2,374,133	2,620,935	2,649,545	1%
FIXED ASSETS					
Fixed Asset Acquisition	48150	<u>0</u>	<u>8,290</u>	<u>42,900</u>	<u>417%</u>
TOTAL SECTION EXPENSES		<u><u>\$2,374,133</u></u>	<u><u>\$2,629,225</u></u>	<u><u>\$2,692,445</u></u>	<u><u>2%</u></u>

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Airport Police

Mission Statement: Ensure Reno-Tahoe International Airport provides a safe and secure facility in accordance with Transportation Security Regulation (TSR), Part 1542 and Nevada Revised Statutes.

Key Duties and Responsibilities:

- Provide Airport Police Officer vehicle and foot patrols for the safety of the traveling public.
- Meet the requirements of Transportation Security Regulation (TSR) Part 1542 and assist air carriers with requirements for TSR Part 1542 and 1544.
- Provide Field Training Officer Program for new officer(s), continue professional development training and annual training requirements in accordance with Nevada Peace Officer Standards and Training (P.O.S.T.).
- Supply and maintain uniforms and equipment.
- Document criminal activity and conduct criminal investigations occurring on airport property. Conduct investigations of criminal incidents occurring on airport property.
- Participate and comply in the Transportation Security Administration (TSA) National Explosive Detection Canine Team Program.
- Maintain Police policies and procedures in accordance with the Commission on Accreditation for Law Enforcement (CALEA) standards.

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AIRPORT POLICE
 Executive Section 405

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$1,163,595	\$1,520,600	\$1,564,400	3%
Vacation Pay	41130	84,660	500	2,400	380%
Sick Leave	41140	38,980	4,800	6,200	29%
Holiday Pay	41150	56,934	0	0	0%
Comp time	41160	21,391	0	29,000	%
Overtime Pay	41210	95,717	40,000	70,000	75%
Overtime Call Back	41213	1,280	0	1,100	%
Standby	41220	3,900	0	4,200	%
Shift Differential	41230	65,838	55,000	68,800	25%
Holiday worked Pay	41280	29,227	35,000	35,000	0%
Medicare	41320	23,010	22,400	22,500	0%
Group Insurance	41340	120,374	221,300	256,400	16%
Disability Insurance	41342	10,427	10,400	13,100	26%
Self Funded Rx	41343	(1,020)	0	0	0%
Vision Insurance	41344	2,420	3,500	3,700	6%
Dental Insurance	41347	19,696	21,600	22,700	5%
Workers Comp	41350	42,324	29,700	32,700	10%
Retirement	41360	514,805	585,100	600,700	3%
Uniform Allowance	41380	21,997	18,000	18,000	0%
Post Employment Health Plan	41410	0	8,800	8,800	0%
Benefit Bank Deferred Comp	41430	32,366	40,300	0	-100%
TOTAL PERSONNEL SERVICES		2,347,920	2,617,000	2,759,700	5%
PURCHASED SERVICES					
Data Processing	43130	0	0	1,252	%
Other Professional Services	43190	9,540	0	0	0%
Office Equipment Rental	43210	6,371	7,314	5,000	-32%
Contracted Services	43340	5,344	8,500	6,000	-29%
Freight Expense	43430	585	500	500	0%
Other Purchased Services	43490	10,705	10,000	10,000	0%
TOTAL PURCHASED SERVICES		32,545	26,314	22,752	-14%
MATERIALS & SUPPLIES					
Office Supplies	44100	3,897	5,000	4,000	-20%
Paper	44110	227	500	250	-50%
Postage	44120	57	200	200	0%
Printing & Forms	44130	1,654	2,000	2,000	0%
Medical Supplies	44270	0	50	100	100%
Other Operating Supplies	44290	2,007	0	0	0%
Firearms	44293	5,864	6,000	6,500	8%
Canine	44294	0	7,000	7,000	0%
Locks & Hardware	44333	80	100	100	0%
Lumber & Building Supplies	44370	92	0	0	0%
Other Repairs-Maint Supplies	44390	10	0	0	0%
Small Tools - Minor Equipment	44400	2,664	11,000	22,000	100%
Office Small Equipment	44410	367	500	500	0%

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	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
Employee Safety Equipment	44450	10,985	7,500	7,500	0%
TOTAL MATERIALS & SUPPLIES		27,904	39,850	50,150	26%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	5,685	6,845	4,635	-32%
Books & Subscriptions	45120	(195)	300	0	-100%
Conference Registration Fees	45130	2,219	2,930	1,750	-40%
Training Expense	45140	5,822	8,000	5,500	-31%
Meeting Expense	45150	192	0	0	0%
Travel & Reimbursed Expense	45210	7,733	9,500	9,200	-3%
TOTAL ADMINISTRATIVE EXPENSES		21,457	27,575	21,085	-24%
TOTAL EXPENSES BEFORE FIXED ASSETS		2,429,826	2,710,739	2,853,687	5%
FIXED ASSETS					
Fixed Asset Acquisitor	48150	0	0	92,100	%
TOTAL SECTION EXPENSES		<u>\$2,429,826</u>	<u>\$2,710,739</u>	<u>\$2,945,787</u>	<u>9%</u>

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Airport Security

Mission Statement: Ensure Reno-Tahoe International Airport provides a secure facility in accordance with U.S. Code of Federal Regulations, Part 1542 and other Transportation Security Administration security directives.

Key Duties and Responsibilities:

- Write, maintain and ensure compliance with TSA approved Airport Security Program.
- Develop security plans to serve as guidelines to airport employees, tenants and contractors to meet the applicable standards of the TSA and the airport.
- Ensure all RTIA security access badge applicants meet TSA requirements with regard to Criminal History Records Checks and Security Threat Assessments.
- Provide input and review construction plans of airport projects to ensure the physical security and Transportation Security Administration requirements for protecting facilities and resources of the airport are met.
- Attend industry seminars and keep current on security related news and trends.
- Ensure relevance of content of Interactive Employee Training.
- Attend necessary meetings both within and outside RTAA to provide input and gather information on security related matters.
- Provide Airport Security Specialists with uniforms and equipment.
- Ensure general maintenance for the Security Division vehicle and bicycles is conducted.
- Schedule and hold Security Consortium meetings for effective internal communications between Airport tenants, Airlines and Transportation Security Administration.
- Ensure physical facility, ground transportation area patrols and staffing of access gates.
- Provide for the professional growth of Security Specialists through training, staff committees, and feedback on work performance.
- Meet requirements of 14 CFR Part 1542 and other Transportation Security Administration (TSA) security directives.
- Facilitate annual aviation security tabletop exercise.
- Provide for the security of the traveling public through responses to door alarms, inspections of badges, badge holders and deliveries.

Airport Security - Initiatives:

FY 2013-14 – Current Initiatives

- 1. Create a Security and Badging public webpage to provide on-line access to common Badging forms and Security training.**

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Description: Develop and implement a public webpage, accessible through renoairport.com, to provide information and guidance to RTIA tenants and users on security related items, most specifically Badging.

Performance Measure: Complete the webpage by June 20, 2014

Progress: Staff has conducted research on other airport's webpages for content ideas. Conversion of common forms to fillable forms is on-going.

Strategic Initiative / Guiding Principle: Customer Service

2. Conduct a Part 1542 annual security exercise.

Description: Part 1542 is a federal regulation that covers security at most commercial service airports in the United States. The annual exercise ensures that federal regulations are complied with at their commercial service airport, through the development and approval of the Airport Security Program, enforcement of the Program, and administration of the access control system, personnel identification system, tenant security programs and any other issue relating to security at the airport.

Performance Measure: Complete one annual Part 1542 exercise by June 30, 2014.

Progress: Completed

Strategic Initiative / Guiding Principle: Safety and Security

3. Obtain the AAAE ACE-Security designation.

Description: In order to continue professional development, the Manager of Airport Security is pursuing AAAE's Airport Certified Executive – Security designation.

Progress: Study and review of material is on-going.

Strategic Initiative / Guiding Principle: Professionalism and Ethics

FY 2014-15 – Current Initiatives

1. Conduct a Part 1542 annual security exercise.

Description: Part 1542 is a federal regulation that covers security at most commercial service airports in the United States. The annual exercise ensures that federal regulations are

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complied with at their commercial service airport, through the development and approval of the Airport Security Program, enforcement of the Program, and administration of the access control system, personnel identification system, tenant security programs and any other issue relating to security at the airport.

Performance Measure: Complete one annual Part 1542 exercise by June 30, 2015.

Strategic Initiative / Guiding Principle: Safety and Security

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	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$567,868	\$680,100	\$689,700	1%
Vacation Pay	41130	44,075	600	0	-100%
Sick Leave	41140	41,443	6,000	6,600	10%
Holiday Pay	41150	28,807	20,000	0	-100%
Overtime Pay	41210	22,938	25,000	25,000	0%
Shift Differential	41230	29,105	30,000	30,000	0%
Holiday worked Pay	41280	26,818	35,000	30,000	-14%
Medicare	41320	10,769	9,800	10,000	2%
Group Insurance	41340	96,585	157,000	155,600	-1%
Disability Insurance	41342	5,883	6,200	5,700	-8%
Self Funded Rx	41343	(784)	0	0	0%
Vision Insurance	41344	1,917	2,600	2,300	-12%
Dental Insurance	41347	15,215	16,200	13,700	-15%
Workers Comp	41350	22,939	21,400	23,500	10%
Retirement	41360	167,116	175,100	177,600	1%
Uniform Allowance	41380	5,086	5,000	6,000	20%
TOTAL PERSONNEL SERVICES		1,085,783	1,190,000	1,175,700	-1%
PURCHASED SERVICES					
Other Professional Services	43190	20,050	25,000	25,000	0%
Office Equipment Rental	43210	1,798	1,800	2,000	11%
Contracted Services	43340	2,285	3,000	2,000	-33%
Other Repair/Maintenance Svcs	43390	693	500	500	0%
Freight Expense	43430	245	150	150	0%
TOTAL PURCHASED SERVICES		25,071	30,450	29,650	-3%
MATERIALS & SUPPLIES					
Office Supplies	44100	20,369	20,000	20,000	0%
Paper	44110	106	100	0	-100%
Postage	44120	11	60	25	-58%
Printing & Forms	44130	103	450	650	44%
Medical Supplies	44270	64	75	75	0%
Locks & Hardware	44333	275	250	300	20%
Other Repairs-Maint Supplies	44390	21	0	0	0%
Small Tools - Minor Equipment	44400	441	1,200	1,000	-17%
Office Small Equipment	44410	0	0	12,000	%
Employee Safety Equipment	44450	122	250	250	0%
TOTAL MATERIALS & SUPPLIES		21,512	22,385	34,300	53%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	550	275	275	0%
Conference Registration Fees	45130	570	600	600	0%
Training Expense	45140	0	1,000	500	-50%
Travel & Reimbursed Expense	45210	1,417	3,000	1,000	-67%

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	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
Other Advertising & Promotion	45390	<u>252</u>	<u>300</u>	<u>300</u>	<u>0%</u>
TOTAL ADMINISTRATIVE EXPENSES		<u>2,789</u>	<u>5,175</u>	<u>2,675</u>	<u>-48%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		1,135,154	1,248,010	1,242,325	0%
FIXED ASSETS					
Fixed Asset Acquisition	48150	<u>0</u>	<u>0</u>	<u>10,400</u>	<u>%</u>
TOTAL SECTION EXPENSES		<u>\$1,135,154</u>	<u>\$1,248,010</u>	<u>\$1,252,725</u>	<u>0%</u>

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Planning and Environmental Services

Mission Statement: Develop, maintain and update a program for the future orderly development of Reno-Tahoe International Airport (RTIA) and Reno-Stead Airport (RTS), which satisfies aviation demand and yields safe, efficient, economical and environmentally acceptable air transportation facilities.

Key Duties and Responsibilities:

- Coordinate multiple phases of the Sound Insulation Program.
- Track and monitor new flight procedures.
- Operate and maintain a permanent noise and operations monitoring system.
- Prepare annual noise contours for Reno-Tahoe International Airport.
- Receive, review and respond to all noise complaint calls.
- Facilitate Airport Noise Advisory Panel.
- Address miscellaneous noise issues.
- Coordinate environmental planning programs including the RTAA Environmental Management System.
- Maintain and expand the airport recycling program.
- Fulfill environmental compliance and regulatory programs.
- Complete annual storm water pollution prevention inspections of RTAA and tenant facilities.
- Complete annual update of water rights recognition.
- Oversee the Reno-Stead Airport Solvent Site consent decree remediation program.
- Complete annual regulated garbage compliance agreement and oversee quarterly inspections pursuant to United States Department of Agricultural (USDA), Animal and Plant Health Inspection Services (APHIS), and US Customs Border Protection (CBP).
- Identify and monitor underground and aboveground storage tanks for RTAA and tenants with tanks on RTAA property.
- Evaluate and coordinate the proposed use of solar power for electrical generation at both RTIA and RTS airports.
- Implement an enterprise Geographic Information System (GIS) at Reno-Tahoe International Airport.
- Assist with conversion of under-utilized vacant land into revenue producing use.
- Assist with the efforts to increase and expand unmanned aircraft system activities and development at the Reno-Stead Airport.
- Coordinate with FAA on various projects including the Airport Surveillance Radar (ASR) -8 radar site restoration.

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- Conduct and coordinate with outside agencies and internal stakeholders regarding aviation development planning.
- Conduct and coordinate with outside agencies and internal stakeholders regarding land development and land use planning.
- Submit annual Airport Capital Improvement Programs (ACIP) for Reno-Tahoe International Airport and Reno-Stead Airport.
- Review development proposals and regulation and code changes from each of the three jurisdictions which could impact the safe and efficient operations at both airports as a result of noise, height or safety issues.

Planning and Environmental Services - Initiatives:

FY 2013-14 – Current Initiatives

1. Completion of the Sound Insulation Program.

Description: The airport’s primarily FAA-funded residential sound insulation program, voluntarily initiated in 1994, provides sound insulation improvements for eligible residences and public facilities. The sound insulation improvements, which include the replacement of existing windows and doors with acoustically rated products and the addition of noise-mitigating efforts such as baffles, improve the compatibility between loud aircraft operations and noise-sensitive land uses such as homes and schools. Increasing the number of flights over a neighborhood is often met with vocal public opposition from residents. This voluntary effort allows the Airport Authority to mitigate residential opposition to increased air service.

Performance Measure: Completion of residential construction by December 31, 2014. School construction, pending the results of acoustical testing, is to be completed by September 2015. Completion of all program close-out procedures by December 31, 2016.

Progress: As of December 31, 2013, 5,069 residences have received sound insulation construction improvements. The final residential construction package, including approximately 70 homes, is on schedule for construction in 2014. The final two remaining schools are scheduled for acoustical testing to determine eligibility in FY 2014-15. Pending positive results, the schools are scheduled for design in 2014.

Strategic Initiative / Guiding Principle: Increase Air Service

2. Initiation of an environmental review for future Concourse A development.

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Description: All airport construction projects are required to comply with the National Environmental Policy Act of 1969, as amended (NEPA). The NEPA process includes an evaluation of the environmental effects of a federal undertaking including any alternatives to the proposed undertaking. The three levels of analysis, in order of increasing complexity, cost and effort are 1) categorical exclusion, 2) environmental assessment, and 3) environmental impact statement. The future development of Concourse A, which includes the replacement of 11-gate Concourse B with a new 11-gate concourse and associated apron development, is one of the largest facility construction projects planned at Reno-Tahoe and could have required a lengthy and detailed environmental review process. As a result, the environmental review process needed to be initiated early in case an environmental assessment (minimum 1 year process) or environmental impact statement (minimum 1-2 year process) was required prior to construction.

Performance Measure: Receipt of environmental review determination from the Federal Aviation Administration.

Progress: Completed an environmental review for the future Concourse A development and received a categorical exclusion determination on November 5, 2013.

Strategic Initiative / Guiding Principle: Increase Air Service, Facilitate Economic Development, and Guiding Principle – Environmental Responsibility

3. Closure of leaky underground storage tanks located at former and existing rental car sites.

Description: As a result of fuel storage, fueling and other vehicular maintenance activities at former and existing rental car sites at the Reno-Tahoe International Airport, the RTAA is legally required by the State of Nevada, as the property owner, to assume some of the remedial and corrective actions necessary to mitigate petroleum releases which impact the groundwater at the sites. These remedial and corrective actions may cease upon receipt of a “No Further Action” determination from the State of Nevada and subsequent removal of remediation equipment. Successful closure of the sites is required before the RTAA can reuse or lease the sites.

Performance Measure: Receipt of “No Further Action” determination from the State of Nevada and removal of remediation equipment.

Progress: “No Further Action” for former National rental car site projected for receipt March 2014. Hertz rental car site monitoring activities are underway and an application for “No Further Action” determination is projected for late 2014.

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Strategic Initiative / Guiding Principle: Facilitate Economic Development at both Airports and Guiding Principle – Environmental Responsibility

4. Installation of electric vehicle charging stations in the public parking garage.

Description: In partnership with NV Energy, two electric vehicle charging stations will be installed in the public parking garage with NV Energy assuming approximately 80% of the total project cost.

Performance Measure: Complete installation of at least one electric vehicle charging station at minimal expense to the RTAA by June 30, 2014.

Progress: Installation is completed with the first electric vehicle charging station installed on the first floor of the public parking garage and the second station being installed on the third floor.

Strategic Initiative / Guiding Principle: Environmental Responsibility

5. Development of a deicing collection and discharge solution to be incorporated in the Apron 17 and Apron 18 reconstruction projects.

Description: The Environmental Protection Agency (EPA) has enabled airports and airlines to design effective environmental protection strategies to reduce potential aircraft deicing and anti-icing pollutant discharge to surface waters. Aircraft deicing and anti-icing activities at Reno-Tahoe do not currently occur in a centralized location, which impacts the ease of collection activities. As part of the Apron 17 and Apron 18 reconstruction projects, preliminary planning is underway to incorporate an improved collection and discharge solution into the final project.

Performance Measure: Completion of final collection and discharge system design with subsequent sanitary sewer discharge approve by the City of Reno.

Progress: Preliminary design of collection system and initial discussions with City of Reno on sanitary sewer discharge requirements are underway.

Strategic Initiative / Guiding Principle: Increase Air Service and Environmental Responsibility

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6. Participation in Nevada Department of Transportation I-11 Corridor Study.

Description: The multimodal I-11 corridor has the potential to open up significant commerce, tourism, and international trade opportunities across the western states and will improve the safety and travel time reliability of the movement of people and goods. The RTAA has participated as a stakeholder partner in the I-11 Corridor Study being conducted by the Nevada Department of Transportation and the Arizona Department of Transportation. The 2-year study will include detailed planning for a link between Phoenix and Las Vegas and high-level visioning for a north corridor extension to Canada and a south corridor extension to Mexico. Should the possible Northern Nevada alignment bypass the western portion or not be included at all, the Truckee Meadows region can expect, at a minimum, an associated shift in ground freight movement and a trickledown effect as to where freight, logistics, distribution, and manufacturing businesses choose to locate.

Performance Measure: Completion of the I-11 Corridor Study.

Progress: Completed phases of the I-11 Corridor Study include Preliminary Focus Groups, Initial Stakeholder Discussions, Level 1 Evaluations, Corridor Visioning, Corridor Justification, Corridor Conceptualization, Preliminary Alternatives Screening, and Full Universe of Alternatives Screening. Next phases include Final Recommendations, Implementation Plan and Business Case, and the Final Report which should all be completed in 2014.

Strategic Initiative / Guiding Principle: Increase Air Service and Environmental Responsibility.

7. Implementation of a Geographic Information System (GIS) and Electronic Airport Layout Plan (eALP) for Reno-Tahoe International Airport.

Description: The Federal Aviation Administration (FAA) has directed airports to develop and maintain their ALP data in a GIS format referred to as an eALP. In order to meet both FAA policy objectives and Advisory Circular guidelines, the RTAA has been approved to use PFC funds to implement a GIS and to collect and input relevant data into the GIS system. Data collected will meet FAA requirements and also be leveraged to increase efficiencies to everyday business practices, support ongoing capital programs, analyze various business scenarios and allow for easy dissemination of information to staff, customers and the FAA.

Performance Measure: Initiation of Professional Services Agreement with GIS consultant including the acquisition of required high resolution aerial photography, airfield map data, airport airspace data, and airspace obstruction data. This information will be submitted to the FAA for review and comment. The full eALP implementation is dependent upon final FAA approval and acceptance. Subsequent tasks, depending upon remaining Passenger Facility

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Charge funding, will include the integration of airport business systems, development of web-based tools and support documentation

Progress: Hired Manager of Planning & GIS in July 2013 to manage and implement the GIS program along with the acquisition of one GIS computer in August 2013. Issued Request for Qualifications (RFQ) for specialized photogrammetric, surveying and application development tasks required under FAA Advisory Circulars 150/5300-13, 16, 17 and 18 in January 2014.

Strategic Initiative / Guiding Principle: (1) Expand Cargo Development and Service, (2) Increase Air Service, (3) Optimize General Aviation Operations and Services, and (4) Facilitate Economic Development at both Airports.

FY 2014-15 New Initiatives

1. Completion of the Sound Insulation Program

Description: The airport's primarily FAA-funded residential sound insulation program, voluntarily initiated in 1994, provides sound insulation improvements for eligible residences and public facilities. The sound insulation improvements, which include the replacement of existing windows and doors with acoustically rated products and the addition of noise-mitigating efforts such as baffles, improve the compatibility between loud aircraft operations and noise-sensitive land uses such as homes and schools. Increasing the number of flights over a neighborhood is often met with vocal public opposition from residents. This voluntary effort allows the Airport Authority to mitigate residential opposition to increased air service.

Performance Measure: Completion of residential construction by end of Calendar Year 2014, completion of school construction, pending the results of acoustical testing, by September 2015, completion of all program close-out procedures in Calendar Year 2016.

Strategic Initiative / Guiding Principle: Increase Air Service

2. Closure of leaky underground storage tanks located at former and existing rental car sites.

Description: As a result of fuel storage, fueling and other vehicular maintenance activities at former and existing rental car sites at the Reno-Tahoe International Airport, the RTAA is legally required by the State of Nevada, as the property owner, to assume some of the remedial and corrective actions necessary to mitigate petroleum releases which impact the groundwater at the sites. These remedial and corrective actions may cease upon receipt of a "No Further Action" determination from the State of Nevada and subsequent removal of

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remediation equipment. Successful closure of the sites is required before the RTAA can reuse or lease the sites.

Performance Measure: Receipt of “No Further Action” determinations from the State of Nevada and removal of remediation equipment for National rental car site and Hertz rental car site.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at Reno-Tahoe International Airport

3. Implementation of a Geographic Information System (GIS) and Electronic Airport Layout Plan (eALP) for Reno-Tahoe International Airport.

Description: The Federal Aviation Administration (FAA) has directed airports to develop and maintain their ALP data in a GIS format referred to as an eALP. In order to meet both FAA policy objectives and Advisory Circular guidelines, the RTAA has been approved to use PFC funds to implement a GIS and to collect and input relevant data into the GIS system. Data collected will meet FAA requirements and also be leveraged to increase efficiencies to everyday business practices, support ongoing capital programs, analyze various business scenarios and allow for easy dissemination of information to staff, customers and the FAA.

Performance Measure: Initiation of Professional Services Agreement with GIS consultant. The scope of services includes the acquisition of required high resolution aerial photography, airfield map data, airport airspace data, airspace obstruction data and submittal of information to the FAA. The full eALP implementation is dependent on final FAA approval and acceptance. Subsequent tasks, depending upon remaining funding will include the integration of airport business systems, development of web-based tools and support documentation.

Strategic Initiative / Guiding Principle: (1) Expand Cargo Development and Service, (2) Increase Air Service, (3) Optimize General Aviation Operations and Services, and (4) Facilitate Economic Development at both Airports.

4. Completion of Southwest Quadrant Air Cargo development environmental review.

Description: All airport construction projects are required to comply with the National Environmental Policy Act of 1969, as amended (NEPA). The NEPA process includes an evaluation of the environmental effects of a federal undertaking including any alternatives to the proposed undertaking. The three levels of analysis, in order of increasing complexity, cost and effort are 1) categorical exclusion, 2) environmental assessment, and 3) environmental impact statement. The future development of Southwest Quadrant Air Cargo

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development, which includes air cargo facilities, support structures and associated aircraft parking apron, was initially reviewed in 2002 via an environmental assessment. A Finding of No Significant Impact and Record of Decision (FONSI/ROD) was issued in 2004. Although several project steps were completed between 2004 and 2008, including significant property acquisition and public roadway capacity improvements, the air cargo facility development was slowed down by the global economic recession of 2008-2009. As a result, the Federal Aviation Administration (FAA) has requested a re-evaluation of the 2004 findings in order to verify that the project remains consistent with existing national environmental policies and objectives. As a result, the Reno-Tahoe Airport Authority cannot continue air cargo facility development in the Southwest Quadrant until the FAA's request has been satisfied.

Performance Measure: Submittal of request for a Federal Aviation Administration review of the 2002 environmental review for the Southwest Quadrant Air Cargo development environmental review determination, submittal of any additional requested information, and receipt, by the RTAA, of a written re-evaluation.

Strategic Initiative / Guiding Principle: Expand Cargo Development and Service and Facilitate Economic Development at both Airports.

5. Completion of Southwest Quadrant Air Cargo development planning study.

Description: The existing air cargo facilities and associated aircraft parking apron at Reno-Tahoe International Airport are at capacity. With steady growth in cargo operations at the Reno-Tahoe International Airport, the introduction of a new air cargo carrier into the Reno-Tahoe market, and the expected introduction of new, scheduled international service to Mexico, design and construction of new cargo facilities are needed as soon as possible. Preliminary programming for the Southwest Quadrant Air Cargo development was completed in 2002. Pending receipt of a written re-evaluation of the Southwest Quadrant Air Cargo development, a planning study for the development will begin. The planning study is expected to validate the air cargo apron size and location and identify site constraints, existing infrastructure, and minimum aircraft design standards in order to streamline the formal design process.

Performance Measure: Completion of planning study.

Strategic Initiative / Guiding Principle: Expand Cargo Development and Service and Facilitate Economic Development at the Reno-Tahoe International Airport

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6. Completion of Reno-Tahoe International Airport Taxiway Charlie planning study.

