



**Reno-Tahoe
Airport Authority**

ANNUAL BUDGET

Fiscal Year 2018-2019



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Section 1 – Introduction and Summary

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Section 1 – Introduction**



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

Airport System Overview

The Reno-Tahoe Airport Authority (RTAA) owns and operates both the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS). This FY 2018-19 Budget is the financial operation plan for both airports.

The RTAA is a quasi-municipal corporation that was created by the Nevada State Legislature in 1977 and began operation on July 1, 1978. The nine-member Board of Trustees that governs the RTAA is appointed by the City of Reno (Four (4) Trustees), City of Sparks (Two (2) Trustees), Washoe County (Two (2) Trustees) and the Reno Sparks Convention and Visitors Authority (One (1) Trustee). The RTAA is an independent entity that is not part of any state or other local government and does not use property or sales tax revenue to fund its operation.

According to the Airports Council International-North America (ACI-NA), RNO is the 65th busiest airport in the nation based on 2017 passenger activity.

RTS is a general aviation facility that is home to approximately 200 based aircraft and the famous Reno National Championship Air Races. With 5,170 acres, RTS is also part of a Public-Private Partnership with a private developer to create an airport-centric business park.

Together, these airports have over a \$3.1 billion annual economic impact on the local economy.

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

RNO is a small hub airport as defined by the FAA that served 4.128 million total passengers in FY 2017-18. RNO passengers are currently served by the following air passenger carriers: Allegiant, Alaska, American, Delta, Frontier, JetBlue, Southwest, United, and Volaris. In November 2018, Sun Country will become the 10th passenger air carrier to provide scheduled service to RNO.

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In the past year, new or additional non-stop service has been added or announced to Austin (AUS), Chicago O’ Hare (ORD), Denver (DEN), Portland (PDX), and San Jose (SJC).

RNO saw year-over-year growth in passenger numbers in Calendar Year 2017 for a third consecutive year. Prior to 2015, the previous calendar year-over-year increase was registered in 2005. RNO served 4,015,305 passengers in 2017, representing an increase of 10.0% as compared to the prior year. The last time RNO recorded four million passengers was in 2008. This increase can be attributed to the growing regional economy and the partnership with tourism, business, ski and economic development organizations all committed to attract travelers to the region.

For the six months of 2018, RNO served 2.025 million passengers, an increase of 5.9% as compared to the same period last year. In fact, the airport has experienced positive passenger growth for the past thirty-seven (37) consecutive months.

Three major air cargo carriers (DHL, FedEx, and United Parcel Service (UPS)) also serve RNO. In FY 2017-18, air cargo represented approximately eighteen percent (18%) of total RNO landed weight, which significantly lowers overall landing fee costs for all carriers.

Air cargo experienced a slight decline in lift for Calendar Year 2017. During the year, RNO handled 152.145 million pounds of air cargo, a decrease of 2.7% when compared to the record lift of 2016. In the first six months of 2018, RNO handled 71.564 million pounds of air cargo, a decrease of 5.1% as compared to the same period last year.

National and Regional Economic Outlook

National Economic Outlook

With the national economy in its tenth consecutive year of expansion, one of the longest periods of economic expansion in U.S. history, the unemployment rate fell to 4.0% in June 2018, an increase of 0.2% above the previous month's 17-year low.

The national economy began 2018 with positive momentum marked by stronger consumer spending and improving business investment. However, volatility has returned to the economy during the first six months of 2018. The major downward correction in U.S. and global equity markets in early 2018 demonstrates that while the fundamentals of the U.S. economy remain strong, there is great political and policy uncertainty going forward.

With the enactment of tax reform in December 2017, the economy received a significant economic stimulus from fiscal policy, which should boost long-term growth in the U.S. In 2018, the tax cuts, particularly for businesses and individuals in low or no tax states such as Nevada, are expected to encourage more investment and spending. The housing sector in high-tax states

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is at risk and many economists expressed concern about the effect of higher federal deficits in the long-term.

The new tax reform law also had several provisions that significantly impacted the municipal bond market and the RTAA. The new law repealed the authority to issue tax-exempt advance refunding bonds after December 31, 2017. While this currently does not impact the RTAA, the future flexibility to take advantage of lower interest rates, after the initial bond funding of any new RNO Master Plan projects, is eliminated. Advance refunding issuance has represented about 20% of total municipal bond issuance over the last several years.

While the law retains the authority to issue private activity bonds (PABs) used extensively by the RTAA to obtain tax-exempt bond funding for terminal and landside development, the Joint Tax Committee estimated that the elimination of PABs would have produced nearly \$39 billion in revenue over ten years. Several bond underwriting firms expressed concern that the temptation to use this revenue to fund other federal initiatives may put this critical funding source for airports in jeopardy.

The Trump administration has proposed \$200 billion of federal funding over a 10-year period for public infrastructure and has suggested that an additional \$1.3 trillion in spending by cities, states and the private sector investment will result. The spending would be offset by unspecified budget cuts. While many are in favor of infrastructure investment, many economists are skeptical of both the funding from budget cuts and that the federal funding will spur that much in local funding. However, it is a positive trend that a growing consensus has developed around the need to invest in infrastructure including upgrading U.S. airports.

In conjunction, the FAA in July 2018 issued “Supplemental Guidance on the Airport Improvement Program for Fiscal Years 2018-2020”, which outlined the process to distribute an additional \$1 billion in discretionary Airport Improvement Program (AIP) funding. Funding under this program is prioritized to primarily assist non-primary airports that are classified as Regional, Local, or Basic airports and not located within a Metropolitan Statistical Area or primary airports that are classified as small or nonhub airports. RNO classified as a “small hub” airport by the FAA and meets the criteria for “Priority Consideration” as defined in the statute.

The RTAA is working quickly to submit an application to request funding in FY 2019 and FY 2020 for the rehabilitation of Runway 16R/34L at RNO.

In June 2018, the Federal Reserve raised the Fed Funds rate to a range of 1.75 % to 2.00%, an increase of 0.25% from the previous rate increase in March 2018. With this latest increase, most economists anticipate that the Fed will consider increasing the rate two more times in calendar year 2018.

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The Fed Funds rate controls short-term interest rates, such as banks' prime rate, LIBOR, adjustable-rate and interest-only loans, and credit card rates. Despite these increases, interest rates still remain low and credit-worthy borrowers should continue to have access to affordable loans and mortgages. However, higher interest rates and price appreciation in real estate are never good news for home sales.

The upside of modestly higher interest rates is the positive impact on RTAA's investment earnings derived from our investment portfolio.

Despite periods of financial market volatility and political uncertainty, the U.S. economic outlook is not forecasted to change significantly and it is likely to proceed at a moderate pace. Household spending is also projected to benefit from a sturdy labor market and solid housing gains, while business investment should remain resilient because of fiscal stimulus and tax relief. The potential impact of the current imposition of new tariffs by the U.S and its trading partners on global economic growth is uncertain.

This mixed economic outlook is reflected in the RTAA's passenger traffic and revenue forecast for FY 2018-19.

Regional Economic Outlook

In 2017, Northern Nevada's recovery continued its positive momentum as the region experience economic revitalization. According to the Nevada Department of Employment, Training and Rehabilitation (DETR), Nevada's economy grew in each of the past 16 quarters with Gross Domestic Product (GDP), exceeding the national economy in six of the past nine quarters.

All of the Nevada's major sectors of employment added jobs in 2017 with construction experiencing the greatest percentage growth. Total employment grew 2.9% year-over-year with construction jobs increased 12.8% year-over-year. Job levels in Reno/Sparks stood at record-highs in December, 2017 with the unemployment rate in Washoe County at 4.5%, a decrease of 0.7% from a year ago.

Along with the other economic indicators, Nevada has the second highest population growth in the country. In March 2018, the Nevada Demographer's Office released its 2017 population estimates, which show the state has added an estimated 33,300 people to its population since 2016. This translates to a gain of 1.1 percent. Northwest Nevada grew to an estimated population of 614,400.

Statewide taxable sales increased 4.3% in the first six months of FY 2017-18 over the same period last year. December 2017 marked the 90th consecutive month of growth in Nevada's taxable sales, increasing 2.3%.