Description: The existing Taxiway Charlie at Reno-Tahoe International Airport is in three disjointed segments: (1) a north segment which provides connectivity to a vacant general aviation parcel and Dassault Aircraft Services' operations, (2) a south segment which provides connectivity for a future general aviation aircraft apron, and (3) the center segment which is not to FAA standard requirements. The center segment is only 33 feet wide and constrained by Runway 16L/34R to the west and general aviation aircraft parking to the east. Previous master planning efforts recommended that the existing center segment of Taxiway Charlie be shifted east and widened to align with the north and south segments in order to meet minimum aircraft design standards. This action has been controversial because it would require the demolition of the majority of east side general aviation facilities in order to meet taxiway safety standards. The center segment is in need of immediate reconstruction in order to continue to support larger general aviation aircraft. Prior to formal design of the reconstruction activities, a planning study is needed in order to re-examine alternates to the master planned relocation of Taxiway Charlie.

Performance Measure: Completion of planning study.

Strategic Initiative / Guiding Principle: Optimize General Aviation Operations and Services at the Reno-Tahoe International Airport

7. Submit full hardcopy Airport Layout Plan Update to Federal Aviation Administration for the Reno-Tahoe International Airport.

Description: Airports are required to maintain and update Federal Aviation Administration (FAA) approved Airport Layout Plans (ALP) for all federally obligated airports. Although the FAA has also directed airports to develop and maintain their ALP data in a Geographic Information System (GIS) format referred to as an eALP, hardcopy ALPs are still necessary and reviewed separately from eALPs. eALP data can be used to create a hardcopy ALP but does not include all of the elements needed for a hardcopy ALP submittal. As a result, in conjunction with the ongoing implementation of a GIS and eALP for the Reno-Tahoe International Airport, steps will be taken to secure the appropriate data to draft and submit a full ALP Update to the FAA for approval. Current ALPs, approved by the FAA, are required in order for the Reno-Tahoe Airport Authority to continue to receive financial assistance under the terms of the Airport Improvement Program and to receive Passenger Facility Charges.

Performance Measure: Acquisition of aerial photography, airfield map data, airport airspace data, and airspace obstruction data, update of full Airport Layout Plan (ALP), and submittal of ALP set to the FAA.

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Strategic Initiative / Guiding Principle: (1) Expand Cargo Development and Service, (2) Increase Air Service, (3) Optimize General Aviation Operations and Services, and (4) Facilitate Economic Development at Both Airports.

8. Facilitate communication of 2015 Nevada Department of Transportation (NDOT) Southbound I-580 Rehabilitation Project.

Description: The Nevada Department of Transportation (NDOT) has identified a portion of southbound I-580, between Moana Lane and the Spaghetti Bowl, as needing rehabilitation. Construction is tentatively scheduled to begin in September 2014 with minor activities. The majority of the work will occur in 2015. The NDOT project, which will involve routing all traffic into the northbound lanes and the complete closure of many on ramps and off ramps, is expected to have a significant impact on airport passengers, tenants and employees. Initial scheduling has identified a three (3) month closure of the Reno-Tahoe International Airport's northbound on ramp in addition to the closure of all southbound on ramps between the Spaghetti Bowl and Moana Lane. Staff will work with NDOT's contractor to mitigate the impacts with timely and effective communication and outreach efforts.

Performance Measure: Coordination with NDOT's contractor for receipt of construction schedule, establishment of primary contact with contractor for timely communication of construction activities which will impact I-580 in critical airport areas including Moana Lane, Plumb Lane, Airport Northbound On Ramp and Airport Southbound Off Ramp, Villanova Drive and Vassar Street, and regular communications to airport passengers, tenants and employees for duration of NDOT project.

Strategic Initiative / Guiding Principle: Provide a Positive Environment and Experience for All.

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PLANNING AND ENVIRONMENTAL SERVICE:
 Section 502

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$318,407	\$438,900	\$517,400	18%
Vacation Pay	41130	60,006	3,200	700	-78%
Sick Leave	41140	22,380	7,400	8,500	15%
Holiday Pay	41150	20,231	0	0	0%
Comp Time	41160	697	0	0	0%
Overtime Pay	41210	471	430	0	-100%
Automobile Allowance	41250	0	4,800	4,800	0%
Medicare	41320	5,999	8,900	9,300	4%
Group Insurance	41340	41,921	69,700	77,600	11%
Disability Insurance	41342	3,691	5,800	6,300	9%
Self Funded Rx	41343	(324)	0	0	0%
Vision Insurance	41344	792	1,300	1,100	-15%
Dental Insurance	41347	5,972	7,900	6,900	-13%
Workers Comp	41350	969	700	800	14%
Retirement	41360	99,922	136,300	164,700	21%
Benefit Bank Deferred Comp	41430	0	2,700	0	-100%
TOTAL PERSONNEL SERVICES		581,133	688,030	798,100	16%
PURCHASED SERVICES					
Other Professional Services	43190	18,880	31,000	25,000	-19%
Office Equipment Rental	43210	4,385	3,120	4,800	54%
Other Repair/Maintenance Svcs	43390	5,561	4,110	4,680	14%
Freight Expense	43430	280	240	240	0%
Permits & Recorders Fees	43460	927	1,200	1,900	58%
Other Purchased Services	43490	1,244	1,500	1,750	17%
TOTAL PURCHASED SERVICES		31,277	41,170	38,370	-7%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,927	7,500	5,500	-27%
Paper	44110	685	800	800	0%
Postage	44120	247	400	400	0%
Printing & Forms	44130	349	500	500	0%
TOTAL MATERIALS & SUPPLIES		4,207	9,200	7,200	-22%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	2,000	1,955	2,590	32%
Books & Subscriptions	45120	1,682	1,795	1,400	-22%
Conference Registration Fees	45130	2,223	1,660	2,005	21%
Training Expense	45140	575	1,450	1,450	0%
Meeting Expense	45150	418	650	250	-62%
Travel & Reimbursed Expense	45210	5,668	5,525	6,625	20%
Relocation Expense	45220	12,000	0	0	0%
Legal Advertisements	45340	0	1,176	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		24,567	14,211	14,320	1%
TOTAL SECTION EXPENSES		\$641,184	\$752,611	\$857,990	14%

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Engineering

Mission Statement: Programming, Engineering, and Construction Management for the development of RTAA Capital Projects and Facilities for safe and efficient airport operations for airport users and employees.

Key Duties and Responsibilities:

- Define and Allocate Engineering Department Resources
- Project Programming and Cost Estimating for Capital Project Budgets
- Engineering and Construction Management Services for RTAA Project Sponsors
- Engineering and Construction Management Services for AIP Capital Projects
- Engineering and Construction Management Services for PFC Capital Projects
- Engineering and Construction Management Services for Reno-Tahoe International Airport Capital Improvement Projects
- Architecture, CAD, and graphics technical support
- Engineering and Construction Management Services for Reno-Stead Airport Capital Improvement Projects
- FAA Airport Improvements Program (AIP) Grant Administration
- Qualified Consultants List and RFQ Solicitation Management
- Professional Services Contracts - Solicitation, Negotiation, and Management
- Construction Contract Procurement and Administration
- Federal and State Labor and Wage Compliance for Construction Contracts
- Disadvantaged Business Enterprise (DBE) Program Coordination
- Small Business Enterprise (SBE) Program Coordination
- Technical Support Services for Tenant Improvements
- Small Business Enterprise (SBE) implementation into the RTAA Disadvantaged Business Enterprise (DBE) program
- Estimate At Completion Forecasts
- Computer Aided Design / Geographic Information System Support and Integration
- Program Studies Development at the inception of capital improvement projects

Engineering - Initiatives:

FY 2013-14 – Current Initiatives

- 1. Integration of the new Architectural / Engineering Technician position into the Engineering Department and coordination of support services for RTAA Planning, Facilities, and Economic Development program activities.**

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Description: Utilization of new Architectural/ Engineering Technician position for the purpose of project management and technical support for RTAA capital projects and various initiatives and tasks from other RTAA Departments.

Performance Measure: Successful completion of several project specific tasks, including the Administrative Area remodel, office space planning, Airfield Maintenance Sand Storage Building – Feasibility Study, Central Disposal Facility – Program Study, and Airport Capital Improvement Project (ACIP) exhibits.

Progress: Completed December 2013. Startup of this new position in August 2013 has been successful. Enhanced technical support has been provided to other departments and transition has been made into project management for Engineering Department projects.

Strategic Initiative / Guiding Principle: Guiding Principle – Operational Efficiency and Facility Development.

2. Completion of the following major construction projects utilizing the Construction Manager at Risk (CMAR) project delivery method: (1) Consolidated Security Checkpoint (CSCF) and (2) the Reno-Stead Terminal Building / Emergency Operations Center (EOC).

Description: Implementation of Construction Manager At Risk (CMAR) project delivery method for the completion of construction phase services.

Performance Measure: Projects to be completed on schedule and on budget with monthly progress updates presented to the Board of Trustee’s Planning and Construction Committee.

Progress: Completed May 2013 and December 2013. The Consolidated Security Checkpoint (CSCF) project was completed on schedule and under budget in May 2013. The Reno-Stead Terminal Building / EOC project was completed on schedule and under budget in December 2013.

Strategic Initiative / Guiding Principle: Guiding Principle – Safety and Security and Operational Efficiency and Facility Development.

3. Update of the Engineering Procedures manual.

Description: Review and update of the Engineering Procedures Manual to reflect changes in process, regulatory requirements, compliance with Nevada Revised Statute (NRS) updates, and revisions for federal AIP requirements.

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Performance Measure: Documents conform to current requirements and Airport Improvement Project (AIP) grant assurances.

Progress: Completed October 2013.

Strategic Initiative / Guiding Principle: Guiding Principle – Operational Efficiency and Facility Development

4. Update of contract documents for recent regulatory and legislative changes for public works and Airport Improvement Projects (AIP).

Description: Integration of new regulatory requirements into standard contract documents templates for construction contracts.

Performance Measure: Updated documents to be reviewed and successfully used in contract bid solicitations by December 31, 2013.

Progress: Completed November 2013. Completed revision of documents for new provisions regarding NRS retention requirements, DBE / SBE plan update, and federal technical specifications.

Strategic Initiative / Guiding Principle: Guiding Principle – Operational Efficiency and Facility Development

5. Implementation of a Small Business Enterprise (SBE) component into the RTAA Disadvantaged Business Enterprise (DBE) program.

Description: Update DBE Program document to include the SBE requirements related to federally funded construction contracts.

Performance Measure: Complete documents for conformance review with regulatory requirements and industry standards by March 31, 2014.

Progress: Completed January 2014. DBE Program document was updated and reflects the integration of the SBE component and related certification process.

Strategic Initiative / Guiding Principle: Promote a Positive Environmental for All and Guiding Principle – Financial Integrity

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FY 2014-15 – New Initiatives

1. Airfield Pavement Management Program.

Description: The Federal Aviation Administration requires the RTAA to implement an active pavement management program consisting of, annual pavement inspection, Pavement Management System (PMS) update, maintenance programming, design, and repair of existing airfield pavements as part of the Airfield Pavement Management Program. The FY 2014-15 recurring maintenance consists of concrete panel replacement, crack repair, spall repair, and joint sealing in Runways and Taxiways. Repair areas are identified and quantified per the 2013 Airfield Pavement inspections by the Consultant, consisting primarily of repairs in Runway 16R-34L. The program effort is to ensure that existing airfield pavements remain at a good level of service and achieve the desired pavement design life.

Performance Measure: Approval of Professional Services Agreement in Calendar Year 2014 for the pavement inspection, evaluation, and reporting functions of the Airfield Pavement Management System (PMS). Completion of design services for the construction package for the annual Airfield Pavement Repairs contract for bidding in 3rd Quarter of 2014. Award of the construction contract in September 2014 for construction in Fall 2014. Program close out will continue into Calendar Year 2015 for completion by end of FY 2014-15.

Strategic Initiative / Guiding Principle: Increase Air Service and Optimize General Aviation Operations and Services.

2. Landside Pavement Management Program.

Description: The program consists of annual pavement inspection, Pavement Management System (PMS) update, maintenance programming, design, and repair of existing landside pavements as part of the Landside Pavement Management Program. The FY 2014-15 construction portion is Phase 3 of the multi-year rehabilitation of the South Public Parking Lot consisting of, pavement replacement, overlays, patching, seal coat, drainage improvements, vault lid replacement, and ancillary items. Pavement inspection, maintenance, and repairs are required to ensure that existing landside pavements remain at a good level of service and achieve the desired pavement design life.

Performance Measure: Approval of Professional Services Agreement in Calendar Year 2014 for the pavement inspection, evaluation, and reporting functions of the Landside Pavement Management System (PMS). Completion of design services for the construction package for the Parking Lot – Phase 3 contract for bidding in 2nd Quarter of 2014. Award of the construction contract in June 2014 for construction in Summer 2014. Program close out will continue into 4th Quarter of 2014 for completion by end of Calendar Year 2014.

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Strategic Initiative / Guiding Principle: Facilitate Economic Development at Both Airports and the Guiding Principle for Customer Service

3. Central Disposal Facility (CDF) Upgrade – Construction.

Description: In order to increase capacity and replace aging facility systems, the expansion and upgrade of the CDF was approved by the FAA as part of the Passenger Facility Charge program. This project will provide an additional disposal bay, replace overhead doors, roofing, electrical system, grinder pumps, and sand / water separators. The exterior glycol disposal pad and vehicle wash rack will be relocated to improve vehicle access and circulation on the constrained site.

Performance Measure: Completion of the Program Study in March 2014 to determine facility requirements and budgetary cost estimates. Approval of Professional Services Agreement for design services in August 2014. Completion of design services for the construction package in January 2015 for bidding in 2nd Quarter of 2015. Award of the construction contract in Q2 2015 for construction in Summer 2015. Program close out will continue into 4th Quarter of 2015 for completion by end of calendar year 2015.

Strategic Initiative / Guiding Principle: Increase Air Service, Facilitate Economic Development at both Airports and the Guiding Principle of Environmental Responsibility.

4. Design of Taxiway C Reconstruction – Reno-Tahoe International Airport (RTIA).

Description: Project consists of an initial planning study to determine the operational and regulatory requirements for the design and reconstruction of the existing Taxiway C at RTIA. Aircraft design group and taxiway design group criteria will be evaluated to determine the configuration and pavement design parameters. A Request for Qualifications will be issued to retain design services and stakeholder coordination meetings will be conducted as part of the design process. The construction will consist of the demolition of existing asphalt pavement, excavation, base material, and installation of approximately 2,900 linear feet of new concrete pavement, signage and markings.

Performance Measure: Initiation of the Planning Study in 2nd Quarter of 2014 to determine facility requirements and budgetary cost estimates. Submittal of Airport Improvement Program (AIP) grant application and subsequent acceptance of grant offer was completed in August 2014. Approval of Professional Services Agreement for design services is scheduled for November 2014. Completion of design services for the construction package for bidding in 2nd Quarter of 2015. Award of the construction contract by 3rd Quarter of 2015 for construction in Spring 2016, contingent on AIP grant funding. Program close out will continue into 4th Quarter of 2016 for completion by end of calendar year 2016. The potential

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exists for the project to extend into additional years commensurate with availability of AIP grant funding.

Strategic Initiative / Guiding Principle: Increase Air Service, Facilitate Economic Development at Both Airports, and the Guiding Principle of Safety and Security.

5. Design of Southwest Quadrant Air Cargo Facility.

Description: The existing air cargo facility north of the terminal concourses is reaching full capacity. The previous 2002 Planning Study provided recommendations for establishment of an expanded air cargo apron and support facilities in the Southwest Quadrant of the airport. The project consists of the construction of air cargo parking apron, ground service equipment areas, configuration of cargo handling facilities and related access and infrastructure. An updated planning study will determine the air cargo apron configuration and size, identify site constraints, existing infrastructure, and aircraft design standards for the initiation of the design process.

Performance Measure: Preliminary planning for the Southwest Quadrant Air Cargo development was completed in 2002. The initial concepts have been refined at the conceptual level in 2nd Quarter of 2014 for inclusion into the Passenger Facility Charge (PFC 12) application. Upon approval of the PFC 12 program in 2015, an updated planning study and design work will be conducted through the duration of 2015 and into 2016.

Strategic Initiative / Guiding Principle: Expand Cargo Development and Services.

6. Design of Federal Inspection Services (FIS) Facility Upgrades

Description: Upgrades to the existing Federal Inspection Services (FIS) facility are required to accommodate upcoming international air service. Facility requirements have been discussed with US Customs and Border Protection (CBP) representatives and RTAA staff has completed a program study consisting of facility improvements to be implemented in two separate phases. The upgrades consist of access, security, passenger processing, and various functional improvements.

Performance Measure: Programming and cost estimates for the Phase 1 and 2 improvements were completed in July 2014. The initial concepts have been refined to the schematic level and submitted to CBP for review. The project narrative and cost estimates were included in the in the Passenger Facility Charge (PFC 12) application. The Professional Services Agreement for Phase 1 design services was executed in August 2014. Completion of the design services for the Phase 1 construction package in September 2014 will provide for bidding in October 2014 and construction by December 2014. Phase 2 design and

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construction is contingent on the subsequent approval of the PFC 12 program expected in January 2015.

Strategic Initiative / Guiding Principle: Increase Air Service and Facilitate Economic Development at Both Airport.

7. Design of Taxiway C Reconstruction – Reno-Stead Airport (RTS)

Description: The design component of this project consists of issuing a Request for Qualifications to retain engineering design services, conduct stakeholder coordination meetings, establish design criteria, and generate plans and specifications for construction. The design package consists of demolition of existing asphalt pavement, excavation, base material, and installation of approximately 4,400 linear feet of new asphalt pavement, drainage improvements, signage, and markings.

Performance Measure: Submittal of AIP grant application and subsequent acceptance of grant offer was completed in August 2013. Approval of Professional Services Agreement for design services was obtained in February 2014. The design services for the construction package and bidding for construction was completed in August 2014. Award of the construction contract in September 2014 for construction in Spring 2015, is contingent on AIP grant funding. Program close out will continue into 4th Quarter of 2015 for completion by end of Calendar Year 2015. The potential exists for the project to extend into additional years commensurate with availability of AIP grant funding.

Strategic Initiative / Guiding Principle: Facilitate Economic Development at Both Airports and the Guiding Principle of Safety and Security.

8. Implementation of the Engineering Activity Report.

Description: The Engineering Activity Report has been developed to identify significant projects, activities, process, and cost control functions conducted by the Engineering Division. The report format categorizes tasks, establishes priorities, tracks status, required actions, and due dates. Information is periodically updated and is utilized for informational and decision making purposes.

Performance Measure: Population and update of project related information has been ongoing during the past fiscal year and continues into FY 2014-15. New information is continuously integrated into the spreadsheet and completed items are closed out when appropriate.

Strategic Initiative / Guiding Principle: Professionalism and Ethics.

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**ENGINEERING AND CONSTRUCTION
Department 503**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$324,667	\$422,000	\$435,400	3%
Vacation Pay	41130	(6,945)	3,900	1,900	-51%
Sick Leave	41140	25,185	9,200	7,200	-22%
Holiday Pay	41150	18,969	0	0	0%
Medicare	41320	6,008	5,900	6,000	2%
Group Insurance	41340	32,860	53,300	56,700	6%
Disability Insurance	41342	3,783	4,200	4,500	7%
Vision Insurance	41344	635	900	800	-11%
Dental Insurance	41347	5,043	5,500	5,100	-7%
Self Funded Rx	41343	(221)	0	0	0%
Workers Comp	41350	808	500	600	20%
Retirement	41360	96,618	121,800	125,100	3%
Benefit Bank Deferred Comp	41430	7,094	9,200	0	-100%
TOTAL PERSONNEL SERVICES		514,503	636,400	643,300	1%
PURCHASED SERVICES					
Data Processing	43130	0	0	7,800	%
Consultants - Engineering	43150	0	25,000	0	-100%
Other Professional Services	43190	8,467	5,000	10,000	100%
Office Equipment Rental	43210	1,790	2,000	2,000	0%
Freight Expense	43430	81	300	300	0%
Other Purchased Services	43490	4,573	5,400	5,400	0%
TOTAL PURCHASED SERVICES		14,911	37,700	25,500	-32%
MATERIALS & SUPPLIES					
Office Supplies	44100	409	800	800	0%
Paper	44110	246	600	600	0%
Postage	44120	126	250	200	-20%
Printing & Forms	44130	0	200	200	0%
TOTAL MATERIALS & SUPPLIES		781	1,850	1,800	-3%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	536	1,500	1,500	0%
Books & Subscriptions	45120	143	600	300	-50%
Conference Registration Fees	45130	0	2,300	2,300	0%
Training Expense	45140	0	0	200	%
Meeting Expense	45150	487	400	400	0%
Travel & Reimbursed Expense	45210	2,020	1,600	1,600	0%
Legal Advertisements	45340	302	600	600	0%
TOTAL ADMINISTRATIVE EXPENSE		3,488	7,000	6,900	-1%
TOTAL SECTION EXPENSES		\$533,682	\$682,950	\$677,500	-1%

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Director of Facilities and Maintenance

Mission Statement: To maintain RTAA airport facilities, properties and customer oriented service in a world class manner to the users of Reno-Tahoe International Airport.

Key Duties and Responsibilities:

- Inspect RTAA property to support projects and maintenance requirements.
- Ensure a quality passenger experience by monitoring the daily operations and maintenance of the terminal building and operating systems and equipment.
- Professional development of staff.
- Provide management and oversight of Tenant Improvement Permit program.
- Develop, correct, maintain, promote and enhance various on-going maintenance programs and investigate and implement new programs to provide a highly efficient maintenance operation.
- Participate in bargaining unit negotiations and employee relations.
- Ensure proper management, accurate project scope development, adequate and timely completion of capital projects.
- Research and pursuance of energy efficient building controls, lighting and equipment upgrades.
- Continue newly initiated Rental Car Facility CFC (Customer Facility Charge) maintenance and CIP program of all airport owned rental car facilities.
- Manage all systems and equipment for code and regulatory compliance.

Director of Facilities and Maintenance - Initiatives:

FY 2013-14 – Current Initiatives

1. Install vehicle crash barriers at Concourse B and C elbow drive-through areas.

Description: Install barrier structures to prevent vehicle damage to building.

Performance Measure: Completion of the project by June 30, 2014.

Progress: Structural design and scope of work is complete and project has been bid and a construction contract awarded. Completion of project is scheduled for August 31, 2014.

Strategic Initiative / Guiding Principle: Safety and Security

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2. Replacement of various water meters at airport owned facilities.

Description: Replace three (3) water meters at Enterprise, Dollar, Motor Pool and Peet's Coffee, install remote meter readers and replaced/refurbished pit lids.

Performance Measure: Complete of project by June 30, 2014.

Progress: Complete.

Strategic Initiative / Guiding Principle: Financial Integrity and Environmental Responsibility

3. Americans with Disabilities Act (ADA) Deficiency Corrections – Phase 1

Description: Phase 1 - Relocate Automatic Defibrillator, Fire Extinguishers and Public Phones to correct measurements required by the ADA.

Performance Measure: Correct all fixture code deficiencies in bag claim and ticketing areas by June 30, 2014.

Progress: Complete,

Strategic Initiative / Guiding Principle: Safety and Security and Customer Service

4. Rental Car Facility Assessment Maintenance Plan – FY 2013-14 (Year 2)

Description: Complete current year maintenance plan recommendations per the ten year Rent-A-Car Facility Assessment.

Performance Measure: Develop the Scope of Work by September 1, 2013. Prepare bid specification and the bid the work by February 28, 2014. Complete the work plan by August 31, 2014.

Progress: Scope of work has been developed and bid package is complete.

Strategic Initiative / Guiding Principle: Financial Integrity and Operational Efficiency and Facility Development

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FY 2014-15 New Initiatives

1. Americans with Disabilities Act (ADA) Deficiency Corrections – Phase 2

Description: Phase 2 - Relocate Automatic Defibrillator, Fire Extinguishers and Public Phones to correct measurements required by the ADA.

Performance Measure: Scope of Work (SOW) completed by August 31, 2014 and project completion by January 31, 2015.

Strategic Initiative / Guiding Principle: Customer Service

2. Irrigation water meter replacement(s)

Description: Replace irrigation meter(s) for Interstate 395 Exit Landscape area and the Outer Loop Road area. These meters are currently over 25 years old.

Performance Measure: Specify, procure, install and complete by August 31, 2015.

Strategic Initiative / Guiding Principle: Financial Integrity

3. Rental Car Facility Assessment Maintenance Plan – FY 2014-15 (Year 3)

Description: Complete current year maintenance plan recommendations per 10 Year RAC Facility Assessment.

Performance Measure: Develop the Scope of Work by September 1, 2014. Prepare bid specification and the bid the work by February 28, 2015. Complete the work plan by October 31, 2015.