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In an interview with KTVN Channel 2 on March 1, 2018, Bill Anderson, Director of the Nevada Department of Taxation, stated "Going back over the last quarter century or so, we've never seen 90 straight months of growth. It's a very long recovery period. It's not going to last forever. We're constantly watching for any signs of a slowdown." However, Anderson says a slowdown does not appear to be on the horizon and taxable sales growth is consistent with job growth and unemployment.

One of the largest economic drivers is Tesla Motor's new \$5 billion "Gigafactory" under construction 17 miles east of Sparks. This battery manufacturing facility is estimated to generate 6,500 direct on-site jobs and 10,700 indirect jobs in the community for a total of 17,200 jobs.

In addition to the significant employment at Tesla, this project has put Northern Nevada on the national map for high tech manufacturing and data centers, software development, research and development including unmanned aircraft systems, and investors willing to finance these ventures. An additional factor is that many self-employed and entrepreneurial individuals and firms are leaving California for tax reasons and rising costs in the Bay Area.

Over the past three years, RCG Economics, the firm hired in 2015 to provide a Northern Nevada Regional Growth Forecast for the Economic Planning Indicator Committee (EPIC) and Economic Development Authority of Western Nevada (EDAWN), has plotted job and population growth in northwestern Nevada as compared to its forecast. As of December 31, 2017, actual employment growth has registered 34,163 or 9.7% between December 2014 and December 2017. This is modestly higher than the EPIC forecast of 32,941 or an increase of 9.3%.

The EPIC study is estimating over 52,400 new jobs are coming to the Reno/Sparks area between December 2014 and December 2019. This represents continued growth in the transportation, warehousing, manufacturing and advanced technology sectors.

As the local economy gathers such positive national coverage, the economic data supports an optimistic picture with continued job growth and expansion, a low unemployment rate, and an increase in median home prices.

While enjoying the benefits of this growth, our region also faces the challenges of investing in needed infrastructure (transportation, utilities and schools), building and maintaining affordable housing, attracting talent, and providing a trained workforce. As a first step, Washoe County voters approved in 2016 an increase in sales taxes to support funding of public school infrastructure.

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The following factors are forecasted to continue to positively impact the outlook for next year:

- Tesla Motors, Inc. In September 2014, Tesla Motors picked Northern Nevada as the location of the electric-car company's \$5 billion battery plant, dubbed the "Gigafactory". In cooperation with Panasonic and other strategic partners, the Gigafactory's stated goal is to produce batteries for significantly less cost using economies of scale, innovative manufacturing, reduction of waste, and the benefit of locating most of the manufacturing process in one facility. Workers are currently in the process of installing machinery Panasonic will use to process raw materials into battery cells. Tesla will then take the cells and configure them into packs for cars and other products.

In February 2017, Tesla's CEO Elon Must said the factory will have the ability to produce batteries and power train parts for as many as 1 million vehicles annually, a huge increase from the approximately 25,000 vehicles the company produced in 2016.

In addition, Tesla is launching a new product line of large batteries that store energy in homes and even larger batteries that do the same for utilities and businesses. The idea is to pair the new Tesla products with solar panels, either on the rooftops of homes or in large-scale solar farms, which will store excess energy generated during the day so that it can be used at night at no cost (Powerwall and Powerpacks). Battery production at the "Gigafactory" is about more than cars.

With Tesla's mission to transition to sustainable transportation, the company has a planned production rate of 500,000 relatively inexpensive cars (Model 3) per year. According to EDawn, Tesla is on track to employ 6,500 people by the end of 2018 with eventually as many as 10,000 employees. The Gigafactory currently has in production Model 3 Battery and Drive Units and Powerwall and Powerpacks with 29% of the operational space in production.

The economic impact of this \$5 billion, 5 million-square-foot factory goes beyond just the jobs at the plant. The additional high quality jobs has and will continue to ripple through the economy as employees and suppliers buy new homes, shop at local businesses and increase the tax base.

It is no wonder that this announcement has been called a deal that "changes the world", "a once in a generation opportunity", and was awarded the 2014 Economic Development Deal of the Year Award by Business Facilities Magazine.