Strategic Initiative / Guiding Principle: Safety and Security and Guiding Principle – Operational Efficiency and Facility Development

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DIRECTOR OF FACILITIES AND MAINTENANCE
 Department 601

	<u>ACCOUNT NO.</u>	<u>2012-13 ACTUAL</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$379,799	\$433,900	\$444,000	2%
Vacation Pay	41130	31,333	3,700	3,200	-14%
Sick Leave	41140	27,692	13,600	12,100	-11%
Holiday Pay	41150	19,437	0	0	0%
Comp Time	41160	734	0	0	0%
Medicare	41320	6,960	6,600	6,400	-3%
Group Insurance	41340	25,519	34,300	37,200	8%
Disability Insurance	41342	4,344	4,400	4,800	9%
Self Funded Rx	41343	(145)	0	0	0%
Vision Insurance	41344	359	500	500	0%
Dental Insurance	41347	2,989	3,000	2,800	-7%
Workers Comp	41350	646	400	500	25%
Retirement	41360	100,149	111,700	114,300	2%
Benefit Bank Deferred Comp	41430	15,355	19,700	0	-100%
TOTAL PERSONNEL SERVICES		615,172	631,800	625,800	-1%
PURCHASED SERVICES					
Professional Services	43100	0	0	6,000	%
Other Professional Services	43190	0	1,500	1,000	-33%
Office Equipment Rental	43210	843	640	640	0%
Repairs	43310	622	600	600	0%
Contracted Services	43340	36,751	30,000	30,000	0%
Other Repair/Maintenance Svcs	43390	16,813	13,000	13,000	0%
Freight Expense	43430	191	125	125	0%
TOTAL PURCHASED SERVICES		55,220	45,865	51,365	12%
MATERIALS & SUPPLIES					
Office Supplies	44100	12,242	10,000	10,200	2%
Paper	44110	0	100	50	-50%
Postage	44120	38	75	50	-33%
Printing & Forms	44130	263	300	100	-67%
Other Repairs-Maint Supplies	44390	0	300	200	-33%
Office Small Equipment	44410	1,586	3,000	3,000	0%
Sign and Sign Maintenance	44430	10,378	11,000	10,000	-9%
TOTAL MATERIALS & SUPPLIES		24,508	24,775	23,600	-5%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,513	840	840	0%
Books & Subscriptions	45120	1,745	0	850	%
Conference Registration Fees	45130	0	443	2,785	529%
Training Expense	45140	313	2,655	450	-83%
Travel & Reimbursed Expense	45210	0	1,408	3,290	134%
TOTAL ADMINISTRATIVE EXPENSES		3,571	5,346	8,215	54%
TOTAL DEPARTMENT EXPENSES		<u>\$698,470</u>	<u>\$707,786</u>	<u>\$708,980</u>	<u>0%</u>

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Airfield Maintenance

Mission Statement: To strive for improved operational effectiveness and efficiency through innovation and technology and develop enhanced professional policies and procedures for the management and maintenance of the airfield pavement, markings and lighting, the airport landscapes and additional airport properties, and the airport's extensive vehicle and equipment fleets. In addition, the airfield maintenance division will continue to bring forward the latest technologies in snow removal operations.

Key Duties and Responsibilities:

- Vehicle and equipment fleet will be evaluated for performance as well as fuel efficiency, maintenance costs, and overall value to RTAA.
- New snow removal equipment will be procured over the next three years to upgrade the current fleet.
- Support other airport departments maintenance needs.
- Maintain all RTAA vehicles and equipment.
- Maintain airfield pavements and markings in accordance with FAR Part 139 and other applicable regulations.
- Maintain all airfield lighting equipment and NAVAIDS.
- Perform all airfield snow removal operations.
- Maintain landside pavement and markings.
- Maintain safe and accurate signage for the traveling public.
- Ensure all areas of RTIA are clean and free of all Foreign Object Debris.
- Support airport-wide recycling.
- Maintain all Airport Landscaping, manage airfield weed abatement program, maintain all acquired properties for appearance, weed control and dust abatement.
- Continued assistance at Reno-Stead Airport for pavement maintenance, airfield markings and the National Championship Air Races.
- Maintain airfield lighting system to 99% of operational requirements at all times, maintain airfield ramp and landside parking lighting to 95% operational requirements, maintain all eleven airport emergency generators, service and maintain all electrically operated perimeter gates.
- Fog seal of Asphaltic Concrete pavement at RTIA and Reno-Stead airports. Repair cracks and spalls in pavement as required; replace joint sealants in areas of identified failure. Maintain Aircraft Operations Area markings to 100% compliance with Part 139.
- Perform rubber removal as needed per FAA Advisory Circulars, based on Runway Friction Test data to meet Federal Aviation Regulation Part 139 compliance.
- Patch and seal cracks in roadways and parking lots annually.

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- Maintain roadway and crosswalk markings as required, including the new long term parking walkway.
- Efficient removal of snow and ice as needed from aircraft, vehicle, and passenger movement areas.
- Sweep all landside roads and parking areas as needed.
- Keep airport storm drain system free of debris for proper drainage.
- Sweep ramps and perimeter roads as needed.
- Pick up and dispose of pallets daily and empty trash dumpsters twice daily every day.

Airfield Maintenance - Initiatives:

FY 2013-14 – Current Initiatives

1. Upgrade fleet with the purchase of three critical new vehicles.

Description: Procured two (2) new full size crew cab pickups for the Operations and Airfield Maintenance departments. Purchased one new single cab compact pickup for Facilities Maintenance

Performance Measure: Specify type, model and make and procure by November 30, 2014.

Progress: Complete.

Strategic Initiative / Guiding Principle: Safety and Security and Financial Integrity

2. Install thermoplastic markings at all runway entrances.

Description: Purchase equipment and materials necessary to install thermoplastic ground signs. Use in house crew to install thermoplastic signage at all runway entrances

Performance Measure: Procure equipment and materials, coordinate vendor installation certification of in-house staff and complete installation by October 1, 2014.

Progress: Complete.

Strategic Initiative / Guiding Principle: Safety and Security and Financial Integrity

3. Purchase equipment to improve snow removal operations, to provide for safer work zone delineation, and to upgrade airfield markings maintenance.

Description: Provide specifications, bid and procure the following equipment:

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- a. One snow plow and one sand spreader on existing Facilities Maintenance snow removal truck
- b. Twenty (20) additional water filled barricades
- c. Electric vehicle for Grounds Maintenance

- d. Small paint striper for airfield markings application.
- e. Portable light tower for nighttime and emergency response

Performance Measure: Specify, bid and procure equipment by 6/30/2014

Progress: Complete with the exception of electric vehicle. An unbudgeted Respirator Testing Equipment for the Airfield Rescue and Firefighting department was a higher priority and funding for the electric vehicle was transferred to this purchase.

Strategic Initiative / Guiding Principle: Safety and Security, Customer Service and Financial Integrity

4. Outfit Snow Removal Equipment Building (SRE) for efficient operations.

Description: Analyze specific needs of tools and equipment for utilization of the old FAA TRACON Base Building for use by Airfield Maintenance department operations.

Performance Measure: Purchase small tools, access ladder, etc. for SRE by June 30, 2014.

Progress: Complete.

Strategic Initiative / Guiding Principle: Safety and Security

FY 2014-15 New Initiatives

1. Upgrade fleet with the purchase of three critical new vehicles.

Description: Purchase three (3) full size Sport Utility Vehicles. Two (2) of the vehicles will be assigned to the Airport Police Department and one (1) vehicle will be assigned to Airside Operations.

Performance Measure: Identify, specify bid/procure all trucks by November 1, 2014.

Strategic Initiative / Guiding Principle: Safety and Security and Financial Integrity

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2. Upgrade snow removal equipment fleet with the purchase of one critical new piece of equipment.

Description: Purchase one runway snow removal unit using Passenger Facility Charge (PFC) Application #10 funds.

Performance Measure: Specify, bid, procure and have delivered before December 31, 2014.

Strategic Initiative / Guiding Principle: Safety and Security and Financial Integrity

3. Purchase a Trailer Mounted Arrow Board.

Description: Purchase a Trailer Mounted Arrow Board for enhanced traffic control capabilities during roadway maintenance activities and emergencies.

Performance Measure: Specify, bid, and procure by this equipment by October 31, 2014.

Strategic Initiative / Guiding Principle: Safety and Security, Customer Service and Financial Integrity

4. Replace one shop door at Airfield Maintenance Facility.

Description: Replace an existing 36 year old roll up door with a larger, more energy efficient door.

Performance Measure: Design, select door type, bid/procure and install by October 31, 2014.

Strategic Initiative / Guiding Principle: Safety and Security and Financial Integrity

5. Initiate project to reconfigure the former FAA Tower Base Building into Airfield Maintenance technician shop space.

Description: Remove asbestos contaminated materials from a portion of the building, install overhead roll-up type door, and perform strength upgrades to the building floor.

Performance Measure: Design, specify, bid and install by June 30, 2015.

Strategic Initiative / Guiding Principle: Safety and Security and Financial Integrity

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AIRFIELD MAINTENANCE
 Section 602

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees:	41110	\$1,043,262	\$1,281,600	\$1,313,800	3%
Temporary Employees:	41120	49,017	50,000	50,000	0%
Vacation Pay	41130	83,193	2,400	1,000	-58%
Sick Leave	41140	66,290	11,200	12,400	11%
Holiday Pay	41150	57,668	40,000	0	-100%
Overtime Pay	41210	42,919	38,000	39,000	3%
Overtime Call Back	41213	28,971	44,000	44,000	0%
Standby	41220	24,707	14,000	14,000	0%
Shift Differential	41230	11,394	11,000	11,000	0%
Holiday worked Pay	41280	19,017	21,500	21,500	0%
Medicare	41320	16,962	18,000	18,200	1%
Group Insurance	41340	170,621	290,000	303,500	5%
Disability Insurance	41342	10,493	11,200	10,700	-4%
Self Funded Rx	41343	(1,486)	0	0	0%
Vision Insurance	41344	4,883	6,400	4,300	-33%
Dental Insurance	41347	27,817	28,300	26,600	-6%
Workers Comp	41350	37,801	38,700	42,900	11%
Retirement	41360	306,255	329,800	338,100	3%
Uniform Allowance	41380	12,663	8,600	9,000	5%
Meal Allowance	41390	1,079	900	900	0%
Benefit Bank Deferred Comp	41430	13,588	16,700	0	-100%
TOTAL PERSONNEL SERVICES		2,027,114	2,262,300	2,260,900	0%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	106,822	100,000	105,000	5%
Natural Gas	42120	16,419	26,000	20,000	-23%
Water	42130	0	2,000	2,000	0%
Sewer	42140	422	0	0	0%
Solid Waste Disposa	42150	74,224	85,000	70,000	-18%
Recycleable Disposa	42151	4,125	7,200	5,800	-19%
Dump Fees	42152	4,657	5,000	5,000	0%
Sumps/Oil-Water Seperator	42153	9,160	11,135	11,150	0%
Propane	42170	652	1,950	1,950	0%
Hazardous Waste Disposa	42180	1,569	4,200	4,000	-5%
TOTAL UTILITIES & COMMUNICATIONS		218,050	242,485	224,900	-7%
PURCHASED SERVICES					
Office Equipment Renta	43210	1,826	1,700	1,700	0%
Equipment Renta	43211	1,266	10,000	5,000	-50%
Contracted Services	43340	37,839	47,800	49,250	3%
Other Repair/Maintenance Svcs	43390	27,664	45,000	35,000	-22%
Freight Expense	43430	8,781	850	1,600	88%
Permits & Recorders Fees	43460	1,132	2,000	2,200	10%
TOTAL PURCHASED SERVICES		78,507	107,350	94,750	-12%
MATERIALS & SUPPLIES					
Office Supplies	44100	3,354	2,500	2,700	8%
Paper	44110	219	250	250	0%
Postage	44120	0	10	10	0%

**Reno-Tahoe Airport Authority
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ANNUAL BUDGET**

**AIRFIELD MAINTENANCE
Section 602**

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
Printing & Forms	44130	445	450	450	0%
Oil and Lubricants	44210	14,352	15,500	15,500	0%
Herbicides	44221	63,145	64,500	65,500	2%
Ice Control	44223	45,487	76,000	56,000	-26%
Rubber Remova	44224	0	12,000	12,000	0%
Gasoline	44230	87,092	100,000	100,000	0%
Diesel Fuel	44240	76,523	107,000	107,000	0%
Janitorial Paper Supplie:	44250	545	350	350	0%
Janitorial Supplie:	44260	144	500	500	0%
Medical Supplie:	44270	254	300	450	50%
Trash Can Liners	44280	3,869	4,400	4,400	0%
Other Operating Supplie:	44290	1,979	5,000	9,500	90%
Repair & Maintenance Suppl	44300	25,193	12,500	20,000	60%
Vehicle Maintenance Supplie:	44310	31,715	45,000	45,000	0%
Machinery	44330	131,083	131,225	135,000	3%
Steel and Sheet Meta	44332	2,228	1,500	2,200	47%
Locks & Hardware	44333	10,230	7,100	7,100	0%
Seeds, Plants & Trees:	44340	1,120	3,500	3,500	0%
Irrigation Supplie:	44341	4,225	5,000	5,000	0%
Landscape Material:	44342	3,588	4,000	4,000	0%
Electrical Supplie:	44360	4,571	13,000	9,000	-31%
Runway/Taxiway Lightinç	44361	29,266	36,000	41,000	14%
Ramp Lightinç	44362	5,440	6,200	10,000	61%
Lumber & Building Supplie:	44370	292	600	600	0%
Paint Supplie:	44380	242,201	65,200	127,200	95%
Other Repairs-Maint Supplie:	44390	79	1,000	100	-90%
Small Tools - Minor Equipmen	44400	18,962	11,500	12,500	9%
Office Small Equipmen	44410	1,077	1,200	1,200	0%
Sign and Sign Maintenance	44430	3,768	4,000	4,200	5%
Employee Safety Equipmen	44450	15,388	8,100	13,000	60%
Asphalt & Cemeni	44510	5,281	14,100	12,000	-15%
Back Fill/Crusher Run, Etc.	44511	809	2,000	2,000	0%
Patch Material	44513	8,959	6,800	7,400	9%
Runways/taxiway Repai	44530	42,568	42,000	44,000	5%
Fence and Gate Repair Part:	44540	1,131	2,000	2,000	0%
TOTAL MATERIALS & SUPPLIES		886,580	812,285	882,610	9%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,765	2,296	2,210	-4%
Conference Registration Fees	45130	1,795	0	515	%
Training Expense	45140	3,391	6,190	5,445	-12%
Travel & Reimbursed Expense	45210	280	2,085	1,900	-9%
TOTAL ADMINISTRATIVE EXPENSES		7,231	10,571	10,070	-5%
TOTAL EXPENSES BEFORE FIXED ASSETS		3,217,483	3,434,991	3,473,230	1%
FIXED ASSETS					
Fixed Asset Acquisitor	48150	32,139	112,830	5,900	-95%
TOTAL SECTION EXPENSES		\$3,249,621	\$3,547,821	\$3,479,130	-2%

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

Building Maintenance

Mission Statement: Through leadership and organizational planning, deliver cost-effective facility maintenance, and services responsive to RTAA tenants and the traveling public's needs.

Key Duties and Responsibilities:

- Provide preventative maintenance and services required to support RTAA owned outbuilding facilities and system components.
- Maintenance and inspections of all regulatory controlled systems such as fire systems, elevator, escalator, locks, doors and alarms.
- Perform snow removal and ice treatment of the landside areas and assisting on the airfield as required.
- Provide escorts and contractor support for RTAA projects. Provide contracted services agreement management for multiple systems and equipment maintenance services.
- Plan, schedule and supervise efficient cost effective facilities operations.
- Provide support service for the Public Affairs and Economic Development departments.
- Perform inspections, maintenance and repairs to structure and system components of the terminal building.
- Provide utilities systems: electricity, water, natural gas and sewer for RTAA tenants.
- Perform custodial requirements in the terminal building.
- Maintain a high standard of cleanliness in the Terminal Building and other RTAA facilities.
- Provide contractors and vendors escorting for RTAA and tenant projects as required.
- Improve work plans as necessary toward greater efficiency and cost reductions.
- Ensure a quality passenger experience by monitoring the daily operations and maintenance of the terminal building, operating systems and equipment.
- Provide Management oversight for the Baggage Handling System and all related facility contracts.
- Staff training toward effectiveness and awareness.
- Reduce energy consumption through the installation of energy saving light fixtures and improvements to the energy management building systems.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

Building Maintenance - Initiatives:

FY 2013-14 – Current Initiatives

1. Change out the lighting on the both concourses with energy efficient LED fixtures.

Description: Replace lighting fixtures with energy efficient LED technology

Performance Measure: Specify, procure and install by November 1, 2013.

Progress: Complete.

Strategic Initiative / Guiding Principle: Environmental Responsibility

2. Work with the Technology and Information Systems (TIS) department and IBM to upgrade our Computerized Maintenance Management System (CMMS) software from Version 6.2.5 to Version 7.5.

Description: Current 6.2.5 software version needs to be updated for support and better reporting capabilities.

Performance Measure: Provide TIS Department with project requirements for system upgrade and database information.

Progress: Contractor has been hired and upgrade is in progress.

Strategic Initiative / Guiding Principle: Financial Integrity

3. Develop work plans and preventive maintenance plans for new equipment being installed as part of the Consolidate Security Checkpoint project.

Description: Develop a Computerized Maintenance Management System – Preventive Maintenance Program for new systems and equipment based on Original Equipment Manufacturer (OEM) manuals and industry standards.

Performance Measure: Preventive maintenance job plans must be developed by end of warranty period of March 17, 2014.

Progress: Complete. Warrantee repairs are tracked in the database

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

Strategic Initiative / Guiding Principle: Customer Service and Operational Efficiency and Facility Development

FY 2014-15 New Initiatives

1. Competitively Bid the Baggage Handling Service (BHS) maintenance contract.

Description: The integrated in-line explosion detection and baggage handling system was installed and became fully operational in November 2009. The Authority owns, maintains, and is responsible for the functional operation of the entire system including the ticket counter take-away belts, bag make-up belts, and baggage carousels. Specifically, the system consists of 1.17 miles of conveyors, 441 variable frequency drive electric motors, motor control panels (MCP), integrated push type baggage diverters, vertical sorter devices, seventeen (17) baggage vacuum lift assistance devices, 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 \$17,000,000 including \$345,000 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, it was determined that a maintenance service provider contract was required to perform the preventive maintenance and oversee the operation of the in-line system. Additionally, the contractor is responsible for the housekeeping duties for the BHS conveyor system in the Baggage Make-Up (BMU) complex.

Performance Measure: Develop Scope of Services and issued the Request for Proposal by March 31, 2014. Review of bid proposals and award of contract to be taken to the Board of Trustee meeting held in July 2014. With the current contract expiring on August 31, 2014, this effort must be complete by this date.

Strategic Initiative / Guiding Principle: Guiding Principle – Safety and Security, Customer Service and Financial Integrity

2. Replace the Human Machine Interface (HMI) servers and computers in the Baggage Handling System (BHS) that have reached or exceeded their life expectancy term.

Description: The Information Technology hardware has reached or exceeded their useful life and software needs to be brought to current software and operating editions.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 7 – Expenditures

Performance Measure: Install and upgrade all BHS software and hardware by December 31, 2014. The BHS Maintenance Service Provider will be required to oversee and manage this project as part of their maintenance contract agreement.

Strategic Initiative / Guiding Principle: Safety and Security, Customer Service and Financial Integrity

Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET

BUILDING MAINTENANCE AND SERVICES
Section 603

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$2,124,302	\$2,650,100	\$2,701,800	2%
Vacation Pay	41130	168,598	800	4,400	450%
Sick Leave	41140	138,172	17,300	18,600	8%
Holiday Pay	41150	109,305	58,000	93,000	60%
Comp Time	41160	1,039	0	0	0%
Overtime Pay	41210	6,293	6,000	6,000	0%
Overtime Call Back	41213	8,728	15,000	15,000	0%
Standby	41220	8,664	12,000	12,000	0%
Shift Differential	41230	97,188	107,100	110,000	3%
Holiday worked Pay	41280	93,592	125,000	125,000	0%
Medicare	41320	39,485	38,800	39,300	1%
Group Insurance	41340	356,912	617,900	637,200	3%
Disability Insurance	41342	22,235	24,500	23,600	-4%
Self Funded Rx	41343	(3,543)	0	0	0%
Vision Insurance	41344	8,744	12,100	8,900	-26%
Dental Insurance	41347	54,790	59,100	54,500	-8%
Workers Comp	41350	80,029	85,200	94,600	11%
Retirement	41360	616,405	681,900	695,700	2%
Uniform Allowance	41380	9,957	11,500	11,500	0%
Meal Allowance	41390	340	1,000	1,000	0%
Benefit Bank Deferred Comp	41430	12,689	15,400	0	-100%
TOTAL PERSONNEL SERVICES		3,953,924	4,538,700	4,652,100	2%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	997,795	1,200,000	1,225,000	2%
Natural Gas	42120	206,937	280,000	280,000	0%
Water	42130	97,720	111,000	111,000	0%
Sewer	42140	62,969	82,000	82,000	0%
TOTAL UTILITIES & COMMUNICATIONS		1,365,421	1,673,000	1,698,000	1%
PURCHASED SERVICES					
Other Professional Services	43190	6,146	6,000	6,000	0%
Office Equipment Renta	43210	3,192	2,280	2,280	0%
Equipment Renta	43211	4,195	0	0	0%
Contracted Services	43340	499,289	602,000	546,708	-9%
Freight Expense	43430	3,889	5,000	5,000	0%
Permits & Recorders Fees	43460	1,225	1,500	4,500	200%
Other Purchased Services	43490	48,220	50,000	50,000	0%
TOTAL PURCHASED SERVICES		566,155	666,780	614,488	-8%
MATERIALS & SUPPLIES					
Office Supplies	44100	4,087	2,500	2,500	0%
Paper	44110	365	500	500	0%
Printing & Forms	44130	567	1,000	1,000	0%
Ice Control	44223	35,483	60,000	45,000	-25%
Janitorial Paper Supplies	44250	66,473	66,950	67,000	0%
Janitorial Supplies	44260	45,112	45,000	45,000	0%
Medical Supplies	44270	616	2,000	2,000	0%
Trash Can Liners	44280	22,918	24,000	26,000	8%
Other Operating Supplies	44290	734	0	0	0%
Repair & Maintenance Supply	44300	525	0	0	0%
Heating & Air Conditioning	44320	48,187	45,000	48,000	7%

Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET

BUILDING MAINTENANCE AND SERVICES
 Section 603

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
Filters	44321	653	0	0	0%
Machinery	44330	2,060	4,000	4,000	0%
Baggage Conveyors	44331	43,176	55,000	55,000	0%
Locks & Hardware	44333	13,088	10,000	10,000	0%
Brushes	44334	0	3,000	3,000	0%
Jet Bridge Repair	44336	30,348	30,000	30,000	0%
Plumbing Supplies	44350	29,083	25,000	26,000	4%
Electrical Supplies	44360	36,101	35,000	35,000	0%
Lumber & Building Supplies	44370	17,752	15,000	15,000	0%
Paint Supplies	44380	5,002	3,000	3,000	0%
Small Tools - Minor Equipmen	44400	8,136	5,000	5,000	0%
Employee Safety Equipmen	44450	13,170	10,000	10,000	0%
TOTAL MATERIALS & SUPPLIES		423,637	441,950	433,000	-2%
ADMINISTRATIVE EXPENSE					
Educational & Prof Fees	45100	132	0	0	0%
Membership Dues	45110	2,511	1,355	2,895	114%
Books & Subscriptions	45120	0	0	500	%
Training Expense	45140	295	4,000	4,000	0%
Travel & Reimbursed Expense	45210	134	0	5,000	%
TOTAL ADMINISTRATIVE EXPENSES		3,072	5,355	12,395	131%
TOTAL EXPENSES BEFORE FIXED ASSETS		6,312,208	7,325,785	7,409,983	1%
FIXED ASSETS					
Fixed Asset Acquisitor	48150	0	40,720	0	-100%
TOTAL SECTION EXPENSES		\$6,312,208	\$7,366,505	\$7,409,983	1%

Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET

Baggage Handling System
 Section 604

	ACCOUNT NO.	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$43,768	\$45,300	\$46,500	3%
Group Insurance	41340	4,323	5,800	6,000	3%
Retirement	41360	10,353	11,700	12,000	3%
TOTAL PERSONNEL SERVICES		58,444	62,800	64,500	3%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	437,581	450,000	440,000	-2%
Natural Gas	42120	15,186	23,000	25,000	9%
TOTAL UTILITIES & COMMUNICATIONS		452,767	473,000	465,000	-2%
PURCHASED SERVICES					
Professional Services	43100	93,081	91,548	94,284	3%
Consultants - General	43140	0	5,500	5,500	0%
Other Professional Services	43190	32,157	29,630	31,055	5%
Contracted Services	43340	984,243	1,002,000	930,000	-7%
TOTAL PURCHASED SERVICES		1,109,481	1,128,678	1,060,839	-6%
MATERIALS & SUPPLIES					
Baggage Conveyors	44331	39,304	35,000	45,000	29%
Electrical Supplies	44360	227	0	0	0%
TOTAL MATERIALS & SUPPLIES		39,531	35,000	45,000	29%
TOTAL SECTION EXPENSES		<u>\$1,660,223</u>	<u>\$1,699,478</u>	<u>\$1,635,339</u>	<u>-4%</u>

Section 8 – Capital Budget

**Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 8 – Property, Plant and Equipment**

The schedule following this narrative lists the Property, Plant, Equipment (PPE) budgets for the RTAA's various departments/sections. PPE are items that will have a useful life exceeding one year and a unit cost greater than \$5,000.

The total PP&E request for FY 2014-15 is \$257,650. This is an increase of \$2,430, or 1% from the FY 2013-14 PP&E budget amount of \$255,220.

The major PP&E requests consist primarily of safety equipment, a computer site recovery system and three vehicles. The vehicles requested consist of three sport utility vehicles that will be used in Airside Operations and Airport Police. Of the three vehicles being replaced, one will be rotated back into the fleet replacing a vehicle that will be sent to surplus auction and two will be sent directly to the surplus auction.

The Facilities Department's vehicle replacement plan maximizes the functionality, and minimizes the maintenance costs of the Airport Authority's fleet of vehicles. The plan provides for the retirement and rotation of vehicles and equipment. The evaluation criteria are listed below.

**VEHICLE AND EQUIPMENT ACQUISITION AND ROTATION POLICY
REPLACEMENT EVALUATION CRITERIA**

Light Duty Vehicles

- Replacement evaluation after 6 years of service **or**
- Replacement evaluation when vehicle exceeds 80,000 miles **or**
- Replacement evaluation when maintenance cost to purchase ratio exceeds 35%

Heavy Duty Vehicles and Equipment

- Replacement evaluation after 10-20 years depending on type of vehicle/equipment **or**
- Replacement evaluation when vehicle/equipment exceeds 80,000 miles **or**
- Replacement evaluation every 25,000 hours on Hobbs hour meter **or**
- Replacement evaluation when maintenance cost to purchase ratio exceeds 30%

The schedules below summarize all vehicles and the major piece of equipment with a unit cost greater than \$30,000. A detailed list of all the equipment follows this narrative.

**Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET
 Section 8 – Property, Plant and Equipment**

Vehicles

Department	FY 2014-15 Request	Amount Budgeted	Current Equipment Being Replaced/Explanation
Airside Operation	4WD Chevrolet Tahoe	\$42,850	This vehicle is to replace a 2008 Ford Expedition that will be rotated and replace a 1997 Chevy Tahoe with 137,000 miles and qualifies under the replacement criteria.
Airport Police	4WD Chevrolet Tahoe	\$46,050	This vehicle is to replace a 2006 Dodge Durango with 102,000 miles and qualifies under the replacement criteria.
Airport Police	4WD Chevrolet Tahoe	\$46,050	This vehicle is to replace a 2008 Dodge Durango with 97,000 miles and qualifies under the replacement criteria.

Equipment

Department	FY 2014-15 Request	Amount Budgeted	Current Equipment Being Replaced/Explanation
Airport Fire	Extraction Package	\$42,900	This equipment will replace gas powered units with battery powered units capable of cutting higher strength steel.

Technology

Department	FY 2014-15 Request	Amount Budgeted	Current Equipment Being Replaced/Explanation
Technology & Information Systems	VMWare Site Recovery Manager	\$38,000	This equipment will allow the secondary computing facilities to be fully operational and synchronized at all times with the primary site located in the terminal building.

Reno-Tahoe Airport Authority
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Property, Plant, and Equipment

Division	Description	Amount	Total
253 Technology & Information Systems	VMWare Site Recovery Manager	\$ 38,000	38,000
402 Airside Operations	2015 4WD Chevrolet Tahoe	\$ 42,850	
	Five (5) HD CCTV Cameras	\$ 25,500	68,350
404 Airport Rescue & Fire	Extracation Package	\$ 42,900	42,900
405 Airport Police	Two (2) 2015 4WD Chevrolet Tahoes	\$ 92,100	92,100
407 Airport Security	Touchprint Fingerprint Device	\$ 10,400	10,400
602 Airfield Maintenance	Trailer Mounted Arrow Board	5,900	5,900
TOTAL			\$ 257,650

Reno-Tahoe Airport Authority
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ANNUAL BUDGET
Section 8 – Capital Projects

Capital Projects (Funded by Airport Operating Revenues)

The capital projects shown on the schedule following this page are the result of the budget process and the airports' on-going capital improvement program.

The summary schedule outlines the approved capital projects along with the project administrator, the cost estimate, and the cost center assigned to the project for airline rate setting purposes. Following this summary schedule, a narrative is provided that further explains the nature of the project along with the financial impact on airline rates and the estimated operating revenue and expense impact over the next three years.

The airline agreement specifies a procedure for the airlines to review and approve, if costs exceed established limits, the capital projects or capital project's debt service that will be included in the Airfield, Terminal Building and Baggage Handling System (BHS) cost centers used for airline rate calculations. The cost centers defined in the airline agreement are Airfield, Terminal Building, Ground Transportation, Baggage Handling System (BHS), Other, and Reno-Stead Airport.

Under the agreement, the first \$1 million of projects in the Airfield Cost Center, \$2 million in the Terminal Building Cost Center, \$500,000 in the BHS Cost Center are not subject to the Majority-In-Interest (MII) airline approval process. For a full description of the MII process, see Section 5 Financial Plan - Airline Agreement. Projects over \$300,000 must be amortized over their life and not reimbursed in one year's rates.

Under the revenue sharing formula as defined in the airline agreement, capital project costs that are not recovered through airline rates and charges, whether amortized over the useful life or reimbursed in one year, reduce net available revenues subject to the 50%/50% revenue sharing credit. This credit is applied against the signatory airline terminal rental rate.

During the annual budget review meeting with the airlines, the capital projects subject to the MII airline review process were discussed. The value of the projects in the Airfield, and Terminal Building cost centers for the FY 2014-15 Budget are below the amounts that require airline review or approval.

During the budget process all capital projects are prioritized and evaluated based on the following five criteria:

1. Required for safety or security
2. Mandated by a regulatory agency
3. Prevents damage to or the maintenance of an existing facility
4. Generates a source of revenue or is fundamental to the basic operations of the airports
5. Impacts or improves any of the Authority's other areas

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 8 – Capital Projects

These capital projects are funded in several ways. The smaller capital projects are funded by airline rates through airline cost center recovery or non-airline revenues in the fiscal year. The General Purpose Fund, as further discussed in Section 5 Financial Plan - Trust Funds Summary, is used to finance the larger operating budget capital projects.

FY 2014-15 Capital Project Budgets			COST CENTER							Other Funding Sources		
Item	Project Administrator (Amortization Years)	Estimate	Airfield	Terminal Building	BHS	Ground Transportation	Other	Reno-Stead Airport	General Purpose Fund	Special Fund	AIP Grant, PFC, Fuel Tax Funds, CFC, or Other	
Reno-Tahoe International Airport												
1	2555 Aviation Way Parking Lot Reconstruction	Economic Development	\$ 871,323								871,323	
2	Mini Warehouse HVAC System	Economic Development	27,500					27,500				
3	Operations Office Remodel	Operations	8,000					8,000				
4	Radio Equipment Replacement Phase II	Operations (7)	1,622,400		57,943				347,657		1,216,800	
5	Parking Plaza Exit Signage Replacement	Operations	47,000				47,000					
6	Airfield Pavement Management Program	Engineering (5)	626,000	125,200					500,800			
7	Landside Pavement Management Program	Engineering (5)	376,700				75,340		301,360			
8	ADA Upgrades Phase 2	Facilities	21,000		21,000							
9	Airfield Maintenance Shop Door Replacement	Facilities	14,800	14,800								
10	Airfield Maintenance Base Building Rollup Door	Facilities	35,000	35,000								
11	Baggage Handling System Software and Hardware Replacement	Facilities	225,000			225,000						
12	FIS Facility Upgrades	Engineering	100,000					100,000				
13	GA West Taxilane Rehabilitation, Phase II	Engineering	86,000					86,000				
	Sub Total		\$ 4,060,723	\$ 175,000	\$ 78,943	\$ 225,000	\$ 122,340	\$ 221,500	\$ -	\$ 1,149,817	\$ -	\$ 2,088,123
Reno-Stead Airport												
14	Hangar 6 Transformer Replacements	Reno-Stead	\$ 45,000					45,000				
	Sub Total		\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -
	Total		\$ 4,105,723	\$ 175,000	\$ 78,943		\$ 122,340	\$ 221,500	\$ 45,000	\$ 1,149,817	\$ -	\$ 2,088,123

Reno-Tahoe Airport Authority
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Section 8 – Capital Projects

Reno-Tahoe International Airport

2555 Aviation Way Parking Lot Reconstruction

This project consists of removing and replacing 138,513 square feet of asphalt paving that is past its useful life expectancy. This project is being funded using Customer Facility Charge (CFC) revenues and is cost neutral to the Authority. CFC's were adopted effective August 1, 2012 and are collected in the amount of \$1.25 per car rental transaction day. In addition, the rental car companies are responsible for the on-going, day-to-day maintenance costs associated with this project.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$871,323
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.00
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0

Mini Warehouse HVAC System

This project consists of installing two new rooftop mounted HVAC units at the Airport Mini Warehouse. The suite accounts for approximately 6% of the total commercial vacancy on the property and lacks mechanical ventilation of any kind, including heat, which makes the space unusable for anything other than dry storage. This project will enable the improvement of this suite so that it can be leased and generate additional revenue in support of the Authority's strategic priority to increase non-airline revenue.

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<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$27,500
<i>Rate Impact</i> (excluding potential revenue)	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.11
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$33,600
Fiscal Year 2015-16	\$34,608
Fiscal Year 2016-17	\$35,646
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$500
Fiscal Year 2015-16	\$500
Fiscal Year 2016-17	\$500

Operations Office Remodel

This project consists of updating a former police substation for use as an administrative office for the Vice President of Operations and Public Safety.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$8,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.03
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0

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<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0

Radio Equipment Replacement Phase 2

This project consists of the purchase of new Project 25 (P25) Standard digital radio equipment including handheld radios, vehicle radios, communications center radio consoles, bi-directional amplifiers, related accessories, system design and installation. P25 is a suite of standards for digital radio communications for use by federal, state/province and local public safety agencies in North America to enable them to communicate with other agencies and mutual aid response teams during emergencies. This project will be funded 25% through rates and charges and 75% from Passenger Facility Charges.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$1,622,400
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.24
Impact on Airline Cost per Enplaned Passenger	\$0.02
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0

Parking Plaza Exit Signage Replacement

This project consists of replacing existing signage mounted on attendant booths and traffic signals mounted beneath the exit canopy and installing new signage at traffic signal locations. This project will improve customer service at the parking exit by indicating if the exit lane is unmanned and will be unable to accept cash.

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<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$47,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.19
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$100
Fiscal Year 2015-16	\$150
Fiscal Year 2016-17	\$200

Airfield Pavement Management Program

This annual project reviews the condition of the airfield pavements and maintains or replaces them as necessary. The FY 2014-15 maintenance consists of concrete panel replacement, crack repair, spall repair, and joint sealing in runways and taxiways. These improvements are considered maintenance and are not eligible for FAA Airport Improvement Program (AIP) grant funding.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$626,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.51
Impact on Airline Cost per Enplaned Passenger	\$0.04
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0

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<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0

While this project does not generate any easily measurable revenue or O&M expense savings, the on-going effort to preserve airfield pavement enhances both aircraft safety and extends the useful life of the pavement.

Landside Pavement Management Program

This annual project reviews the condition of the landside pavements and maintains or replaces them as necessary. The FY 2014-15 construction program consists of phase 3 of the multi-year rehabilitation of the south surface public parking lot consisting of pavement replacement, overlays, patching, seal coat, drainage improvements, vault lid replacement, and ancillary items.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$376,700
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.31
Impact on Airline Cost per Enplaned Passenger	\$0.02
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0

While the incremental revenue and O&M expense savings are difficult to measure, this project will preserve and extend the useful life of the parking pavement surfaces and enhance both vehicle and passenger safety.

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American’s with Disability Act (ADA) Upgrades Phase 2

The scope of this project involves the lowering of existing Automated External Defibrillators (AED’s) and six fire extinguisher cabinets. In addition, the scope of work includes relocating 17 phones or installing slimmer models in compliance with ADA guidelines.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$21,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.13
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0.00
Fiscal Year 2015-16	\$0.00
Fiscal Year 2016-17	\$0.00
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$0.00
Fiscal Year 2015-16	\$0.00
Fiscal Year 2016-17	\$0.00

Airfield Maintenance Shop Door Replacement

The scope of this project consists of removing and replacing an existing 12-foot shop door with a new 16-foot door with automatic operator. The Airfield Maintenance Facility, which was constructed in 1978, was constructed with doors adequate for the equipment being used at the time; however, the current fleet now in service contains equipment that is 13 feet tall, including ARFF trucks and snow removal equipment.

While specifically measuring the efficiency gain and cost savings is difficult, this project will increase the capacity to work on higher profile equipment in this facility, increase the efficiency of repair operations, and reduce labor costs.

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<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$14,800
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.06
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	(\$1,500)
Fiscal Year 2015-16	(\$1,500)
Fiscal Year 2016-17	(\$1,500)

Airfield Maintenance Base Building Rollup Door

This project involves installation of a vehicle roll up door in the South East portion of the old tower base building, fill in abandoned duct banks and as an add alternate fill the existing abandoned computer room floor with concrete. This project will allow full utilization of the existing building for the airfield maintenance department. The in-fill of abandoned areas and duct banks with concrete will allow for the repurposing of those areas.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$35,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.01
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.04
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0.00
Fiscal Year 2015-16	\$0.00
Fiscal Year 2016-17	\$0.00

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<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$0.00
Fiscal Year 2015-16	\$0.00
Fiscal Year 2016-17	\$0.00

Baggage Handling System Software and Hardware Replacement

This project will replace the computer hardware and upgrade the system software that is integral to the operation of the baggage handling system. This system is the equipment used for the processing of outbound baggage in the Terminal including security screening by the Transportation Security Administration (TSA). The computer hardware and related software in place that operates this system runs on a 24 hours per day, 365 days a year basis. In addition, the system generates reports required by the TSA and RTAA which are compiled on this equipment.

The RTAA Technology department recommends that critical equipment and related software be replaced and updated on a five year time frame. By the start of FY 2014-15, this equipment will have been in constant operation for nearly six years.

Under the airline agreement, this project, with its costs under \$300,000, could be recovered from the airlines in one year through the Baggage Handling System Charge, a significant component of Reimbursed Services. However, the RTAA and airlines agreed to amortize the cost recovery over a three (3) year period of \$75,000 per year.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$225,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.00
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$75,000
Fiscal Year 2015-16	\$75,000
Fiscal Year 2016-17	\$75,000

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<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0

Federal Inspection Service (FIS) Facility Upgrades

This project consists of renovations to the FIS Facility. This building is used for the processing of international passengers and baggage into the United States. Modifications include, but are not limited to, door alarms and security cameras, demolition of walls and upgrades to the restrooms for ADA compliance.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$100,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0.41
Impact on Airline Cost per Enplaned Passenger	\$0.03
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0

GA West Taxilane Rehabilitation, Phase II

This project will provide a slurry seal of a taxilane and possible fence relocation to enable the Authority to rent additional T-Hangars. The current condition of the pavement contains many cracks and a slurry seal is needed to prevent further deterioration.

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<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$86,000
<i>Rate Impact (excluding potential revenue)</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate	\$0.35
Impact on Airline Cost per Enplaned Passenger	\$0.02
<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$16,500
Fiscal Year 2015-16	\$26,700
Fiscal Year 2016-17	\$30,300
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	\$4,100
Fiscal Year 2015-16	\$6,700
Fiscal Year 2016-17	\$7,600

Reno-Stead Airport

Hangar 6 Transformer Replacements

This project consists of replacing two 225 KVA transformers, one 30 KVA transformer and one 15 KVA transformer. The Authority commissioned an energy audit for Hangar 6 in the summer of 2013. Based on the findings of the audit, a phased approach is being implemented to upgrade the electrical service and fixtures in this building.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$45,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0
Impact on Terminal Rental Rate – Lower Profit Sharing	\$0
Impact on Airline Cost per Enplaned Passenger	\$0

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<i>Additional Revenue</i>	
Fiscal Year 2014-15	\$0
Fiscal Year 2015-16	\$0
Fiscal Year 2016-17	\$0
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2014-15	(\$3,833)
Fiscal Year 2015-16	(\$3,950)
Fiscal Year 2016-17	(\$4,070)

The projected savings reflects improved lower electricity cost through update electrical equipment.

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CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program, as updated during the FY 2014-15 Budget, is a rolling three to five year program that provides for critical improvements and asset preservation. Funding sources for the projects are primarily Airport Improvement Program (AIP) and Transportation Security Administration (TSA) grants, Passenger Facility Charges (PFC), and airport revenue debt, if applicable. Both PFC and grant dependent projects will not be implemented until a funding source is approved and awarded.

Competition Plan

The Airport Investment and Reform Act of the 21st Century (AIR 21) reauthorized the airports' federal grant process and also added a new requirement for airports to develop a competition plan. Medium or large hub airports with more than 50 percent of the passenger traffic handled by two or fewer airlines must prepare a competition plan. Reno-Tahoe International Airport (RTIA) fell into this category. A competition plan dated December 7, 2000, was prepared and accepted by the FAA. An update to the plan was completed in 2003.

Recent legislation removed the requirement to periodically update the competition plan until an airport has denied an airline access or the airport negotiates a new airline agreement. With the new airline agreement effective July 1, 2011, the Authority submitted a plan update for FAA review and comment. On May 10, 2011, the FAA formally approved the update and determined it was in compliance with PFC regulations.

The purpose of a competition plan is to demonstrate that an airport is not restricting competition among the airlines by creating barriers to air service. The RTAA's competition plan is available on the RTAA web site at renoairport.com. A competition plan is necessary before new Passenger Facility Charge programs will be approved and before any FAA grants will be awarded in the Federal fiscal year beginning each October.

Airport Improvement Program (AIP)

AIP grants are offered to the Authority to provide funding assistance to those eligible capital projects that meet the criteria of the federal program. The objective of this federal program is to assist in the development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system, and to meet the projected needs of the public. The program not only provides funding for development projects, but also airport planning and noise compatibility programs. The program is funded by aviation use fees, which are collected and deposited into the Airport and

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Airway Trust Fund that generates the revenues in support of the AIP. The U.S. Congress authorizes expenditures from this dedicated fund on an annual basis each year. The AIP program includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passenger boardings and cargo tonnage. Discretionary funds are set aside to provide the FAA with flexibility to fund various high priority programs.

The AIP Program typically funds 93.75% of eligible projects at both airports. The Authority's General Purpose and Special Funds are primarily used for the RTAA's (sponsor's) matching share of the FAA grants. However, PFC funds may be used subject to FAA approval.

During the FAA Fiscal Year of 2013, which ends September 30, 2013, the Authority received \$16.125 million of AIP grants for Reno-Tahoe International Airport and \$169,935 of AIP grants for Reno-Stead Airport.

Passenger Facility Charge (PFC)

PFCs were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies, which manage commercial airports, to charge each enplaning passenger a facility charge in accordance with FAA requirements. The passenger facility charge is levied on the passenger tickets, collected by the airline, and forwarded to the airport (less a handling fee charged by the airlines). The revenues collected through PFCs are to preserve or enhance safety, security, and capacity, to reduce noise, or to enhance competition.

The primary difference between AIP and PFC is that the PFC is a fee directly accessed to the passenger, it is administratively retained by the airport, and it is considered local funds versus federal funds.

In October 1993, the Authority received approval from the Federal Aviation Administration (FAA) to impose a PFC of \$3.00 per enplaned passenger. Collection began January 1, 1994. In May 2001, the PFC was increased to \$4.50 per enplaned passenger with collection beginning August 1, 2001. Several FAA approved projects are being funded by the PFC collections.

As of June 30, 2014, the Authority has received collection authority to impose and use \$119,811,876 on three open FAA approved PFC applications. The Authority has collected \$74,342,899 of PFCs on these open applications, including interest earned thereon. In Fiscal Year 2013-14, the Authority collected \$6.59 million of PFC revenue and is forecasting revenues of \$6.233 million in FY 2014-15.

CAPITAL IMPROVEMENT PROGRAM - OVERVIEW
SOURCES & USES OF FUNDS BY LOCATION
Reno-Tahoe Airport Authority
(Escalated Dollars)

	Prior Years Actual	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast	FY 2019-20 Forecast	Total FY14-20 Forecast
	USES OF FUNDS								
Airside	20,072,978	15,872,695	18,038,564	8,898,088	20,369,700	37,120,383	10,002,168	8,648,342	139,022,917
Terminal	20,814,419	2,788,649	337,750	950,250	-	-	-	-	24,891,068
Security / BHS	-	-	225,000	-	-	-	-	-	225,000
Landside	596,106	2,097,795	1,223,700	1,000,000	1,000,000	1,000,000	1,050,000	1,089,206	9,056,807
Other	94,481	325,929	213,500	600,000	1,118,950	5,831,050	700,000	700,000	9,583,910
Administrative	49,500	1,157,813	2,542,650	1,559,400	-	-	-	-	5,309,363
Stead	2,479,689	5,171,121	4,274,167	3,579,548	3,189,031	3,844,501	680,049	5,236,721	28,454,827
	44,107,173	27,414,003	26,855,331	16,587,286	25,677,681	47,795,934	12,432,217	15,674,269	216,543,893
SOURCES OF FUNDS									
Federal Grants -Entitlement	1,379,169	4,936,471	4,826,204	4,847,290	4,878,164	4,909,610	4,941,638	4,974,259	35,692,804
Federal Grants -Discretionary	18,569,557	8,258,019	10,032,949	3,788,667	6,605,696	15,896,609	867,347	4,250,741	68,269,585
Passenger Facility Charges	10,975,910	2,511,440	4,858,525	4,849,175	3,923,200	3,348,133	3,755,918	3,308,342	37,530,643
Operating Funds	-	-	-	-	-	-	-	-	-
General Purpose	2,888,870	4,036,764	3,068,485	2,168,855	2,230,653	2,811,144	2,059,141	2,002,500	21,266,412
Customer Facility Charge	-	1,080,601	800,000	500,000	500,000	500,000	550,000	589,206	4,519,807
Fuel Tax Fund	-	-	-	-	-	-	-	-	-
Special Fund	402,347	1,659,316	3,025,000	209,750	184,938	225,938	28,125	312,500	6,047,913
RTAA Grant Fund	-	-	-	-	-	-	-	-	-
RTAA Flood Fund	-	-	-	-	-	-	-	-	-
RTAA Conduit Fund	-	-	-	-	-	-	-	-	-
Acquisition Fund	-	-	-	-	-	-	-	-	-
Consent Degree Fund	919,952	265,594	244,167	223,548	230,031	229,501	230,049	236,721	2,579,563
Subordinate Lien Revenue Notes	8,971,369	4,665,797	-	-	-	-	-	-	13,637,166
Senior Lien Bonds	-	-	-	-	7,125,000	19,875,000	-	-	27,000,000
	44,107,173	27,414,003	26,855,331	16,587,286	25,677,681	47,795,934	12,432,217	15,674,269	216,543,893

**CAPITAL IMPROVEMENT PROGRAM
 FY2014- Five Year Plan
 Reno-Tahoe Airport Authority**

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Priority No.	Prior Years Actual	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY14-20 Forecast	
AIRSIDE										
Airfield Maintenance Shop Door Replacement	-	10,500	-	-	-	-	-	-	10,500	
Airfield Maintenance Shop Door Replacement, Ph II	-	-	14,800	-	-	-	-	-	14,800	
Airfield Maintenance Base Building Rollup Door	-	-	35,000	-	-	-	-	-	35,000	
Airfield Pavement Maintenance Program (2011-12)	139,643	7,620	-	-	-	-	-	-	147,263	
Airfield Pavement Maintenance Program (2012-13)	555,423	98,577	-	-	-	-	-	-	654,000	
Airfield Pavement Maintenance Program (2013-14)	-	500,000	-	-	-	-	-	-	500,000	
Airfield Pavement Maintenance Program (2014-15)	-	-	626,000	-	-	-	-	-	626,000	
Airfield Pavement Maintenance Program (2016-20)	-	-	-	500,000	500,000	500,000	500,000	500,000	2,500,000	
Airfield Signage Replacement	-	-	-	-	-	346,875	373,125	-	720,000	
ARFF Vehicle #2	-	-	225,000	675,000	-	-	-	-	900,000	
ARFF Vehicle #4	-	-	384,414	1,153,241	-	-	-	-	1,537,655	
ARFF Vehicle #5	-	-	-	-	-	-	350,585	1,402,342	1,752,927	
Central Disposal Facility Upgrades	-	750,000	750,000	-	-	-	-	-	1,500,000	
Cargo Apron Tether- Gate 10 (Fed Ex)	-	50,000	-	-	-	-	-	-	50,000	
De-Icing Glycol Recovery System	-	-	-	-	295,200	1,180,800	-	-	1,476,000	
East Airfield Lighting Vault Replacement	-	-	-	-	-	346,875	3,483,125	-	3,830,000	
FAR Part 150 Noise Insulation Program, Phase 19	5,028,242	-	-	-	-	-	-	-	5,028,242	
FAR Part 150 Noise Insulation Program, Phase 20	4,507,163	1,892,837	-	-	-	-	-	-	6,400,000	
FAR Part 150 Noise Insulation Program, Phase 21	3,568,529	2,079,730	1,818,409	-	-	-	-	-	7,466,667	
FAR Part 150 Noise Insulation Program, Phase 22	977,307	1,297,872	3,634,041	1,557,446	-	-	-	-	7,466,667	
Pave East Side Perimeter Road	-	-	-	-	-	608,000	2,432,000	-	3,040,000	
Rehab of Runway 16L/34R Touchdown Areas, Phase I	248,390	1,767,483	4,124,127	-	-	-	-	-	6,140,000	
Replacement Snow Removal Equipment, Ph 1	-	432,600	1,100,000	542,400	-	-	-	-	2,075,000	
Replacement Snow Removal Equipment, Ph II	-	-	580,000	500,000	2,128,000	850,000	-	-	4,058,000	
Replacement Snow Removal Equipment, Ph III	-	-	-	-	-	709,333	709,333	850,000	2,268,666	
Perimeter Fence Security Improvements	-	-	-	-	-	-	264,000	1,056,000	1,320,000	
Runway 16R Keel Section Reconstruction	-	-	-	-	1,411,500	12,703,500	-	-	14,115,000	
Runway Shoulder and Overrun Reconstruction, Phase I	-	-	-	-	-	-	1,890,000	4,840,000	6,730,000	
Sand Storage Building	-	155,000	155,000	-	-	-	-	-	310,000	
Southwest Air Cargo Ramp	-	-	-	1,500,000	8,625,000	19,875,000	-	-	30,000,000	
Taxiway "C" Pavement Repair (Atlantic Aviation)	-	120,144	-	-	-	-	-	-	120,144	
Taxiway C and Connectors Reconstruction (Design & Construction)	-	-	-	2,470,000	7,410,000	-	-	-	9,880,000	
Taxiway "Q" Reconstruction	2,254,267	1,358,699	-	-	-	-	-	-	3,612,966	
Terminal Apron Reconstruction Phase 16	2,435,327	1,330,673	-	-	-	-	-	-	3,766,000	
Terminal Apron Reconstruction Phase 17	238,569	2,514,996	1,077,855	-	-	-	-	-	3,831,421	
Terminal Apron Reconstruction Phase 18	120,118	1,505,965	3,513,917	-	-	-	-	-	5,140,000	
		\$ 20,072,978	\$ 15,872,695	\$ 18,038,564	\$ 8,898,088	\$ 20,369,700	\$ 37,120,383	\$ 10,002,168	\$ 8,648,342	\$ 139,022,917

**CAPITAL IMPROVEMENT PROGRAM
FY2014- Five Year Plan
Reno-Tahoe Airport Authority**

Priority No.	Prior Years Actual	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY14-20 Forecast
TERMINAL									
ADA Upgrades	-	41,400	-	-	-	-	-	-	41,400
ADA Upgrades, Phase II	-	-	21,000	-	-	-	-	-	21,000
Concourse Elbow Drive Through Vehicle Barriers	-	88,900	-	-	-	-	-	-	88,900
Consolidated Security Checkpoint of the Future	20,522,321	1,997,479	-	-	-	-	-	-	22,519,800
Terminal Lighting Retrofit Phase 2	280,770	-	-	-	-	-	-	-	280,770
Terminal Main Water Line Replacement	-	150,000	-	-	-	-	-	-	150,000
Terminal Passenger Notifications Systems Replacement	-	-	316,750	950,250	-	-	-	-	1,267,000
Terminal Public Address System Upgrade (FDIS)	-	43,498	-	-	-	-	-	-	43,498
Terminal Refurbishment Project	-	301,200	-	-	-	-	-	-	301,200
Terminal Roof Replacement, Area #12A	11,328	166,172	-	-	-	-	-	-	177,500
		\$ 20,814,419	\$ 2,788,649	\$ 337,750	\$ 950,250	\$ -	\$ -	\$ -	\$ 24,891,068

**CAPITAL IMPROVEMENT PROGRAM
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Priority No.	Prior Years Actual	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total
		Forecast	FY14-20 Forecast						
SECURITY									
Baggage Handling System Software and Hardware Replacement	-	-	225,000	-	-	-	-	-	225,000
		\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000

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Priority No.	Prior Years Actual	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY14-20 Forecast	
LANDSIDE										
Avis/Budget Water Meter/ Backflow Replacement	-	10,006	-	-	-	-	-	-	10,006	
Landside Pavement Maintenance Program (2011-12)	84,328	35,672	-	-	-	-	-	-	120,000	
Landside Pavement Maintenance Program (2012-13)	386,402	63,598	-	-	-	-	-	-	450,000	
Landside Pavement Maintenance Program (2013-14)	-	621,200	-	-	-	-	-	-	621,200	
Landside Pavement Maintenance Program (2014-15)	-	-	376,700	-	-	-	-	-	376,700	
Landside Pavement Maintenance Program (2016-20)	-	-	-	500,000	500,000	500,000	500,000	500,000	2,500,000	
Parking System Hardware/Software Upgrade	83,525	193,575	-	-	-	-	-	-	277,100	
Parking Plaza Exit Signage Replacement	-	-	47,000	-	-	-	-	-	47,000	
Rental Car Renewal and Replacement Program	-	1,070,595	800,000	500,000	500,000	500,000	550,000	589,206	4,509,801	
South Employee Lot Access Control	41,851	103,149	-	-	-	-	-	-	145,000	
		\$ 596,106	\$ 2,097,795	\$ 1,223,700	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,050,000	\$ 1,089,206	\$ 9,056,807

**CAPITAL IMPROVEMENT PROGRAM
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Reno-Tahoe Airport Authority**

OTHER

Priority No.	Prior Years Actual	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY14-20 Forecast
Capital Project Allowance	-	-	-	350,000	400,000	400,000	450,000	450,000	2,050,000
Building Improvements -1250 Terminal Way (Tugg Technologies)	11,426	20,984	-	-	-	-	-	-	32,410
Cargo Security Fence	-	15,000	-	-	-	-	-	-	15,000
FIS Facility Improvements - Interim	-	-	100,000	-	-	-	-	-	100,000
FIS Building Renovation and Expansion	-	-	-	-	468,950	5,181,050	-	-	5,650,000
GA West Landside Access	83,056	29,944	-	-	-	-	-	-	113,000
GA West Taxilane Rehabilitation, Phase II	-	-	86,000	-	-	-	-	-	86,000
Mini Warehouse Building Improvements	-	50,000	-	-	-	-	-	-	50,000
Mini Warehouse HVAC System	-	-	27,500	-	-	-	-	-	27,500
Mini Warehouse Pavement Reconstruction	-	100,000	-	-	-	-	-	-	100,000
Outside Properties Renewal Program	-	-	-	100,000	100,000	100,000	100,000	100,000	500,000
Technology and Information Systems Renewal Program	-	-	-	150,000	150,000	150,000	150,000	150,000	750,000
Underground Storage Tank Remediation (National Car Rental)	-	110,000	-	-	-	-	-	-	110,000
	\$ 94,481	\$ 325,929	\$ 213,500	\$ 600,000	\$ 1,118,950	\$ 5,831,050	\$ 700,000	\$ 700,000	\$ 9,583,910

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ADMINISTRATION

Priority No.	Prior Years Actual	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY14-20 Forecast
Communications and EOC Technology Replacement	-	-	747,900	747,900	-	-	-	-	1,495,800
Computer Aid Dispatch System	-	48,500	-	-	-	-	-	-	48,500
Digital Radio Equipment and Accessory Program (800 MHz)	-	-	811,500	811,500	-	-	-	-	1,623,000
Geographical Information System (GIS)	49,500	975,250	975,250	-	-	-	-	-	2,000,000
Maximo 7 Upgrade	-	104,000	-	-	-	-	-	-	104,000
Operations Office Remodel	-	-	8,000	-	-	-	-	-	8,000
Software and Lap Top Replacement	-	30,063	-	-	-	-	-	-	30,063
	\$ 49,500	\$ 1,157,813	\$ 2,542,650	\$ 1,559,400	\$ -	\$ -	\$ -	\$ -	\$ 5,309,363

**CAPITAL IMPROVEMENT PROGRAM
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 Reno-Tahoe Airport Authority**

Priority No.	Prior Years Actual	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total	
		Forecast	FY14-20 Forecast							
RENO STEAD										
Air Traffic Control Tower (Design and Construction)	-	-	-	-	-	-	450,000	5,000,000	5,450,000	
Concrete Apron (Design and Construction)	-	-	-	220,000	2,460,000	-	-	-	2,680,000	
Hangar 6 HVAC Replacement	-	44,800	-	-	-	-	-	-	44,800	
Hangar 6 Door System Replacement	-	16,000	-	-	-	-	-	-	16,000	
Hangar Fire Suppression Upgrade	-	10,000	-	-	-	-	-	-	10,000	
Hangar 6 Transformer Replacement	-	-	45,000	-	-	-	-	-	45,000	
Landside Pavement Program- RTS (2012-13)	-	45,000	-	-	-	-	-	-	45,000	
Leasehold Improvement - Stead Terminal Building	-	30,000	-	-	-	-	-	-	30,000	
M-Block Pavement Reconstruction	903	65,297	-	-	-	-	-	-	66,200	
Moya Boulevard Extension, Phase I	-	-	-	-	499,000	3,615,000	-	-	4,114,000	
Snow Removal Equipment	-	181,264	-	-	-	-	-	-	181,264	
Stead Solvent Site	919,952	265,594	244,167	223,548	230,031	229,501	230,049	236,721	2,579,563	
Terminal/ Emergency Operations Command Center	1,558,834	4,441,166	-	-	-	-	-	-	6,000,000	
Terminal/ Emergency Operations Command Center- Note Defeasance	-	-	2,913,000	-	-	-	-	-	2,913,000	
Taxiway C Reconstruction & Edge Lighting (Design)	-	72,000	288,000	-	-	-	-	-	360,000	
Taxiway C Reconstruction & Edge Lighting (Construction)	-	-	784,000	3,136,000	-	-	-	-	3,920,000	
		\$ 2,479,689	\$ 5,171,121	\$ 4,274,167	\$ 3,579,548	\$ 3,189,031	\$ 3,844,501	\$ 680,049	\$ 5,236,721	\$ 28,454,827
Grand Total		\$ 44,107,173	\$ 27,414,003	\$ 26,855,331	\$ 16,587,286	\$ 25,677,681	\$ 47,795,934	\$ 12,432,217	\$ 15,674,269	\$ 216,543,893

Section 9 – Debt

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FY 2014-15 DEBT SERVICE

Senior Lien Airport System Revenue Bonds

As of July 1, 2014, the only senior lien bonds outstanding are the Series 2005 Airport Revenue Refunding bonds in the amount of \$22,360,000. Senior lien debt represents borrowing that has a priority claim on Authority revenues after funding of operating expenses.

With an average net interest rate of 4.49%, these bonds refunded the Series 1996A Airport Revenue Bonds (1996A Bonds), which were issued to construct a three story, 2,400 space parking garage, a new terminal access roadway system to accommodate the parking garage, and a passenger skyway to connect the parking garage to the terminal.

In FY 2014-15, senior lien debt service will be \$2,521,300 and remain stable through fiscal year 2026. Over the last few years, annual senior lien debt service has decreased from \$11.3 million in FY 2009-10 to \$6.9 million in FY 2010-11 to \$2.5 million in FY 2011-12 going forward.

Net Revenue derived from the public parking operation, after related operating expenses, is available and more than sufficient to meet this debt obligation.

Subordinate Lien Airport Revenue Note

On June 1, 2011, the Reno-Tahoe Airport Authority obtained funding for its Airport Gateway Program and other capital projects with the issuance of Subordinate Lien Airport Revenue Notes with a maximum principal amount of \$30 million with repayment over a term of six years. Funding of the Notes was obtained from Banc of America Public Capital Corporation (BAPCC) after a request for proposal process.

The proceeds of the Notes, along with Passenger Facility Charges (“PFC”), federal grants, and Authority internal funds are being used to finance the costs of capital improvement projects (the "Projects") at the Reno-Tahoe International Airport (RTIA) and Reno-Stead Airport (RTS).

The Notes, after application of PFC revenues to eligible projects, will be paid solely from and secured by a pledge of Net Revenues derived from the operations of the Airport System and certain funds and accounts. Net Revenue represents gross revenues of the Airport System less operating and maintenance expenses, on a basis subordinate and junior to the liens of any existing or future annual debt service of the Authority’s senior lien airport revenue bonds.

With the use of PFCs and Operating Revenues to pay the debt service on the Notes, per the airline use and lease agreement’s majority in interest (MII) provision, the Authority consulted with the signatory airlines and obtained approval of the current capital projects and the funding approach.

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The interest on the Notes will be excluded from gross income under federal income tax laws; however, the Notes will be subject to alternative minimum tax.

The 2011 Notes are structured with a final maturity of July 1, 2017. Staff does not anticipate the issuance of any additional senior lien bonds while the Notes are outstanding. However, the Note Resolution does reserve the right to issue additional debt at any time, subject to requirements and financial tests outlined in the Note Resolution.

The Authority has divided the borrowing into two parts as follows:

- Series “2011A” Subordinate Lien Revenue Note - Fixed Rate portion. The Authority has obtained and deposited \$15 million of notes, as a fixed rate loan with a final maturity of July 1, 2017. As of July 1, 2014, the outstanding amount of this note will be \$7,800,000. Principal payments are made annually on July 1, commencing on July 1, 2012 with the final payment on July 1, 2017. Principal payments are structured so that the total annual payments of principal and interest on the 2011A Note will be approximately level from FY 2012 through FY 2017. The negotiated fixed rate interest for the six year term is 2.75% payable semiannually starting on January 1, 2012.
- Series “2011B” Subordinate Lien Revenue Note -Variable Rate portion. The Authority has structured \$15 million of the loan as a variable rate loan, which would also have a final maturity of July 1, 2017. The 2011B Note is designed to serve as a flexible borrowing instrument such that the Authority could borrow under the Note for a two year period through May 31, 2013 in increments of \$1,000,000 or greater. After any draw under the 2011B Note has been outstanding for a period greater than one year, the Authority can make repayment at any time. The Authority secured funding of \$4.0 million on March 1, 2013 and \$1.35 million on May 1, 2013 prior to the May 31, 2013 deadline available under this funding commitment. The Authority’s total borrowing under the 2011B Notes is \$5.35 million out of the available \$15.0 million available.

The rate for the 2011B Note is established at 1.581% over sixty-five percent (65%) of the six month London Interbank Offering Rate (LIBOR) rate. The 65% factor is to adjust for the tax-exempt status of these notes versus the taxable LIBOR rate. The effective rate for the 2011B Notes as of July 1, 2014 is 1.793%, which reflects a LIBOR rate of 0.326%.

The Consolidated Security Checkpoint portion of the Airport Gateway Project, funded from the proceeds of the Notes, is eligible for the associated debt service to be repaid from future Passenger Facility Charges (“PFCs”) revenue. The Authority submitted on March 9, 2011 an application to the Federal Aviation Administration (“FAA”) for approval to apply PFCs toward the costs of these projects which was approved on August 29, 2011. An amendment for this PFC application to increase the amount collected for these projects in line with the actual bid costs

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was submitted on March 27, 2012. The formal record of decision was received from the FAA on April 3, 2012.

The Authority has covenanted in the Note Resolution that the amount of PFCs applied toward debt service on FAA approved projects will not exceed a cumulative total of \$18 million in fiscal year 2011-12 through fiscal year 2016-17.

The Authority collected \$6.592 million of PFC revenue in FY 2013-14 and it is estimated that PFC revenue collections will be in the range of \$6.2 to \$7.0 million annually over the next five years.

To the extent that the PFC-eligible project cost and debt service on the Notes may exceed a total of \$18 million and, a portion of such debt service is thus not paid from PFCs, the Authority will be obligated to pay such debt service from Net Revenues, under a basis subordinate to any existing or future annual debt service of the senior lien airport revenue bonds.

In evaluating preliminary FY 2014-15 financial results at the current debt service levels, the Authority's goal of maintaining its reasonable costs to the airlines, ensuring prudent operating margins and debt service coverage ratio, and retaining our "A" credit rating from Fitch Ratings could be subject to closer scrutiny.

Recognizing one of the Authority's financial strengths is a strong cash and investment position, staff evaluated several options regarding use of some of this liquidity to repay some or all of the subordinate lien debt, as allowed under agreement with Banc of America Public Capital Corporation.

Upon completion of the analysis, staff recommended and the Board approved repayment of a portion of the Series 2011 B subordinate lien notes outstanding in the amount of \$2,913,000. This early repayment was made on July 1, 2014. Subsequent to this early repayment, debt service on the Notes was estimated to be \$1.26 million in the FY 2014-15 Budget.

Based on the interest rate of 2.75% on the 2011A Note and a conservative estimated 2.25% on the 2011B Note, along with PFC revenues to supplement the Net Revenues available to pay the related debt service, the following table outlines the estimated annual debt service over the next three years:

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		FY 2014-15 Budget	FY 2015-16 Forecast	FY 2016-17 Forecast
Subordinate Notes (Series 2011A)	Interest	214,500	144,925	73,425
	Principal	2,530,000	2,600,000	2,670,000
	PFCs Applied	(1,480,803)	(1,483,265)	(1,480,628)
		1,263,698	1,261,660	1,262,798
Subordinate Notes (Series 2011B)	Interest	21,083	14,721	7,679
	Principal	370,000	380,000	387,000
	PFCs Applied	(391,083)	(394,721)	(394,679)
		-	-	-
Total	Interest	235,583	159,646	81,104
	Principal	2,900,000	2,980,000	3,057,000
	PFCs Applied	(1,871,885)	(1,877,986)	(1,875,307)
		1,263,698	1,261,660	1,262,798

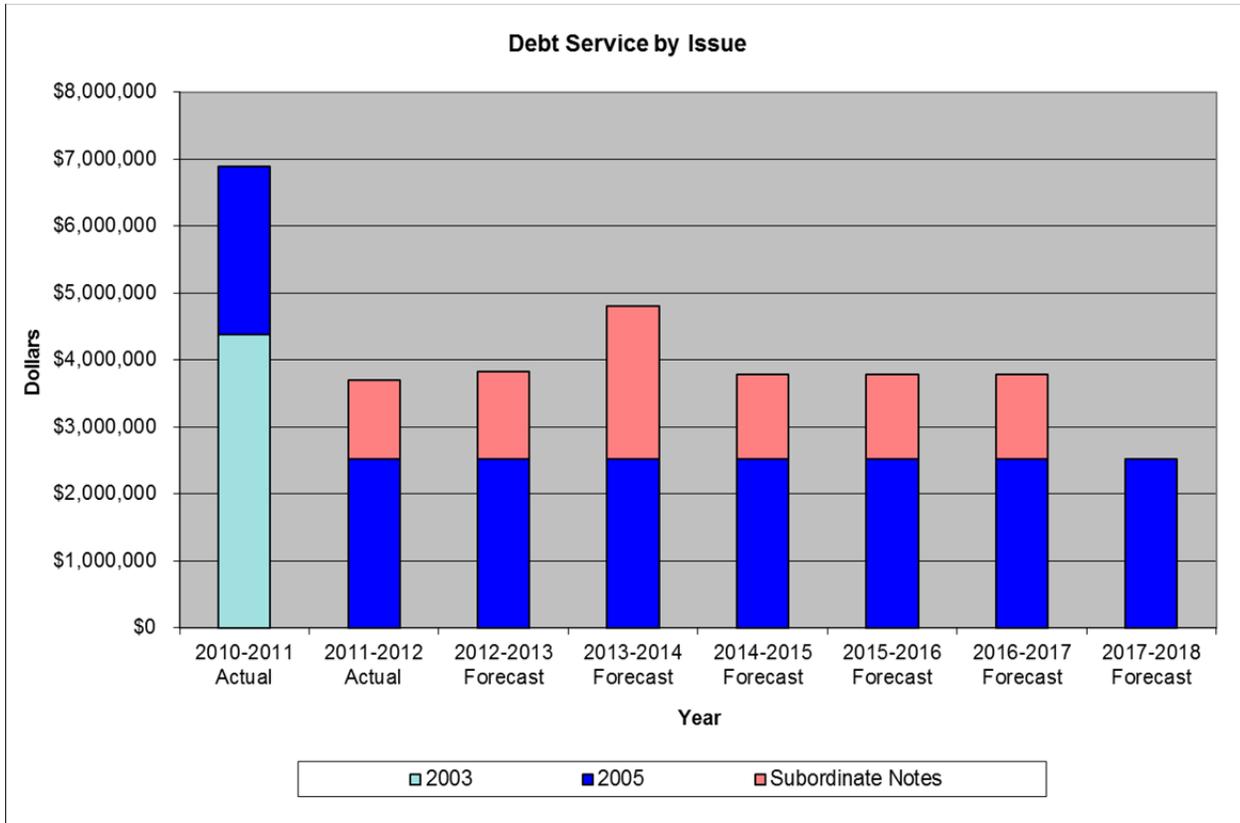
Total Debt Service Impact

The debt service reflected in the FY 2014-15 Budget is composed of the Series 2005 Senior Lien Airport System Revenue Bonds and the Subordinate Lien Airport Revenue Notes. Total debt service for FY 2014-15 is budgeted at \$3,784,998, a decrease of \$1,020,157 or 21.2% below the FY 2013-14 Budget.

As of July 1, 2014, the Authority will have approximately \$22.36 million of senior lien debt outstanding. This equates to \$13.41 per enplaned passenger, well below the median ratio from Fitch Ratings – Peer Review of US Airports report dated 10/30/2013 of \$71 for small hub airports.

With the addition of the outstanding 2011A Subordinate Lien Notes – Fixed Rate portion of \$7.8 million as of July 1, 2014 (\$15.0 million less three years of principle repayment of \$7.2 million) and the balance of the 2011B Subordinate Lien Notes – Variable Rate portion of \$1.137 million, after early repayment, the Authority’s outstanding debt is \$31.297 million, or \$18.77 per enplaned passenger based on forecasted FY 2014-15 enplanements, which remains significantly below the small hub airport median.

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ALLOWED PURPOSES AND TYPES OF DEBT

The administration of the RTAA's debt is controlled by Nevada legislation, the Local Government Securities Law, and the bond resolutions adopted when revenue bonds were sold to finance airport improvements. Federal laws must also be complied with for the revenue bond interest to be non-taxable to the holders of the debt. Federal, and state laws specify the public notices, and hearings that must be conducted, and the approvals needed when money is to be borrowed. The Local Government Securities Law and the bond resolutions also control short term financing capabilities, as well.

Most local governments issue general obligation bonds. The repayment of general obligation bonds is secured by the taxing power of the local government. A statutory ratio of outstanding general obligation debt to assessed valuation often limits the maximum amount of general obligation debt a local government may have outstanding. Since the RTAA does not receive any property or general sales taxes, an assessed value based debt limitation does not apply.

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The RTAA has sold only revenue bonds to finance the construction of airport projects. The bonds are called revenue bonds because the repayment of the bonds is secured by the revenue of the airport system. The entity issuing the revenue bonds must have sufficient revenues to pay the debt service of the bonds sold. Bonds are also only sold for the construction of projects with useful lives that exceed the life of the bond issue.

The RTAA has issued revenue bonds first to finance airport improvement projects, and then to refinance or refund the outstanding bonds to obtain lower interest rates.

The interest received by RTAA bondholders can be tax exempt or taxable depending on the use of the bond proceeds. Both the Series 2005 outstanding senior bonds and the Series 2011 subordinate lien notes have been determined by bond counsel to qualify for tax-exempt status.

DEBT LIMIT

The RTAA's debt is limited by the outstanding bond resolution requirement that net revenues (operating revenues less operating expenses) pledged to pay debt service exceed 125% of annual debt service. This test of net pledged revenues is shown on the last page of this section. Other schedules show the current and future year's debt service amounts. The RTAA has a cap on annual debt service, not a cap on the amount of outstanding debt. This is a common provision in airport revenue bond resolutions.

Part of the RTAA's process of selling revenue bonds is the issuance of a feasibility report by an airport consultant. This report projects airport revenues, airline rates, operating expenses, and the new and existing debt service. The consultant's report must project that net pledged revenues will exceed 125% of the annual amount needed for debt service, or the financing is neither feasible nor allowed by the additional bonds test of the existing bond resolution. This debt service limit is what controls the amount of debt the RTAA can feasibly have outstanding. Net revenues, pledged to pay debt service, must exceed 125% of annual debt service.

DEBT STRUCTURE

The principal and interest paid to the RTAA's bondholders is allocated to the cost centers based on the proceeds from the various bond issue used for improvements in each cost center. Bonds sold to finance improvements in the airline costs centers, whose debt service would be included in airline rates, must be approved by the airlines through the Majority In Interest (MII) capital project review process provisions of the airline agreement.

The debt service is also structured not to begin until the facility being constructed is completed. This is done by delaying the repayment of principal until after the facility is occupied, and capitalizing the interest amounts due during the construction period. Capitalizing interest is done by selling additional bonds, above the amount needed for construction, resulting in additional

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funds to make the interest payments until the new facility is occupied and generating revenue. Offsetting the sale of additional bonds to pay interest is the practice of “net funding” the project by using the investment earnings on the bond proceeds unspent during the construction process. This reduces the amount of the bonds needed to pay for the construction.

Another aspect of selling revenue bonds is the use of enhancements to make the bonds as attractive as possible to potential buyers. Ratings from credit rating agencies are an enhancement used by the RTAA.

Despite the economic slowdown and its impact on passenger traffic, the Authority has continually had its “A” credit rating confirmed by Fitch Ratings, a national recognized credit rating agency since July 7, 2005. The latest review was on June 13, 2014 with Fitch confirming the “A” rating with the outlook as “stable”.

The factors listed by Fitch Ratings in support of this decision included the following:

- **Low Airline Cost per Enplaned Passenger:** The airport's cost per enplaned passenger (CPE) remains low relative to peer airports at \$6.39 for FY 2012-13 with an increase to the \$8.00 range estimated for FY 2013-14. The Reno-Tahoe Airport Authority's (RTAA) current airline use and lease agreement provides the airport with a larger cost recovery base, providing sufficient cushion to volume declines.
- **Moderate Infrastructure Plan:** The five-year capital improvement plan (CIP) is modest at \$145 million and will be largely funded through FAA grants, the existing Series 2011 subordinate notes, new senior bond issuance and passenger facility charge (PFC) monies, as well as minimal local proceeds.
- **Stable Debt Structure:** All of RTAA's senior debt is fixed rate with debt service payments flat at approximately \$2.5 million through maturity. The subordinate lien revenue notes mature in 2017 and have no refinance risk.
- **Low Leverage and Strong Liquidity:** RTAA's senior net debt-to-cash flow available for debt service (CFADS) is negative and well below peers. In FY 2013, the airport's senior lien DSCR decreased to 3.77x from 4.06x in FY 2012 while subordinate DSCR decreased to 3.05x from 3.27x in FY 2012. The airport maintains healthy liquidity with \$41.6 million in unrestricted cash and \$6.1 million in O&M Reserves as of FY 2013, equivalent to 504 days cash on hand.

Days cash on hand represents the level of cash and investments available to fund daily operating expenses without incoming revenues.

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The RTAA’s remaining senior lien bond issue also has bond insurance from Assured Guaranty Municipal Corporation (AGM) (formerly Financial Security Assurance Inc. (“FSA”) as a credit enhancement. If the RTAA was not able to make a debt service payment, the insurance company would make the payment and seek reimbursement from the RTAA.

The Authority’s Series 2005 bond issue, on the original issue date, carried the “AAA” credit rating of the insurance company. During FY 2008-09, the national problems associated with the “subprime” mortgage market affected the current bond insurer. The insurance company’s previous AAA rating has been downgraded to AA- by Standard and Poor’s (S&P) and Aa3 by Moody’s Investor Services (Moody’s). Fitch Ratings withdrew its rating of Assured Guaranty on February 24, 2010 and does not consider bond insurance in its credit rating of issuers.

On January 17, 2013, the rating of AGM was further downgraded by Moody’s from Aa3 to A2. However on a positive note, S&P upgraded its rating of AGM from AA- to AA on March 18, 2014.

As a result, the Insured Rating on the Bonds is now A2 from Moody’s and AA from Standard and Poor’s. Moody’s and S&P do not maintain any underlying rating for the Reno-Tahoe Airport Authority.

This rating of the bond insurer does not affect the amount of debt service paid by the RTAA or the financial condition of the Authority to make these payments.

The outstanding bond issues and their ratings as of June 30, 2014 are summarized in the following table:

Bond Issue	Insured Rating	Insurance Company	Underlying RTAA Rating	Coupon Interest Rates
2005 Refunding	Fitch A Stable Outlook	Assured Guaranty Formerly FSA	Fitch A Stable Outlook	3.0 percent to 5.0 percent

Nevada state law, the bond resolutions, and the bond insurance policies all define the allowable types of investments that can be made with bond proceeds in the Construction Fund during construction and operating revenues until needed to pay operating expenses. The bond insurance policies are the most restrictive. Only investments backed by the United States government are allowed.