- Technology / Data Center Facilities. The Union Pacific's "Overland Route" with the Interstate 80 (I-80) corridor and railroad Right-of-Ways (ROWs), which passes through Reno/Sparks, also serves as a primary east/west, state-of-the-art digital and fiber optic highway for internet traffic. The Northern Nevada region is a network access point served by six major interstate fiber-optic networks and all major long-distance carriers, including

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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. is rapidly building out its \$1 billion data center, which hosts various online services. This facility provides services such as the iTunes store, the App Store, and Apple's iCloud data storage and syncing services. Located on 345 acres approximately 11 miles east of Sparks, Apple's operations currently are comprised of 14 buildings and 412,000 square feet of space. Several sources report that Apple is now pursuing additional space at the site to power its iCloud services.

In January 2018, Apple held a groundbreaking ceremony for its new Reno warehouse, which will support the data center. The building to be located in downtown Reno's tourism improvement district (Tessera District) was a significant component of the deal associated with Apple's investment starting in 2012. By moving equipment through the district, Apple can earn the full benefit from the abatements it negotiated. The Apple data center delivers billions of iMessages, more than a billion photos and tens of millions of Facetime video calls around the world each day.

Apple's data center now spans 1.1 million square feet with employment projected to reach 100 employees. Steve Hill, the former head of the Governor's Office of Economic Development (GOED), credited Apple's arrival for the current wave of high technology businesses coming to the area. At the time of Apple's announcement in the immediate aftermath of the Great Recession, it was predicted that the economic benefits of Apple's new facility would likely multiply with other corporations likely to give Northern Nevada a closer look.

This prediction has more than come true with the opening of the SUPERNAP Data Center by Switch in the Tahoe-Reno Industrial Center (TRIC) on November 1, 2016. Named Tahoe Reno 1, the 130 megawatt facility of 1.3 million square feet of space is the first of several data center buildings planned for the project. Once completed, the campus will house seven buildings totaling 6.49 million square feet of space and is projected to be the largest data center in the world.

Unlike Apple, which builds and runs its own data centers, Switch builds data centers and leases space and equipment to its clients, who are responsible for operating and maintaining them. Switch now has more than 1,000 customers, including eBay, DreamWorks, Activision, eHarmony and Boeing. Switch is a global technology solutions company born and bred in Nevada.

The data center will be a critical link in a new fiber loop, which will extend from Los Angeles, Las Vegas, Reno/Sparks and the San Francisco Bay Area. The \$4 billion

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SUPERNAP facility will allow Switch to communicate with 50 million people, located 500 miles apart, in 14 milliseconds with both redundancy and scalability.

With the internet growing at an exponential rate, our proximity to the Bay Area and all of this data needed to be stored somewhere, TRIC and the region is strongly positioned to enjoy future data center growth and investment.

In addition, data centers are constantly replacing approximately 1/3 of their equipment every year. Much of this equipment is shipped into RNO via air cargo. With equipment costs of approximately \$10 million per megawatt, the Apple data center will be shipping approximately \$200 million per year in air cargo to refurbish its 60-megawatt facility.

In April 2017, it was also announced that another major high tech firm, Google, acquired more than 1,200 acres to potentially build a new data center facility at TRIC. While Google has not broken ground on their facility and the future plans for the site are unknown, the announcement has generated significant attention to the tremendous growth in manufacturing and technology in Northern Nevada.

In January 2018, Blockchains LLC purchased 64,000 acres or almost all of the remaining land at the TRIC. The deal leaves only 250 acres of TRIC's 104,000-acre site unsold and it also makes Blockchains the biggest developer and landowner.

Blockchains specializes in financial services, security, and software that provides a secure digital ledger or record that is typically associated with cryptocurrencies such as Bitcoin. The company's technology has a host of potential uses including improving the efficiencies, security and lack of transparency inherent in traditional business transactions such as contracts, electoral records, asset ownership reporting, and bill-paying platforms without centralized recordkeeping.

Blockchains will use 150 acres to build a new headquarters and relocate its operations from Canoga Park, CA to TRIC. While Blockchains' plans for development of the rest of TRIC land are unknown, the relocation will put the company in close proximity to the significant technology companies recently building facilities in Northern Nevada and allow them to be the center piece of an industrial/technology park rising in national significance.