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REFUNDING OF DEBT

In the past, RTAA has periodically evaluated the feasibility of refinancing portions of its outstanding revenue bond debt by issuing refunding bonds. At least a three percent (3%) net present value debt service savings is the minimum industry standard necessary to justify such refundings.

Internal Revenue Code and Income Tax Regulations Section 149(d)(3)(A)(i) limits the number of times an issuer may advance refund an original bond issue. If the original bond issue was issued before 1986, two advance refundings are permitted. If the original bond issue was issued after 1985, only one advance refunding is permitted.

The Series 2005 Airport Revenue Refunding bonds refunded the Series 1996A Airport Revenue Bonds (1996A Bonds); therefore, the Authority does not have the ability to advance refund this outstanding bond issue a second time. However, the bonds may be refunded on a current basis as early as April 2, 2015, ninety (90) days prior to the July 1 par call date.

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 Summary of Bonded Indebtedness

FY 2014-15 Debt Service Allocation to Airport Cost Centers

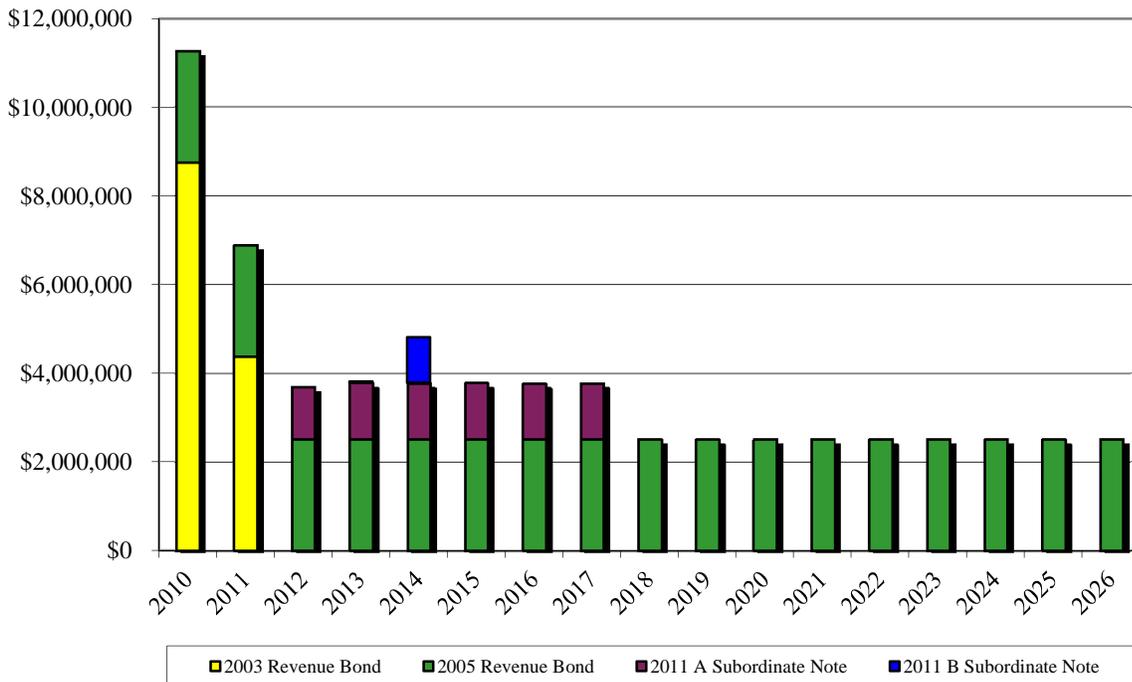
	<u>Principal</u>	<u>Interest</u>	<u>Paid by PFC</u>	<u>Total</u>
1996A/2005	1,420,000	1,101,300		2,521,300
2011 Subordinate Notes				
Series A	2,530,000	214,500	(1,480,803)	1,263,698
Series B	370,000	21,083	(391,083)	-
TOTAL				3,784,998

	Airfield	Terminal	BHS	Ground Trans	Other	Reno Stead	Total
1996A/2005	0%	0%	0%	100%	0%	0%	100%
2011 Subordinate Notes							
Series A	0%	0%	0%	0%	100%	0%	100%
Series B	0%	0%	0%	0%	0%	100%	100%
<u>Debt Service</u>							
1996A/2005	-	-	-	2,521,300	-	-	2,521,300
2011 Subordinate Notes							
Series A	-	-	-	-	1,263,698	-	1,263,698
Series B	-	-	-	-	-	-	-
TOTAL	-	-	-	2,521,300	1,263,698	-	3,784,998

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Summary of Bonded Indebtedness

	2005 Revenue Refunding Bonds	Subordinate Notes (Series 2011A)	Subordinate Notes (Series 2011B)	Total Bonded Indebtedness
Amount of original issue	\$ 29,775,000	\$ 15,000,000	\$ 5,303,000	\$ 50,078,000
Bonds / Notes retired	7,415,000	7,200,000	4,166,000	18,781,000
Bonds / Notes Outstanding July 1, 2013	<u>\$ 22,360,000</u>	<u>\$ 7,800,000</u>	<u>\$ 1,137,000</u>	<u>\$ 31,297,000</u>
FY 2014-15 Debt service requirement				
Principal payment due	\$ 1,420,000	\$ 2,530,000	\$ 370,000	\$ 4,320,000
Interest payment due	1,101,300	214,500	21,083	1,336,883
PFCs applied		(1,480,803)	(391,083)	(1,871,885)
Total FY 2013-14 Debt Service	<u>\$ 2,521,300</u>	<u>\$ 1,263,698</u>	<u>\$ -</u>	<u>\$ 3,784,998</u>

Annual Debt Service



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Schedule of Debt Service

Bond Year Ended July 1	Airport Revenue Refunding Bonds Series 2005		Airport Revenue Notes Series 2011A		Airport Revenue Notes Series 2011B		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2015	1,420,000	1,101,300	2,530,000	214,500	370,000	21,083	5,656,883
2016	1,475,000	1,044,500	2,600,000	144,925	380,000	14,721	5,659,146
2017	1,550,000	970,750	2,670,000	73,425	387,000	7,679	5,658,854
2018	1,625,000	895,750	-	-	-	-	2,520,750
2019	1,705,000	814,500	-	-	-	-	2,519,500
2020	1,790,000	729,250	-	-	-	-	2,519,250
2021	1,880,000	639,750	-	-	-	-	2,519,750
2022	1,975,000	545,750	-	-	-	-	2,520,750
2023	2,075,000	447,000	-	-	-	-	2,522,000
2024	2,175,000	343,250	-	-	-	-	2,518,250
2025	2,285,000	234,500	-	-	-	-	2,519,500
2026	2,405,000	120,250	-	-	-	-	2,525,250
	<u>\$ 22,360,000</u>	<u>\$ 7,886,550</u>	<u>\$ 7,800,000</u>	<u>\$ 432,850</u>	<u>\$ 1,137,000</u>	<u>\$ 43,483</u>	<u>\$ 39,659,883</u>

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Net Pledged Revenues Test

	FY 2012-13 Actual	FY 2013-14 Budget	FY 2014-15 Budget
Airport System Revenues			
Airline fees and rentals (a)			
Landing fees	\$6,593,034	\$6,555,845	\$7,075,852
Terminal building space rental	5,830,298	7,573,800	7,904,400
TOTAL Airline fees and rentals	12,423,332	14,129,645	14,980,252
Non-Airline Revenues			
Other Aircraft Fees	840,659	847,200	834,300
Concession fees (b)	10,478,433	10,653,300	10,075,100
Parking and Ground Transportation	8,914,030	8,186,200	8,504,900
Building, Hangar and Land Rent	6,146,844	6,378,000	6,663,000
Reimbursement for Services (BHS) (c)	2,579,739	2,573,544	2,630,926
Other operating revenues	92,093	25,400	39,300
	29,051,797	28,663,644	28,747,526
Total Operating Revenue	41,475,129	42,793,289	43,727,778
Non-Operating Revenue			
Trust Fund Investment Income	162,830	130,700	123,200
Other Non-Operating Income	1,388,805	1,498,700	1,514,400
Gross pledged revenues	43,026,764	44,422,689	45,365,378
Airport system operation and maintenance expenses	(34,550,393)	(37,139,676)	(38,569,773)
Transfers - General Purpose Fund for			
G/L on Sale of Capital Assets	-	-	(81,300)
Airline profit share	1,587,803	564,300	178,700
Transfers - Special Fund for			
35% of gaming revenue	(550,386)	(545,300)	(393,890)
Pledged PFC Revenues (Senior Bonds)	-	-	-
Net pledged revenues	\$9,513,788	\$7,302,013	\$6,499,115
Debt Service - Senior Lien Bonds	2,523,900	2,516,500	2,521,300
Debt Service Coverage Ratio - Senior Lien Bonds	3.77	2.90	2.58
Net Pledged revenue available for Subordinate Notes	6,989,888	4,785,513	3,977,815
Pledged PFC Revenues	1,491,202	1,852,647	1,871,885
Pledged revenue available for Subordinate Notes	8,481,090	6,638,160	5,849,701
Debt Service - Subordinate Notes (Series 2011A)	2,748,288	2,747,288	2,744,500
Debt Service - Subordinate Notes (Series 2011B)	29,299	1,394,015	391,083
Total Subordinate Notes	2,777,587	4,141,302	3,135,583
Debt Service Coverage Ratio - Subordinate Lien Notes	3.05	1.60	1.87

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Air Service Development

U.S. Airlines continue to focus on limited growth, lowering cost and increasing revenue, in order to provide shareholder returns from 10% - 15%, resulting in four straight years of airline profitability.

Enplanement levels across the nation are growing at very slow rates, with the industry predicting a modest 2.2 percent annual growth in the coming years. In Calendar Year 2013, total passengers at RTIA slightly declined (-1.4%) as compared with the same period last year. With scheduled flights decreasing seven percent (-7%) during the same period, the airlines serving RTAA registered a significant increase in load factors.

Fares at RTIA continue to improve for airline profitability, with RTIA showing a 4.3% increase from 2013 to 2014. Despite this increase, RTIA ranked 72nd in average round trip fares, below the nearest competing airport of Sacramento, California and the U.S. Average Domestic Fare.

Rank	Airport	Inflation-Adjusted Average Domestic Itinerary Fares (2014\$)					Pct. Change	
		1Q 2000	1Q 2011	1Q 2012	1Q 2013	1Q 2014	2000-2014	2013-2014
Avg	U.S. Average Domestic Itinerary Fare	469.58	376.14	384.04	384.35	380.69	-18.9	-1.0
1	Cincinnati, OH	633.16	492.48	542.07	526.86	514.41	-18.8	-2.4
17	Salt Lake City, UT	411.00	396.19	410.04	417.43	429.40	4.5	2.9
34	San Francisco, CA	625.49	408.49	389.25	420.07	406.03	-35.1	-3.3
46	Boise, ID	363.59	358.59	386.54	392.30	390.81	7.5	-0.4
70	Sacramento, CA	349.01	335.29	339.01	355.01	358.95	2.8	1.1
72	Reno, NV	288.32	324.28	331.92	342.67	357.40	24.0	4.3
89	San Jose, CA	398.83	316.87	317.32	334.81	314.80	-21.1	-6.0
91	Oakland, CA	307.12	291.40	285.93	298.79	293.96	-4.3	-1.6
92	Las Vegas, NV	297.45	289.85	276.10	277.96	263.10	-11.5	-5.3

Source: http://www.rita.dot.gov/bts/press_releases/bts020_14

Southwest Airlines continues to be the dominant carrier at RTIA carrying 53% of the total CY 2013 enplanements, followed by the combined US/AA merger with 20% of total enplanements. RTIA offers better air service than any other airport for a city of comparable population size anywhere in the United States. Seven major/national airlines serve RTIA offering non-stop service to 15 cities, and make one-stop connections to virtually any major metropolitan city in the world possible.

The RTAA Board and staff continue to actively pursue new air service. However, competition for air service among the nation's 450+ commercial service airports is increasingly fierce. In the last decade, the airline industry's business model has shifted away from market share strategies (adding services that show a potential to cover their costs) to a focus on *return on investment* – namely, limiting the size of their fleets and adding and dropping routes to get the highest return from the fixed fleet. In Calendar Year 2013, the Air Service Development (ASD) staff attended

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over 60 individual airline and cargo freight forwarder meetings in order to remain visible in the aviation community.

In addition, the Regional Air Service Committee (RASC), formerly the Regional Marketing Committee, is taking the lead in community wide efforts to create strategies to help offset risk to potential new markets. This is in conjunction with the RTAA adopted airline incentive program for any airline establishing service to a market not currently served. This program allows up to 12 months of free terminal building rent and landing fees as well as marketing commitments promoting new air service to RTIA.

Four major air cargo carriers, Amerijet International, DHL, FedEx, and United Parcel Service (UPS) serve RTIA. Amerijet added service at RTIA on July 8, 2014. Air cargo activity grew 4.5 percent from FY 2012-13 to FY 2013-14, which shows continued strength in the economy as well as the growing business diversification in Northern Nevada. This is the fourth consecutive year of cargo growth at RTIA. This is due to the major warehousing, pharmaceutical, e-commerce and distribution facilities in the region. Growth in industrial development areas such as the Tahoe/Reno Industrial Center has continued to help spur cargo growth and economic diversity.

Local Community and the Airports

The Reno-Tahoe International Airport (RTIA) is truly a regional airport with a catchment area of over one million people in the cities of Reno, Sparks, Carson City, along with eight counties in Nevada, and five counties in north central California. RTIA is also the “gateway” to Lake Tahoe.

RTIA is located four miles southeast of Reno’s central business district. The Reno-Stead Airport is located 11 miles northwest of the central business district. The state capital, Carson City, is 30 miles south of Reno. Elected officials and state employees use RTIA to get back to their constituents or to fly to the many state agency offices located 350 miles to the south in Las Vegas. The closest competing airport is 115 miles away in Sacramento, California. Since Sacramento is separated from Reno by the Sierra Nevada Mountains, which can be difficult to cross in the winter snows and other inclement weather, few western Nevada passengers use the Sacramento Airport.

The second airport operated by the RTAA is the Reno-Stead Airport, a general aviation airport. General aviation airports typically do not have scheduled air service, but do provide other important aviation related facilities. The Reno-Stead Airport has military, helicopter, charter, and private aircraft operations. Aircraft owners and aviation related businesses lease land or buildings at Reno-Stead from the RTAA. Reno-Stead is also the home of the annual National Championship Air Races, a Bureau of Land Management base for firefighting aircraft, and a Nevada Army National Guard helicopter base.

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Special Community Events

With over 5 million annual visitors, Reno, Sparks and Lake Tahoe feature a wide range of fun-filled events that offer something for everyone. In addition to the area's breath-taking beauty, Reno and Lake Tahoe offer an amazing mix of history, art, and culture. Tourism and conventions continue to be big business in the Reno-Sparks area.

The Reno-Sparks Convention & Visitors Authority (RSCVA) owns and operates several facilities designed to draw out of town visitors. For example, the National Bowling Stadium hosts five-month long bowling competitions including the United States Bowling Congress (USBC) Open Championship and the Women's Championship. In spring 2013 and again in 2014, both events are estimated to bring 150,000 visitors to town with an estimated economic impact of nearly \$360 million.

The Reno-Sparks-Tahoe area draws hundreds of thousands of visitors to northern Nevada for community-wide special events throughout the year. This year's special event season started with the Reno Rodeo, a ten-day event in its 93rd year, and a PRCA (Professional Rodeo Cowboys Association) sanctioned sporting event. The Reno Rodeo is a non-profit organization made up of over 350 volunteers with over 120,000 fans in attendance; it is the 4th largest PRCA tour rodeo. The event impacts the Reno-Sparks area economy by approximately \$42 million. This event is held at the Reno-Sparks Livestock Events Center, a 35,000 square feet exhibit space with an indoor arena seating 6,200 and a lighted outdoor arena seating 9,000.

Artown, noted by the National Endowment for the Arts as one of the most comprehensive festivals in the country, brings the arts to Reno each July with a packed calendar of events. Artown captures the imagination and brings with it a celebration of distinguished artists from the local community, across the country, and around the world, all for the sake of cultural diversity and artistic innovation. To experience the best and the latest in visual and performing arts, Artown features more than 400 events, from over 100 presenters designed to inspire and impress the 350,000 people that experience the festival annually.

The first week of August is reserved for Hot August Nights; a celebration of the 50's, 60's and 70's emphasizing the cars of the era. More than 800,000 people flock to the event and bring an economic impact of \$351 million. There are more than 5,000 classic cars from 36 states across the nation, including Alaska, Massachusetts and Florida and three Canadian provinces. Californians bring over 2,500 cars for this event. Nevadans have over 1,500 cars entered and registration from the Pacific Northwest is strong with more than 280 from Oregon and 220 from Washington.

Barrett-Jackson, the World's Greatest Collector Car Auctions™, holds an auction event in conjunction with the annual Hot August Nights collector-car festival. The Barrett-Jackson auction features hundreds of rare classics, exotics, muscle cars, hot rods, and contemporary

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collectibles on its famous auction block at no reserve. Under a three year contract, thousands of additional spectators and collectors from around the world are expected to participate in the historic automotive lifestyle event.

In early August each year, the Reno-Tahoe region also hosts an annual PGA golf tournament sponsored by Barracuda Networks. This tournament is unusual since it uses the exciting Modified Stableford scoring format, which makes for a thrilling ride of ups and downs for the 132 golf professionals fighting for the \$3 million purse and 300 FedEx Cup Points.

During the last week of August each year, the Burning Man Art Festival, with its focus on community, art, self-expression, and self-reliance, creates Black Rock City a few miles north of the town of Gerlach, NV, on the playa of the Black Rock Desert. Burning Man isn't your usual festival, with big acts booked to play on massive stages. In fact, the event is more the creation of a city than a festival, wherein almost everything that happens is created entirely by its citizens, who are active participants in the event. While this event is over 100 miles north of Reno, a significant number of the 60,000 participants travel by air through RTIA, including a host of international visitors. During Burning Man, Black Rock City, through careful planning, emerges from the playa dust to become one of Nevada's largest cities for a week.

There are many great events in the area in September, and starting things off is the Best of the West Rib Cook Off held in the City of Sparks and sponsored by John Ascuaga's Nugget. Following the Rib Cook Off are the Reno Balloon Races, the largest free hot air ballooning event in the nation. Throughout the event an estimated 140,000 spectators brave the early morning chill to view more than 100 balloons each year.

The blue September skies of Reno are also the home of the National Championship Air Races (NCAR). The NCAR and Air Show have run at the Reno-Stead Airport since 1964. The National Championship Air Races bring together hundreds of aviation and sports enthusiasts from around the world, including many residents of Reno and the surrounding areas. Race and air show participants include astronauts, airline pilots, and military and civilian aviators.

Street Vibrations is the place to be for those in search of a celebration of music, metal and motorcycles. An official Northern California Harley-Davidson Dealers Association event, Street Vibrations offers tours, entertainment, parades, ride-in shows, Chrome Alley retail vendors, Camel Roadhouse, the Harley-Davidson Factory Store, concerts and more. The event attracts an estimated 40,000 people to the Reno/Tahoe/Carson City area and has a local economic impact of \$72 million. Now ranked the 6th largest motorcycle event in the nation, Street Vibrations combines the best bikes the West has to offer with incredible bands on multiple stages throughout the community.

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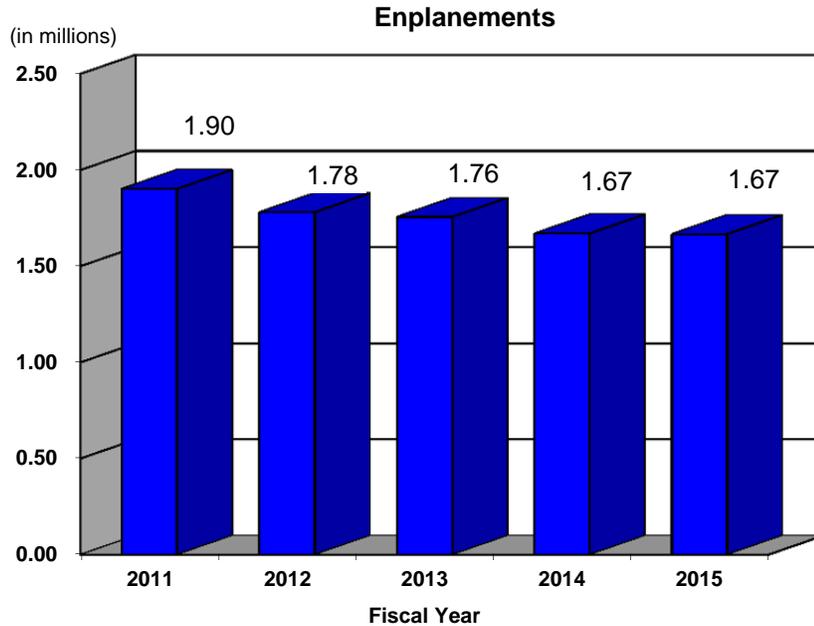
Supplemental Information

The following charts show five fiscal years of the RTAA's activity levels and measures of financial effectiveness. The first three years' numbers on these charts are year-end actual amounts and the last two years (FY 2014 and FY 2015) are the budgeted amounts.

In addition, tables and charts that detail local demographic, employment, and economic information are provided.

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Enplaned Passengers



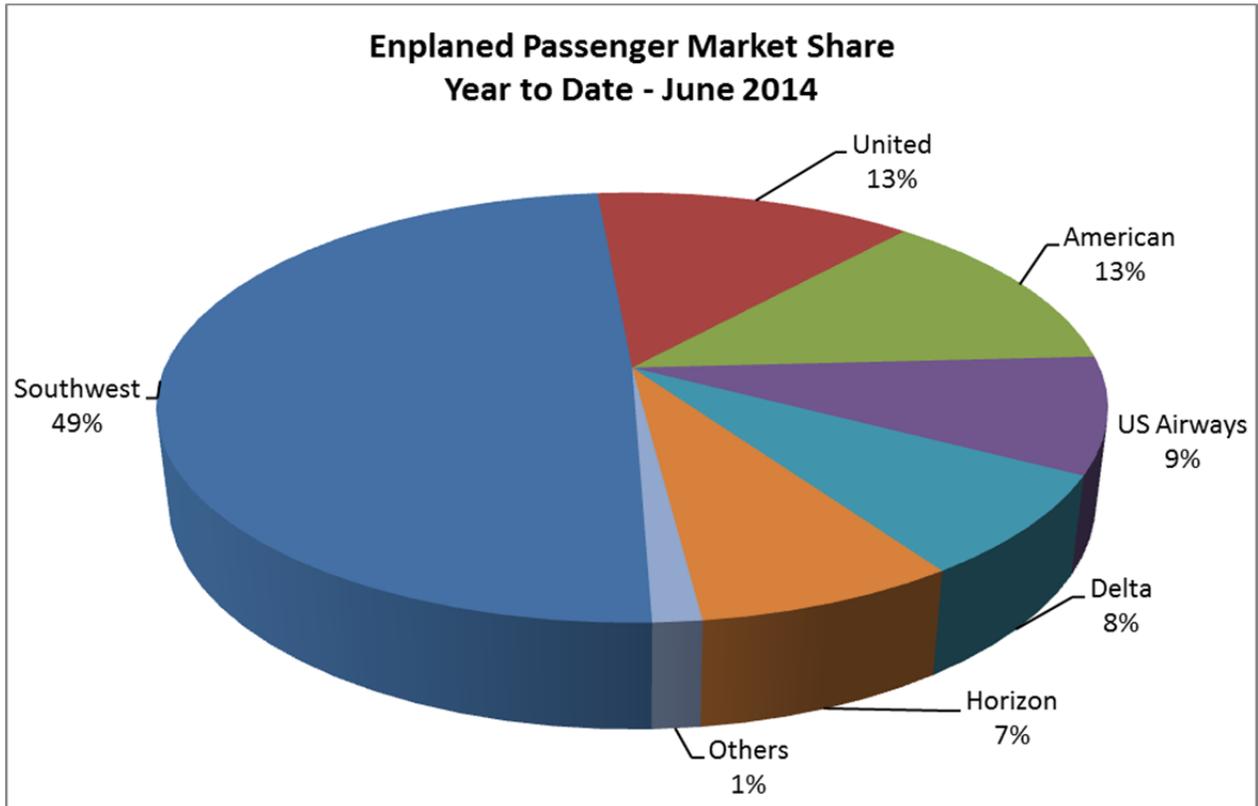
Fiscal year 2014-15 enplaned passengers at Reno-Tahoe International Airport are projected to be 1,667,290, a decrease of 0.2% as compared to the prior year budget of 1,670,248 and a 0.5% increase compared to the FY 2013-14 actual results.

For FY 2013-14, the Authority's total enplaned passenger traffic registered 1,658,187, a decrease of 5.6% as compared to the same period last year.

The average load factor for scheduled air service in fiscal year 2013-14 was 78.8% and is projected to modestly increase above this level for the 2014-15 fiscal year. In June 2014, the average enplaned load factor at RTIA was 85.5%, an increase of 2.7 load factor points versus last year.

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Airline Market Share



Airline Passenger Market Share – FY 2013-14 Actual Results

Southwest	815,160	49.2%
United	214,531	12.9%
American	208,919	12.6%
US Airways	144,760	8.7%
Delta	126,904	7.7%
Horizon	124,581	7.5%
Others	23,332	1.4%

Total	1,658,187	100%
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The more diverse an airport’s airline market, the less susceptible that airport is to the effects of an individual airline having financial problems or changing flight activity. This chart shows that the RTIA has six main carriers providing 98.6% of the passenger flights with another five

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carriers making up the balance. This table is based on the actual enplaned passenger numbers for the period July 1, 2013 through June 30, 2014.

In the previous FY 2012-13 chart, Southwest had 53.8% of the passengers, United had 12.0%, American had 11.5%, US Airways had 8.2%, Delta had 7.6%, and Horizon had 6.5%. While one airline having such a large share of the passenger traffic might be a concern, Southwest is one of the most stable and financially strong airlines in today's challenging air travel market.

RTIA also has strong representation from all three global alliances. An airline alliance is an agreement between two or more airlines to cooperate on a substantial level. The three largest passenger airline alliances are Star Alliance, SkyTeam, and Oneworld.

In FY 2013-14, the loss of market share by Southwest is primarily due to eliminating non-stop service to the Oakland, Portland, Salt Lake City and Seattle markets.

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Annual Air Carrier Operations



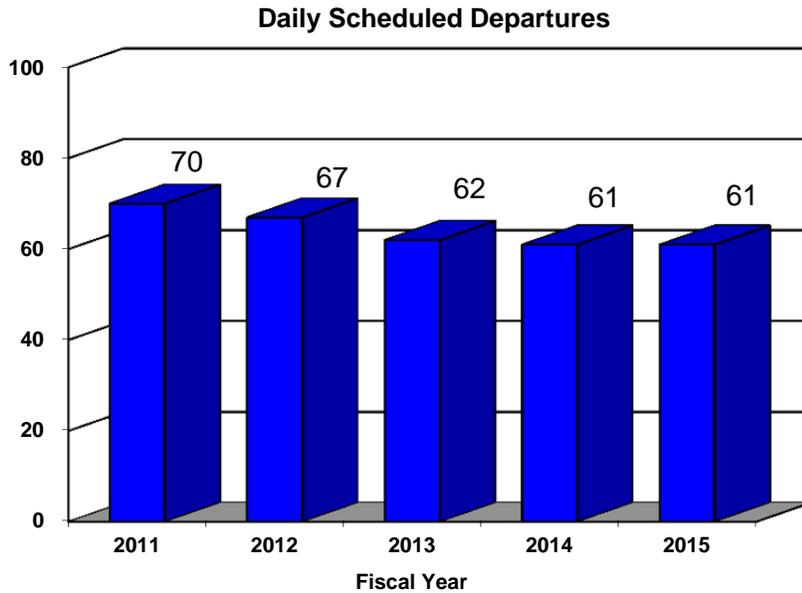
An operation is the term used to describe an aircraft landing or taking off. Scheduled annual operations are the landings and takeoffs of the scheduled airline flights for an entire year. Operations are projected to increase to approximately 37,800 operations, a 0.6% decrease in the Fiscal Year 2014-15 Budget as compared to the adopted Budget for Fiscal Year 2013-14.

This modest decrease is due to reductions, primarily by Southwest Airlines, in the number of flights to Portland and Seattle effective June 7, 2014. This decreased service is partially offset by additional service by Alaska Airlines with smaller aircraft and a potential new entrant to the market.

This activity amount does not include scheduled cargo service or other non-scheduled operations at the airport such as charter flights, military, or general aviation.

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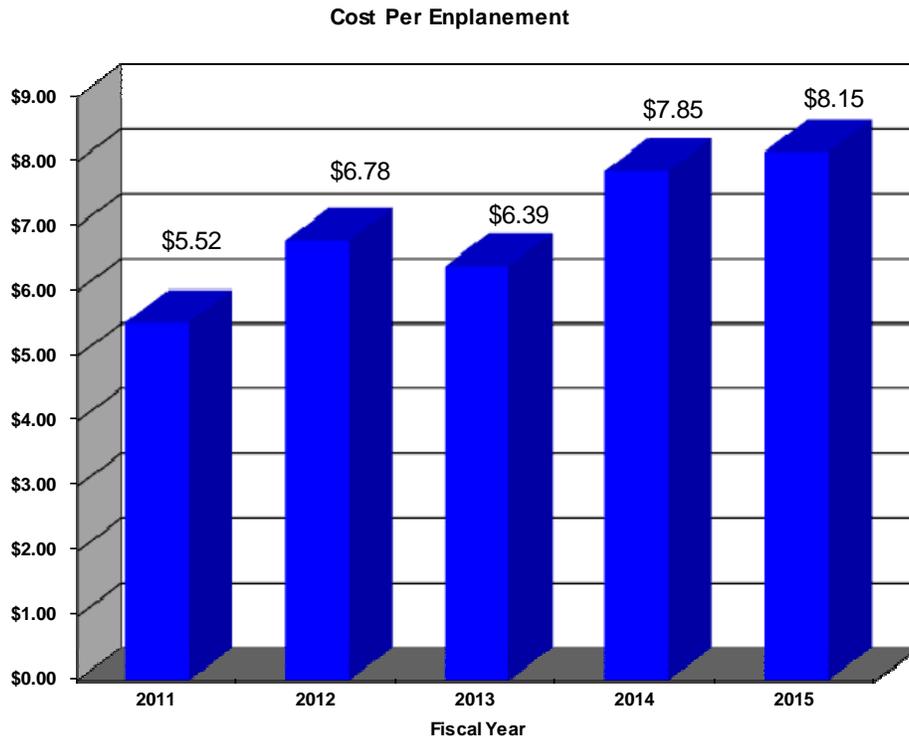
Daily Scheduled Departures



This graph shows the average number of flights departing the RTIA each day in the month of June. For FY 2014-15, the forecasted average daily flights are forecasted to remain flat at 61. The consistent range of 61 to 62 average daily flights over the past two years and the forecast for FY 2014-15 shows growing stability in the regional economy and enhanced airline profitability in our market.

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Cost Per Enplaned Passenger



The cost per enplaned passenger ratio measures the airport related costs paid by the airlines for each enplaned passenger flown from an airport. The airport costs incurred by an airline are landing fees and terminal building rents. While an airline's airport costs are a small portion of the airline's operating costs when compared to labor, fuel, and debt service, RTAA works hard to minimize the cost per enplanement to encourage airlines to serve the Northern Nevada market.

The RTAA has been successful in keeping this cost relatively stable despite the increasing costs of operating the airport and lower traffic levels during this period.

With the new airline agreement effect on July 1, 2010, the Authority and airlines negotiated significant steps in FY 2011 to mitigate the combination of lower passenger traffic and the last year of debt service associated with the Series 2003 Airport Revenue Refunding Bonds. This included the defeasance of \$4.4 million of debt service included in the airline cost centers and the allocation of the Authority's profit sharing of approximately \$1.5 million to offset terminal rents. Without these steps, the airline cost per enplaned passenger in FY 2011 would have registered \$7.39.

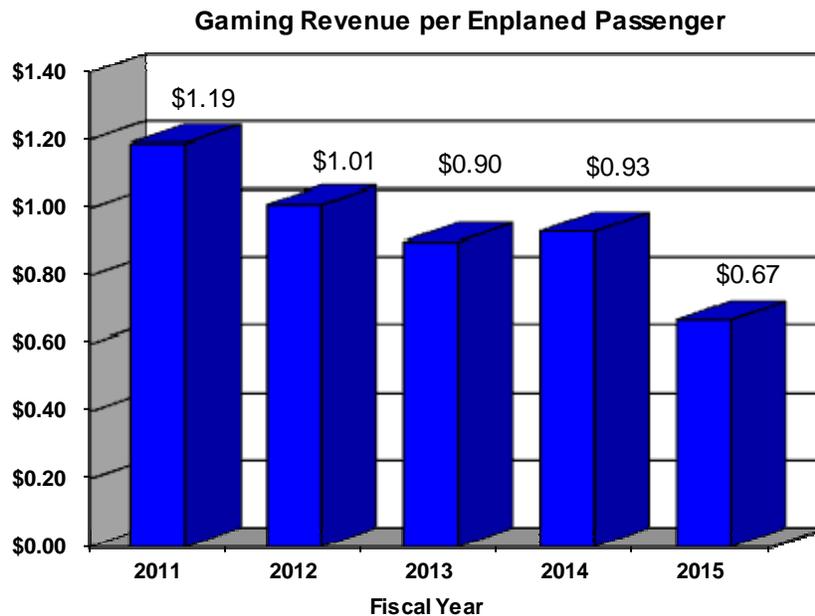
In return, the new airline agreement modified the rate setting methodology to provide for greater upfront recovery of terminal building costs from the airlines prior to the 50 /50 % profit sharing.

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Concession Revenue Per Enplaned Passenger

Concession revenue per enplaned passenger is a measure of concessionaire’s ability to generate revenue from passengers using RTIA’s terminal facilities. This ratio allows staff to compare the performance from year to year and between airports. The following sections outline the main concession revenues of the RTAA as presented in a per enplaned passenger format.

Gaming Concession Revenue per Enplaned Passenger

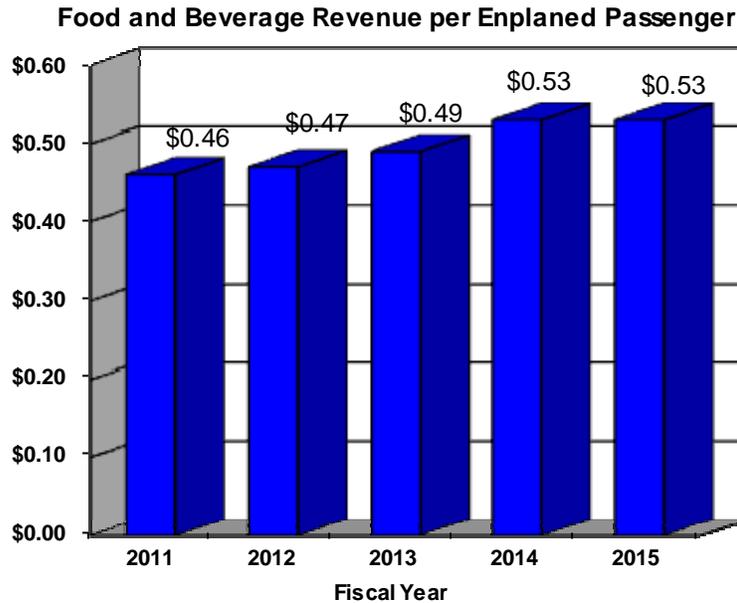


Few other airports have gaming revenues to compare. The gaming revenues are budgeted at \$1.13 million for FY 2014-15 and are projected to be \$1.56 million for the current year, FY 2013-14.

The decreasing revenue per enplaned passenger is primarily due to an increase in business travelers, who typically are not heavy users of gaming, and the continuing impact of the economic downturn on leisure passenger’s disposable income.

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Food and Beverage Concession Revenue per Enplaned Passenger



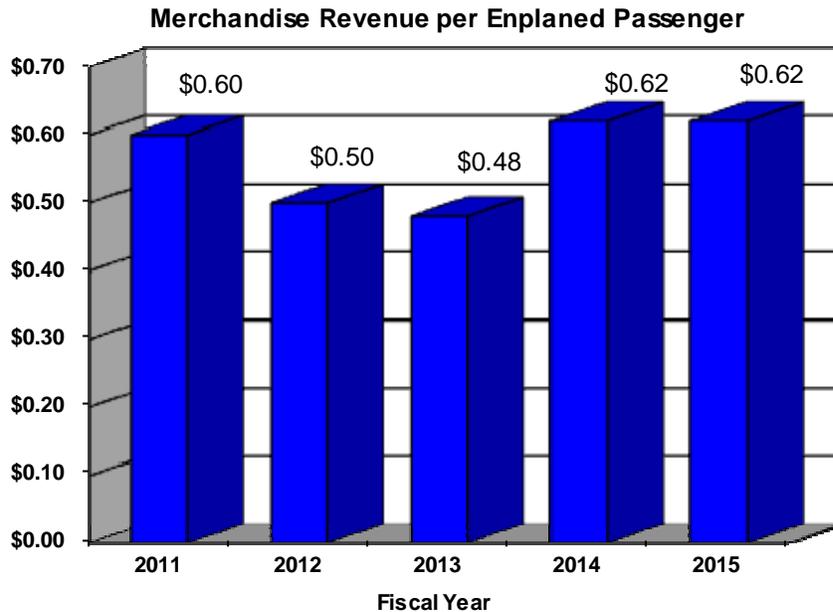
The food and beverage concession agreement currently pays the Authority the greater of a minimum guaranteed amount or a percentage of gross revenues. Per the existing contract with SSP America, the minimum annual guarantee amount is set annually at 85% of prior year's payments, or \$885,800, whichever is greater.

With the completion of the Airport Gateway Program all the concessionaires are fully operational with an expanded variety of dining options available with the addition of new restaurants post security, such as McDonalds, Timber Ridge and Wild Garlic Pizza.

Food and Beverage revenues are budgeted at the \$885,800 minimum annual guarantee, resulting in \$0.53 revenue per enplaned passenger.

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Merchandise Concession Revenue per Enplaned Passenger



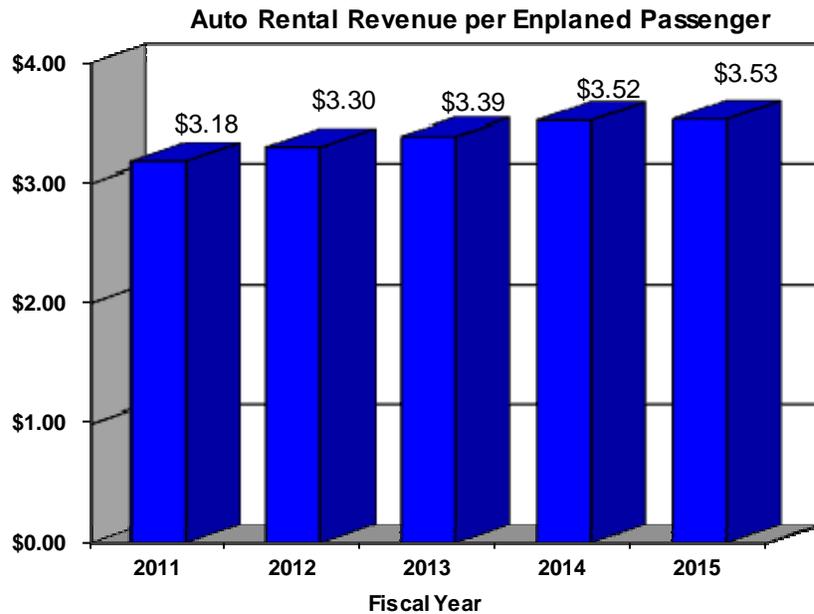
The merchandise concession stores have furnishings that would fit in any upscale shopping mall. There are four new post security stores, branded as the High Mountain Market, include Brighton Collectibles, No Boundaries (an outdoor apparel store), In Motion (a high tech electronics shop), and CNBC (news and gifts). These new stores are primarily responsible for the improvement from FY 2013 to FY 2015.

The concession agreement awarded to The Paradies Shops calls for payment to the RTAA of a percentage of revenues ranging from 12% to 23% depending on product type or a minimum annual guarantee (MAG), which is 85% of previous year's payments but not less than \$901,000, whichever is greater.

For the new fiscal year, revenues are expected to be \$1,035,400. This is a slight decrease of 0.6% as compared to the FY 2013-14 Budget and 2.7% increase above the FY 2013-14 projected revenues.

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Rental Car Concession Revenue per Enplaned Passenger



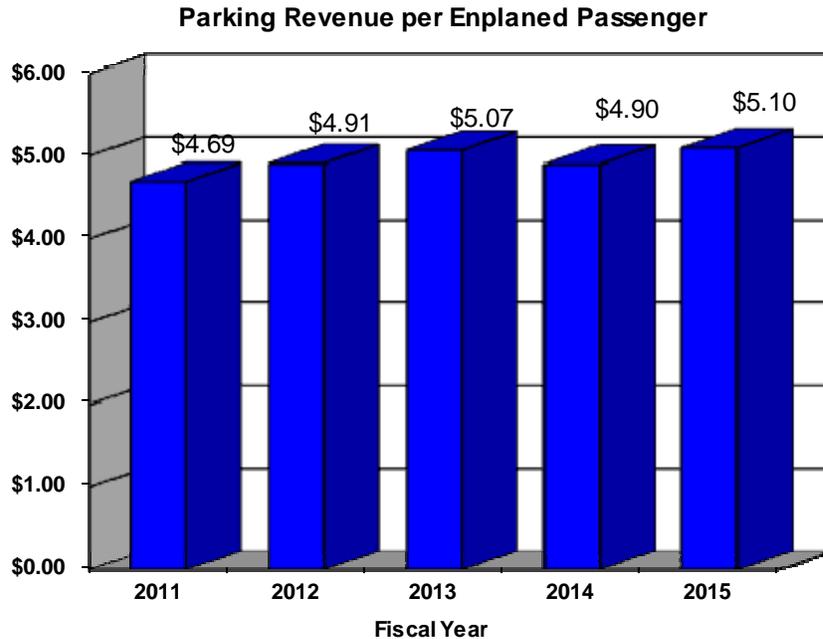
There are six airport car rental companies operating at RTIA, which offer nine distinct brands. The rental car graph above shows a historically stable revenue trend.

Effective July 1, 2010, the rental car companies bid for the right to operate on-airport for a period of five years under a new agreement. Authority revenues are the greater of the minimum annual guarantee or 10% of gross receipts earned by companies.

With the FY 2014-15 budgeted passenger traffic virtually the same as last year's budget, rental car revenues are forecasted to \$5,879,900, a 0.1% increase above the FY 2013-14 budgeted revenue. The FY 2014-15 approved budget is 2.2% or \$126,100 above the FY 2013-14 updated forecast. Revenues per enplaned passenger are going from \$3.52 to \$3.53.

**Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 10 – Supplemental Data**

Parking Revenue per Enplaned Passenger



Total auto parking and ground transportation revenues of \$8,504,900 are budgeted to increase 3.9% above the prior year budget. The increase in revenue from last year's budget is primarily due to an increase in revenues per enplaned passenger reflecting higher parking utilization by the traveling public and improvements in the regional economy. The Authority has not implemented a parking rate increase since January, 2009.

Auto parking and ground transportation represents 29.6% of the RTAA's total budgeted non-airline operating revenues.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 10 – Supplemental Data

RENO-TAHOE AIRPORT AUTHORITY
POPULATION IN AIR TRADE AREA
FOR THE CALENDAR YEARS 2003-2012
(unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Nevada										
<u>County</u>										
Churchill	24,241	24,289	24,556	25,036	24,891	24,896	24,897	24,877	24,637	24,375
Douglas	44,170	45,933	47,017	45,909	45,406	45,180	45,464	46,997	46,886	46,996
Humboldt	16,562	16,863	17,129	17,446	17,523	17,763	18,260	16,528	16,735	17,048
Lyon	40,290	43,336	47,515	51,231	52,479	53,022	52,641	51,980	51,871	51,327
Pershing	6,446	6,396	6,360	6,414	6,376	6,291	6,286	6,753	6,734	6,749
Storey	3,541	3,731	4,074	4,132	4,193	4,341	4,441	4,010	3,896	3,935
Washoe	371,062	380,612	389,872	396,428	406,079	410,443	414,820	421,407	425,710	429,908
Carson City	55,269	55,926	56,062	55,289	54,939	54,867	55,176	55,274	55,439	54,838
Subtotal	561,581	577,086	592,585	601,885	611,886	616,803	621,985	627,826	631,908	635,176
California										
<u>County</u>										
Alpine	1,188	1,197	1,159	1,180	1,145	1,061	1,041	1,175	1,102	1,129
El Dorado	169,119	172,723	176,841	178,066	175,689	176,075	178,447	181,058	180,938	180,561
Lassen	34,114	34,606	34,751	34,715	35,031	34,574	34,473	34,895	34,200	33,658
Mono	12,832	12,687	12,509	12,754	12,801	12,774	12,927	14,202	14,309	14,348
Nevada	96,235	97,447	98,394	98,764	97,027	97,118	97,751	98,764	98,612	98,292
Placer	293,457	306,305	317,028	326,242	332,920	341,945	348,552	348,432	357,138	361,682
Plumas	21,185	21,328	21,477	21,263	20,615	20,275	20,122	20,007	19,765	19,399
Sierra	3,542	3,486	3,434	3,455	3,328	3,263	3,174	3,240	3,113	3,086
Subtotal	631,672	649,779	665,593	676,439	678,556	687,085	696,487	701,773	709,177	712,155
Total	1,193,253	1,226,865	1,258,178	1,278,324	1,290,442	1,303,888	1,318,472	1,329,599	1,341,085	1,347,331
Percentage increase	2.89%	2.82%	2.55%	1.60%	0.95%	1.04%	1.12%	0.84%	0.86%	0.47%
Unemployment rate										
Washoe County	4.7%	4.2%	3.9%	4.0%	4.4%	11.8%	13.6%	13.0%	11.9%	11.9%

Source: U.S. Department of Commerce, Bureau of the Census and Economagic.com.

Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET
 Section 10 – Supplemental Data

 Nevada Statewide 2014 Industrial Employment				
Estimates in thousands	June 2014	June 2013	Change	% Change
Total All Industries	1220.4	1165.7	54.70	4.7%
Goods Producing	118.7	110.2	8.5	7.7%
Natural Resources & Mining	15.0	16.9	-1.9	-11.2%
Construction	62.1	53.4	8.7	16.3%
Manufacturing	41.6	39.9	1.7	4.3%
Services Producing	1101.4	1055.5	45.9	4.3%
Private Service Providing	950.0	905.1	44.9	5.0%
Trade, Transportation & Utilities	229.9	221.9	8.0	3.6%
Information	12.6	12.6	0.0	0.0%
Financial Activities	57.7	55.5	2.2	4.0%
Professional & Business Services	161.0	144.7	16.3	11.3%
Education and Health Services	116.2	110.3	5.9	5.3%
Leisure and Hospitality	335.1	326.2	8.9	2.7%
Other Services	34.4	33.9	0.5	1.5%
Government	154.5	150.4	4.1	2.7%
Detail may not add due to rounding. This report reflects non-ag employment by place of work. It does not necessarily coincide with labor force concept. Includes multiple jobholders.				
Information compiled by DETR's Research & Analysis Bureau				

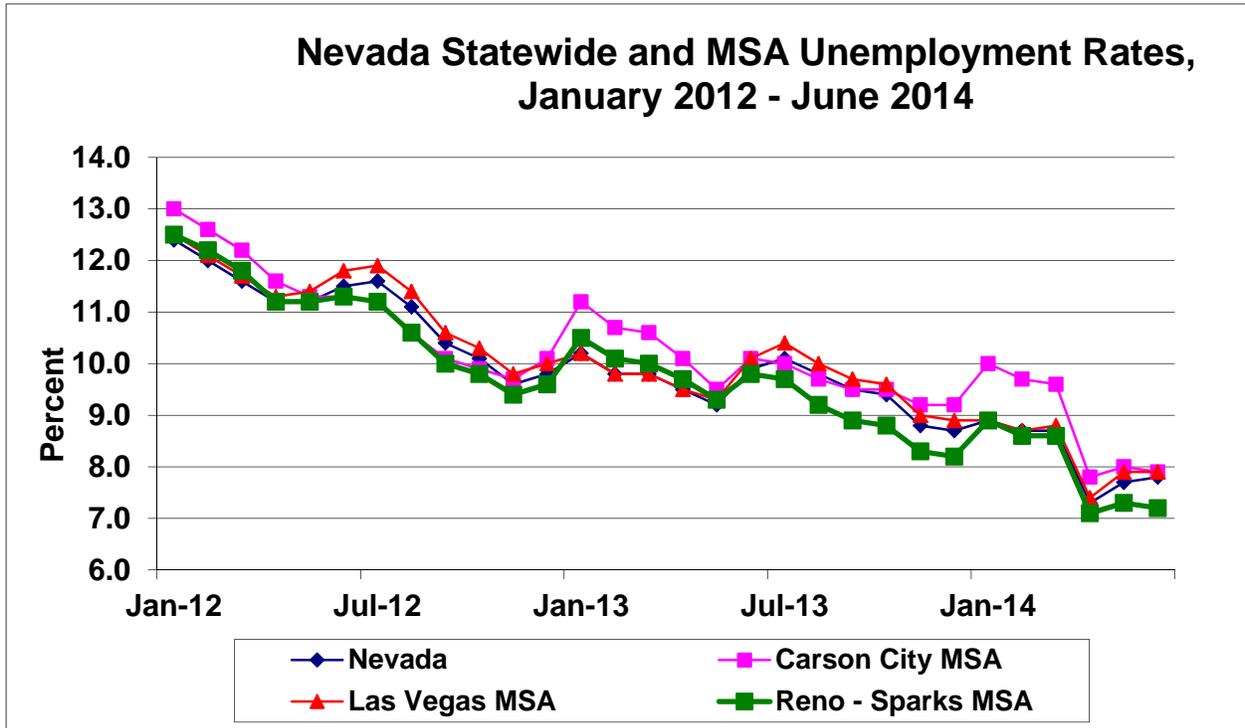
Employment Statistics

The table above demonstrates Nevada's diversified economy. Continuing diversification of the local economy will help reduce the impact of any future economic downturns and reduce the dependence on gaming as Native American gaming increases in the states surrounding Nevada. The chart above shows that employment in the largest sector of the economy, Leisure and Hospitality has shown a 2.7% increase in employment in June 2014 as compared to June 2013.

In addition, construction, manufacturing, trade/transportation/utilities, financial activities, professional & business services, education and health services, and government also registered employment increases. During the past year, the only section of employment that registered lower hiring was natural resources and mining.

**Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET
 Section 10 – Supplemental Data**

Unemployment Statistics



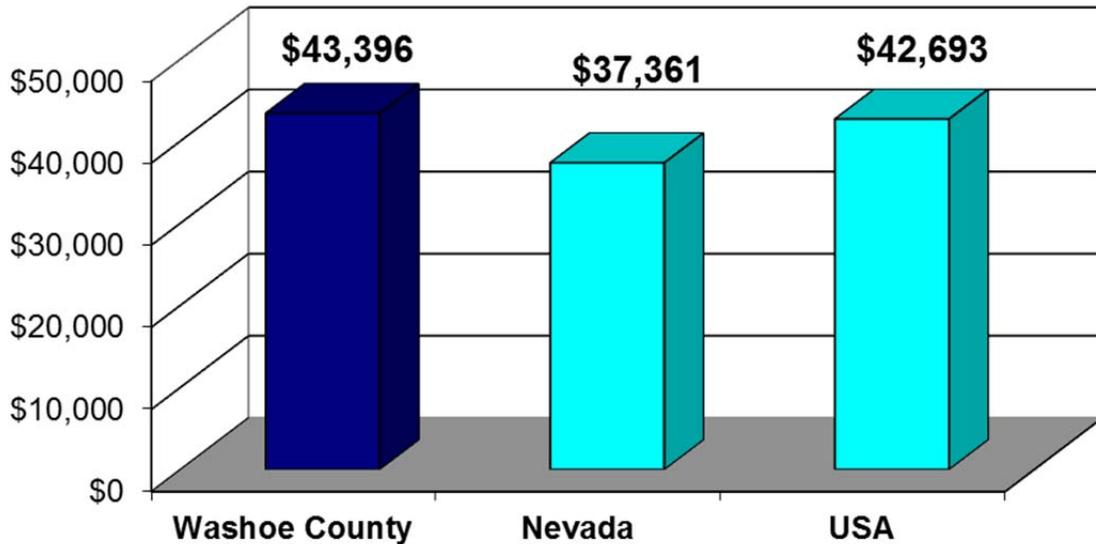
Source: Nevada Department of Employment, Training and Rehabilitation

This graph shows the Reno-Tahoe area unemployment rate of 7.2% in June 2014 as compared to the rest of the state. The Reno - Sparks MSA is usually below not only the Las Vegas statistics for Southern Nevada, but also the state as a whole. During the past year, the Reno-Sparks unemployment rate has continued to drop significantly with the rate at 9.8% in June 2013 and 14.1% in June 2010, the height of the economic recession

The nationwide unemployment rate at the end of June 2014 registered 6.3% as reported by the Bureau of Labor Statistics.

**Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 10 – Supplemental Data**

Per Capita Personal Income



Source: U.S. Department of Commerce – Bureau of Economic Analysis
www.bea.gov/Regional/Reis

Per Capita Personal Income

Another aspect of Reno-Tahoe area employment is Per Capita Personal Income. As the latest data available as of 2012 demonstrates, the Reno-Tahoe service area of Washoe County, Nevada not only has a higher per capita personal income than the state in general, but also a higher level than the national average per capita personal income level.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 10 – Supplemental Data

RENO-TAHOE AIRPORT AUTHORITY
 PRINCIPAL EMPLOYERS WITHIN AIR TRADE AREA
 FOR THE CALENDAR YEARS ENDED 2013 AND 2004
 (unaudited)

Employer	Calendar year 2013		Calendar year 2004	
	Rank	Employees	Rank	Employees
Washoe County School District	1	8,000-8,499	1	6,500-7,000
University of Nevada-Reno	2	4,000-4,499	2	2,500-2,999
Renown Regional Medical Center	3	2,500-2,999	6	2,000-2,499
Washoe County	4	2,000-2,499	4	2,500-2,999
Peppermill Hotel Casino-Reno	5	2,000-2,499		
International Game Technology	6	2,000-2,499		
Silver Legacy Resort Casino	7	1,500-1,999	5	2,500-2,999
Atlantis Casino Resort	8	1,500-1,999		
City of Reno	9	1,000-1,499		
Grand Sierra Resort & Casino	10	1,000-1,499	3	2,500-2,999
Eldorado Hotel & Casino	11	1,000-1,499	7	2,000-2,499
St. Mary's Hospital	12	1,500-1,999		
Sierra Nevada HealthCare	13	1,000-1,499		
Integrity Staffing Solutions	14	1,000-1,499		
United Parcel Service	15	1,000-1,499		
Sparks Nugget			8	2,000-2,499
Circus Circus			9	2,000-2,499
Harrah's Reno			10	2,000-2,499

Each of the years reflect respective 4th quarter (December) information. Nevada Revised Statute Chapter 612 stipulates that actual employment for individual employers may not be published.

Source: Nevada Department of Employment, Training and Rehabilitation, Division of Labor Marketing.
 nevadaworkforce.com

**Reno-Tahoe Airport Authority
 FY 2014-15
 ANNUAL BUDGET
 Section 10 – Supplemental Data**

RENO-TAHOE AIRPORT AUTHORITY
 FORTUNE 100 COMPANIES WITHIN AIR TRADE AREA
 FISCAL YEAR ENDED 2013

Ranking	Company	Ranking	Company
1	Wal-Mart Stores	50	Pepsico
4	General Electric	51	MetLife
5	Bank of America	52	Safeway
7	AT&T	55	Sysco
12	Citigroup	56	Apple
13	Verizon Communications	58	Cisco Systems
15	General Motors	60	FedEx
17	Cardinal Health	64	New York Life Insurance
18	CVS Caremark	66	Caterpillar
19	Wells Fargo	67	Sprint Nextel
20	IBM	68	Allstate
24	AmerisourceBergen	70	Morgan Stanley
25	Costco	71	Liberty Mutual
29	Home Depot	72	Coca Cola
30	Target	74	Honeywell
32	Walgreen	83	Johnson Controls
34	Microsoft	85	Merck
40	Pfizer	88	American Express
42	Lowe's	89	Rite Aid
43	United Parcel Services	97	Hartford Financial Services
45	Best Buy	100	Amazon

Forty-two Fortune 100 companies have a significant presence in northern Nevada. These companies represent a range of top multi-national brands that have chosen to do business in Reno/Sparks/Lake Tahoe.

Source: Economic Development Authority of Western Nevada.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 10 – Supplemental Data

Domestic Airline Passengers

**Table 2. Total System wide (Domestic and International)
 Scheduled Enplanements on U.S. Airlines**
 Passenger numbers in millions (000,000)

	2012	2013	2012- 2013 Pct. Change	2014	2013- 2014 Pct. Change
January	54.4	55.3	1.7	55.8	0.8
February	53.1	52.5	-1.2	52.4	-0.1
March	64.5	65.1	1.0	66.4	2.0
April	61.5	61.0	-0.8	63.1	3.4
May	63.7	64.8	1.7		
June	66.6	67.1	0.7		
July	69.2	69.2	0.0		
August	67.8	67.7	0.0		
September	57.4	58.2	1.3		
October	60.9	62.1	2.0		
November	58.7	57.6	-2.0		
December	58.9	62.5	6.1		
4 Mo. Total	233.5	233.9	0.2	237.7	1.6
Yr. Total	736.7	743.1	0.9		

Source: Bureau of Transportation Statistics, T-100 Market

Note: Percent changes based on numbers prior to rounding.

http://www.bts.gov/press_releases/airline_traffic_data.html

The table above lists the last two calendar years of domestic airline passenger enplanements for the United States. The national statistics mirror the two annual passenger peaks that occur in March/April and July/August each year. The busiest day in the air travel industry occurs during the Thanksgiving holiday, but November is not a peak air travel month.

Reno-Tahoe Airport Authority
FY 2014-15
ANNUAL BUDGET
Section 10 – Supplemental Data

Airline Profitability

Table 2. Quarterly Large Airline System wide (Domestic + International) Net Income
Ranked by 1Q 2014 Operating Revenue
(millions of dollars)

Rank	Airline	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Dollar Change 1Q2013- 1Q2014
1	United	-362	484	377	154	-580	-219
2	Delta	7	689	1,372	8,482	218	211
3	American	-253	228	290	-1,791	401	654
4	Southwest	59	224	259	213	152	94
5	US Airways	69	325	220	-130	126	57
6	JetBlue	14	36	71	47	-1	-15
7	Alaska	34	102	285	76	93	59
8	Hawaiian	-14	15	43	19	-3	11
9	SkyWest	14	25	30	18	7	-7
10	Spirit	27	37	54	43	60	33
10-Carrier Total		-405	2,165	3,002	7,131	474	879
All Passenger Airlines		-392	2,269	3,165	7,346	507	900

Source: Bureau of Transportation Statistics, Form 41; Schedule P1.2

This table lists the latest quarterly operating profit for the Largest Scheduled Passenger Airlines for the most recent five quarters ending with the 1st Quarter of 2014.

The top 10 airlines based on operating revenue reported an after-tax net profit of \$474 million in the first quarter of 2014, down from a profit of \$7.1 billion in the fourth quarter of 2013 and up from a loss of \$405 million in the first quarter of 2013. These airlines carried 77.9% of US airlines' scheduled service passengers in the first quarter of 2014 and accounted for 93.5% of the scheduled passenger airline after-tax net profit.

In addition to the after-tax net income reports, the 10 top airlines reported a \$1.6 billion pre-tax operating profit in the first quarter of 2014, down from a profit of \$2.2 billion in the fourth quarter of 2013 and up from the \$495 million pre-tax operating profit in the first quarter of 2013.

RTAA's largest carrier, Southwest Airlines, has recorded an operating profit in each of the past five quarters.

Section 11 – State of Nevada Budget Format



STATE OF NEVADA
DEPARTMENT OF TAXATION

Web Site: http://tax.state.nv.us
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

BRIAN SANDOVAL
Governor
ROBERT R. BARENGO
Chair, Nevada Tax Commission
CHRISTOPHER G. NIELSEN
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7921

Reno-Tahoe Airport Authority herewith submits the FINAL budget for the
fiscal year ending June 30, 2015

This budget contains 0 funds, including Debt Service, requiring property tax revenues totaling \$ 0

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits,
the tax rate will be increased by an amount not to exceed 0 If the final computation requires, the tax rate will be
lowered.

This budget contains 0 governmental fund types with estimated expenditures of \$ 0 and
1 proprietary fund with estimated expenses of \$ 79,781,656

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local
Government Budget and Finance Act).

CERTIFICATION

I Richard G. Gorman
(Printed Name)
Chief Financial Officer
(Title)

certify that all applicable funds and financial
operations of this Local Government are
listed herein

Signed Richard G. Gorman

Dated: May 15, 2014

APPROVED BY THE GOVERNING BOARD

Robert M. Jordan
Alyson
Thomas E.
W. B.
Karl
Alan R.
[Signatures]

SCHEDULED PUBLIC HEARING:

Date and Time 5/15/14 - 9 AM

Publication Date 5/5/2014

Place: Reno Tahoe Airport Authority - Board Room

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 06/30/13	ESTIMATED CURRENT YEAR ENDING 06/30/14	BUDGET YEAR ENDING 06/30/15
General Government			
Judicial			
Public Safety			
Public Works			
Sanitation			
Health			
Welfare			
Culture and Recreation			
Community Support			
TOTAL GENERAL GOVERNMENT			
Utilities			
Hospitals			
Transit Systems			
Airports	249.0	268.5	270.5
Other			
TOTAL	249.0	268.5	270.5

POPULATION (AS OF JULY 1)			432,324
SOURCE OF POPULATION ESTIMATE*			
Assessed Valuation (Secured and Unsecured Only)			
Net Proceeds of Mines			
TOTAL ASSESSED VALUE			
TAX RATE			
General Fund			
Special Revenue Funds			
Capital Projects Funds			
Debt Service Funds			
Enterprise Fund			
Other			
TOTAL TAX RATE			

* Use the population certified by the state in March each year. Small districts may use a number developed per the instructions (page 6) or the best information available.

RENO-TAHOE AIRPORT AUTHORITY
(Local Government)

SCHEDULE S-2 - STATISTICAL DATA

PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/15	
	ACTUAL PRIOR YEAR ENDING 6/30/2013	ESTIMATED CURRENT YEAR ENDING 6/30/2014	TENTATIVE APPROVED	FINAL APPROVED
OPERATING REVENUE				
Landing and Aircraft Fees	\$ 7,380,804	\$ 7,583,043	\$ 7,885,149	\$ 7,910,152
Gaming Concession	1,572,532	1,291,300	1,316,700	1,125,400
Food & Beverage Concession	854,770	885,800	885,800	885,800
Merchandise Concession	839,386	1,008,400	1,035,400	1,035,400
Auto Rental Concession	5,962,655	5,753,800	5,879,900	5,879,900
Parking/Traffic Control	8,914,030	8,390,200	8,504,900	8,504,900
Rents	11,967,776	14,143,000	14,297,900	14,567,400
Other Concessions/Misc.	3,920,921	3,803,153	4,041,216	3,818,826
Total Operating Revenue	\$ 41,412,874	\$ 42,858,696	\$ 43,846,965	\$ 43,727,778
OPERATING EXPENSE				
Personnel Services	\$ 23,255,693	\$ 24,598,873	\$ 25,700,565	\$ 25,771,165
Utilities and Communications	\$ 2,559,355	2,884,685	2,861,200	2,862,700
Purchased Services	\$ 4,588,047	5,238,962	5,689,235	5,627,235
Materials and Supplies	\$ 1,850,565	1,815,495	1,905,619	1,905,619
Administrative Expenses	\$ 2,273,581	2,492,765	2,403,054	2,403,054
Depreciation/Amortization	33,189,676	36,500,000	39,875,000	39,875,000
Total Operating Expense	\$ 67,716,917	\$ 73,530,780	\$ 78,434,673	\$ 78,444,773
Operating Income or (Loss)	(26,304,043)	(30,672,084)	(34,587,708)	(34,716,995)
NONOPERATING REVENUES				
Interest Earned	67,781	183,300	157,100	157,800
Jet Fuel Tax Revenue	276,338	280,500	284,700	284,700
PFC Revenues (Passenger Facility Chg.)	6,453,403	6,151,600	6,232,900	6,232,600
Gain (Loss) on sale of capital assets	32,003	-	81,300	81,300
Customer Facility Charge	1,088,981	1,133,800	1,148,400	1,148,400
Total Nonoperating Revenues	7,918,506	7,749,200	7,904,400	7,904,800
NONOPERATING EXPENSES				
Interest Expense	1,460,898	1,541,523	1,336,883	1,336,883
Reclamation Expense	-	-	-	-
Total Nonoperating Expenses	1,460,898	1,541,523	1,336,883	1,336,883
Net Income before Operating Transfers	(19,846,435)	(24,464,407)	(28,020,191)	(28,149,078)
Operating Transfers (Schedule T)				
In				
Out				
Net Operating Transfers	0	0	0	0
NET INCOME	(19,846,435)	(24,464,407)	(28,020,191)	(28,149,078)

RENO-TAHOE AIRPORT AUTHORITY
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET INCOME

FUND AIRPORTS

PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/15	
	ACTUAL PRIOR YEAR ENDING 6/30/2013	ESTIMATED CURRENT YEAR ENDING 6/30/2014	TENTATIVE APPROVED	FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (26,304,043)	\$ (30,672,084)	\$ (34,587,708)	\$ (34,716,995)
Depreciation/Amortization	33,189,676	36,500,000	39,875,000	39,875,000
Provision for Bad Debt	-	-	-	-
Loss on Sale of Property and Equipment	-	-	-	-
Changes in Current Assets and Liabilities	919,205	500,000	500,000	500,000
a. Net cash provided by (or used for) operating activities	7,804,838	6,327,916	5,787,292	5,658,005
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Jet Fuel Tax Revenue	276,338	280,500	284,700	284,700
b. Net cash provided by (or used for) non capital financing activities	276,338	280,500	284,700	284,700
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Federal Grant Proceeds	13,600,562	13,194,490	14,859,153	14,859,153
Proceeds from sale of Capital Assets	23,533	-	-	-
Customer Facility Charge Revenue	1,088,981	1,133,800	1,148,400	1,148,400
Acq. & Const. of Capital Assets	(37,966,576)	(27,414,003)	(23,756,331)	(23,942,331)
Principal/Interest Payments	(5,205,418)	(6,661,523)	(8,569,883)	(8,569,883)
Receipts of PFC Revenue	6,453,403	6,151,600	6,232,900	6,232,600
Subordinate Revenue Notes	5,350,000	-	-	-
c. Net cash by (or used for) capital and related financing activities	(16,655,515)	(13,595,635)	(10,085,760)	(10,272,060)
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Receipt of Interest	75,532	183,300	157,100	\$157,800
Purchase/Sale of Investments	6,178,703	3,500,000	3,500,000	3,750,000
d. Net cash provided by (or used in) investing activities	6,254,235	3,683,300	3,657,100	3,907,800
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	(2,320,104)	(3,303,919)	(356,668)	(421,555)
CASH AND CASH EQUIVALENTS AT JULY 1, 20XX	22,047,774	19,727,670	16,423,751	16,423,751
CASH AND CASH EQUIVALENTS AT AT JUNE 30, 20XX	\$ 19,727,670	\$ 16,423,751	\$ 16,067,083	\$ 16,002,196

RENO-TAHOE AIRPORT AUTHORITY

Schedule F - 2 - Statement of Cash Flows

FUND: AIRPORTS

ALL EXISTING OR PROPOSED
GENERAL OBLIGATION BONDS, REVENUE BONDS,
MEDIUM-TERM FINANCING, CAPITAL LEASES AND
SPECIAL ASSESSMENT BONDS

* - Type
1 - General Obligation Bonds
2 - G.O. Revenue Supported Bonds
3 - G.O. Special Assessment Bonds
4 - Revenue Bonds
5 - Medium-Term Financing

6 - Medium-Term Financing - Lease Purchase
7 - Capital Leases
8 - Special Assessment Bonds
9 - Mortgages
10- Other (Specify Type)
11- Proposed (Specify Type)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
NAME OF BOND OR LOAN List and Subtotal By Fund	*	TERM	ORIGINAL AMOUNT OF ISSUE	ISSUE DATE	FINAL PAYMENT DATE	INTEREST RATE	BEGINNING OUTSTANDING BALANCE 7/1/2014	INTEREST PAYABLE	REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/15 PRINCIPAL PAYABLE	(9) + (10) TOTAL
FUND: AIRPORTS										
RTAA, AIRPORT REVENUE REFUNDING BONDS SERIES 2005	4	21	29,775,000	08/18/05	07/01/26	VARIOUS	22,360,000	1,101,300	1,420,000	2,521,300
RTAA, AIRPORT REVENUE SUBORDINATE NOTES SERIES 2011 A	4	6	15,000,000	06/01/11	06/30/17	2.75%	7,800,000	214,500	2,530,000	2,744,500
RTAA, AIRPORT REVENUE SUBORDINATE NOTES SERIES 2011 B	4	6	5,350,000	06/01/11	06/30/17	VARIOUS	1,137,000	21,083	3,283,000	3,304,083
TOTAL ALL DEBT SERVICE			\$ 50,125,000				\$ 31,297,000	\$ 1,336,883	\$ 7,233,000	\$ 8,569,883

SCHEDULE C-1 INDEBTEDNESS

RENO-TAHOE AIRPORT AUTHORITY Budget Fiscal Year 2014-15

Note: Principal payments are made on July 1 of each fiscal year. The Series 2011B Subordinate Notes are expected to be drawn on during the 2012-13 fiscal year. The budgeted Principal and Interest payment are estimates.

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Accrual Basis of Accounting – Recognizing revenue when it is earned and recognizing expenses in the period incurred, without regard to the time of receipt or payment of cash.

Aircraft Operation – The landing or take off of an aircraft.

Airline Load Factor – The percentage of seats occupied on an aircraft.

Airline Yield Per Mile – Airlines' ticket revenues for a given airport divided by the air miles flown to that airport for those tickets.

Airport Improvement Program (AIP) – A Federal Aviation Administration program periodically reauthorized by Congress which distributes the proceeds of the federal tax on airline tickets to airports through grants for eligible construction projects and land acquisition.

Airport Layout Plan (ALP) – A blue print of an airport required by the Federal Aviation Administration which shows current and future airport development.

Airside – The airfield side of an airport used by aircraft, runways, taxiways, and aircraft parking aprons.

Amortization – A term that refers either to the gradual paying off of a debit in regular installments over a period of time or to the depreciation of an asset over a period of time.

Asset – A single item of ownership having exchange value.

Automated Vehicle Identification System – An electronic system that counts vehicle entrances, exits and dwell time at a location.

Baggage Information Displays (BID) – Electronic displays to inform passengers which baggage conveyor will be used for their flight's luggage.

Balanced Budget – A budget in which receipts are equal to or greater than outlays. A further test for the RTAA is that Net Pledged Revenues must exceed 125 percent of that year's revenue bond debt service.

Bond – A security issued by a corporation or public body and usually carrying a fixed rate of interest and a set date, called the bond's maturity, for redemption of the principal.

Bond Covenant – An agreement with the bond holders, which defines, among other things, the priority of the payment of debt service in the use of revenues.

Budget – An estimate, often itemized, of expected income and expense for a given period in the future.

Capital Project – Construction projects that will have a useful life exceeding one year and a cost greater than \$5,000 and are paid under multiple invoices. These projects may be done either in-house or by an outside contractor.

Closed Circuit Television (CCTV) – Video cameras used for surveillance to maintain security and safety.

Compensatory Rate Setting – An airline rate setting method in which rates are set using the cost of operating a particular cost center without any reduction for the revenues earned in that cost center.

Competition Plan – A plan required by the FAA of large and medium hub airports at which 50 percent or more of their passengers are handled by two or fewer airlines.

Cost Centers – Geographic locations on an airport such as the airfield or terminal building used for rate setting purposes.

Cost Per Enplanement – The airlines' airport costs, landing fees and rents, divided by the total number of passengers enplaned at the airport.

CUPPS – Common Use Passenger Processing System

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CUSS – Common Use Self Service

CUTE – Common Use Terminal Equipment

Daily Departure Seats – The total of all the seats on all the scheduled airline flights leaving an airport each day.

Deplaning Passenger – An arriving passenger.

Depreciation – A non-cash expense that accounts for the value of assets which decreases over time as a result of use, age, or obsolescence.

Disadvantaged Business Enterprise (DBE) - The Department of Transportation (DOT) has had in effect for more than 20 years a policy of helping small businesses owned and controlled by socially and economically disadvantaged individuals, including minorities and women, in participating in contracting opportunities created by DOT financial assistance programs. At airports, DBE's are encouraged to participate in FAA grant funded projects.

DNL (Day-Night Average Sound Level) – This is the primary metric for aircraft noise exposure measurement required by the Federal Aviation Administration. Despite its name, DNL is not a typical average, but instead is a cumulative measure of all noise exposure during a 24-hour period. Loud events or quieter events both increase the DNL value. To reflect the added intrusiveness of noise between the nighttime hours of 10p.m. and 7 a.m., DNL counts each nighttime noise event as if it occurred 10 times.

Enplaning Passenger – A departing passenger.

Enterprise Fund – A form of accounting that utilizes a separate fund or cost center for a specific purpose. Enterprise fund expenditures are generally paid by the revenues generated within the operation of that purpose.

Expenditure – The act of expending something, especially funds; disbursement; consumption

FAR – Federal Aviation Regulations

Federal Aviation Administration (FAA) – A component of the Department of Transportation with primary responsibility for the safety of civil aviation.

Fiscal Year – A 12 month period, other than a calendar year, used for financial reporting purposes. The RTAA's fiscal year begins July 1st and ends June 30th.

Fixed Base Operator – Businesses on airports that sell fuel to private plane owners, provide aircraft parking, as well as aircraft maintenance and mechanical services.

Flight Information Displays (FID) – Electronic displays to inform passengers of the status of their flight, such as arrival time, and terminal building gate number.

FOD – Foreign Object Debris or trash on the airfield.

General Aviation (GA) – The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.

Hybrid Rate Setting – A combination of the “residual” and “compensatory” methods of airline rate calculation.

Jet Bridge – A mechanical tunnel used by passengers to pass from the terminal building to an aircraft.

Landed Weight – The maximum gross certificated landed weight of an aircraft, or all aircraft landing at an airport in a fiscal year, which is not dependent on the number of passengers on board.

Landing Fee – The rate charged by an airport to commercial aircraft operators per thousand pounds of landed weight.

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Landside – All areas of land owned and maintained by the RTAA outside of the airfield areas perimeter fence.

Majority In Interest (MII) – A method, defined in an airport’s airline agreement, of determining an airline majority for purposes of approving capital projects at airports.

Minimum Annual Guarantee (MAG) – A minimum amount to be paid by an airport concessionaire. Concessionaires pay the greater of the minimum annual guarantee or a percentage of their gross revenues.

Medium Hub Airport – Airports defined by the Federal Aviation Administration enplaning 1.6 to 4.2 million passengers.

Net Pledged Revenues – Operating Revenues less Operating Expenses pledged to pay debt service as defined in a bond covenant.

Noise Compatibility Plan – A portion of a Part 150 Study which outlines how an airport will mitigate, through aircraft operations, structural noise insulation or land acquisition, the airport noise impact within certain average noise levels.

Noise Exposure Map – A map that identifies and quantifies the noise impacted areas surrounding the airport.

Non Airline Revenue – Airport revenue earned from sources other than airlines, such as concession revenues: Merchandise, Food and Beverage, Rental Car, etc. Airports try to maximize non airline revenue to help reduce the amounts they collect from the airlines.

Non Rate Base Revenue – Revenue not included in the airline rate calculations due to provisions of a revenue bond covenant or an airline agreement.

Non Signatory Airline – Airlines that have not signed an agreement with an airport committing to rent an airport leasehold for a fixed period of time.

Part 107 – A section of the Federal Aviation Regulations having to do with an airport operator’s responsibilities for airport security.

Part 139 – A section of the Federal Aviation Regulations having to do with the certification of an airport’s airfield.

Part 150 Study – A noise study defined by a section of the Federal Aviation Regulations, that when completed, makes an airport eligible for noise insulation and related land acquisition grants. The Study produces two documents, the Noise Exposure Map and the Noise Compatibility Program.

Passenger Facility Charge (PFC) – A charge per passenger per airport levied by the airlines that is sent to the respective airport, less an \$0.12 administrative fee. The PFC may not be levied until after an airline review and FAA approval process.

Property, Plant & Equipment - Items that will have a useful life exceeding one year and a unit cost greater than \$5,000 and are paid under one invoice.

Proprietary Fund – In governmental accounting, a fund having profit and loss aspects, which under generally accepted accounting principles, must use the accrual basis rather than a modified accrual basis of accounting. The two types of proprietary funds are the Enterprise Fund and the Internal Service Fund.

Residual Rate Setting – An airline rate setting method in which rates are set using the cost of operating a particular cost center reduced by the revenues earned in that cost center.

Reno Stead Airport – RSD

Reno-Tahoe Airport Authority – RTAA

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Reno-Tahoe International Airport – RTIA

Runway Protection Zone – A zone, defined by the FAA, at each end of a runway that is to be protected from development that might affect the operation of the runway.

Security Identification Area (SIDA) – Secure areas of the airport in which identification badges are required to be displayed.

Signatory Airline – Airlines that have signed an agreement with an airport committing to rent an airport leasehold for a fixed period of time.

T Hangar – A small hangar that resembles a “T” when viewed from above. T hangars are placed next to each other, and inter locked back to back, to maximize the number that can be placed in an area which minimizes the land rental component of their cost.

Transportation Security Administration (TSA) – A component of the Department of Transportation with primary responsibility for the security of civil aviation.



Reno-Tahoe Airport Authority

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