- Industrial Real Estate Market. 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.

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In the report, the buildable lands inventory within Washoe County indicated the following:

- 1,200 vacant buildable acres on land with industrial zoning, which includes land zoned primarily for industrial uses
- 1,600 vacant buildable acres on land with mixed use and planned unit development (PUD) zoning that allows industrial uses, which includes mixed-use and PUD lands
- 2,400 vacant buildable acres on lands owned by the Reno-Tahoe Airport Authority (airport lands) that are planned to support industrial uses

Of these, the 2,800 acres of land zoned for industrial or mixed-use and PUD (shown in the first two bullets above) are generally considered by TMRPA as having the most development potential.

Vacant properties owned by the RTAA accounted for 37% of the vacant industrial lands in Washoe County and 60% in the City of Reno listed above. While lands owned by the RTAA are only available for long-term lease rather than sale, which may impact the location choices made by industrial businesses, the Reno-Stead Airport (RTS) can accommodate growth of businesses that need large sites.

With Reno/Sparks serving as an active distribution hub for the 11 Western states, e-commerce firms (on-line internet shopping), such as Amazon, Petco and Urban Outfitters, have chosen to locate and grow in Northern Nevada.

With available land being in short supply in the future, land at both airports, which is available for long-term commercial lease, is receiving significantly more interest from both local and national development firms.

Unmanned Aircraft Systems. The Federal Aviation Administration (FAA) selected Nevada as one of six test sites for unmanned aircraft systems (UAS) in December 2013. 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.”

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.

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With the Reno-Stead Airport (RTS) being one of the most accessible, non-military ranges in the Nevada test site, staff has been actively promoting RTS through hosting UAS demonstrations, testing, sponsoring conferences, developing industry relations, and enhancing the RTAA's website and other direct marketing materials.

In addition, the RTAA took a leadership role in support of the Governor's Office of Economic Development's (GOED) successful 2015 legislative effort to abate a portion of aircraft parts sales and use taxes. This legislation has and will continue to benefit the UAS sectors as well as existing RNO maintenance, repair and operations (MRO) tenants.

Working within an evolving and ever changing environment, the RTAA continues to work with GOED and the Nevada Institute for Autonomous Systems (NIAS) Program Management Office (PMO) to bring UAS testing to RTS. As a result, RTS has supported four separate National Aeronautical and Space Administration (NASA) tests to integrate UAS into the national airspace.

In late 2017, the FAA developed an Unmanned Aircraft System Integration Pilot Program with the goal to have state, local and tribal governments partner with private-sector drone entities to test advanced drone operations, which includes flying over populated areas at night and outside an operator's direct visual line of sight.

On May 9, 2018, the U.S. Department of Transportation announced that the City of Reno and a host of partners were selected to participate in the Unmanned Aircraft Systems Integration Pilot Program. Through a partnership with Flirtey, a premier independent drone delivery service, the approved program will focus on fast-track delivery of life saving automated external defibrillators (AEDs). The Transportation Department received more than 140 applications for 10 available spots nationwide.

The coalition lead by the City of Reno and Flirty also included the following entities: AirMap; Alpine Insurance; American Red Cross; Carson City Fire Department; City of Sparks and Sparks; FedEx; IRIS Automation; Northern Nevada Medical Center; Regional Emergency Medical Services Authority (REMSA); Reno/Sparks Indian Colony; Truckee Meadows Community College (TMCC); T-Mobile; and Washoe County.

While not directly involved with the pilot program partnership, the RTAA applauds the success of the effort, the enhanced visibility of our region as a leader in UAS and supports the program's efforts to safely integrate drones into the national airspace.

In 2016, the RTAA's President/CEO Marily Mora received an appointment to the Drone Advisory Committee (DAC) established by the FAA. This appointment was reconfirmed for an additional two year term in July 2018. This committee was formed to provide an open venue for the FAA and key decision-makers supporting the safe introduction of Unmanned

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Aircraft Systems (UAS) into the National Airspace System (NAS). In addition, the RTAA's Executive Vice President/COO Dean Schultz also serves as a member of the DAC's supporting subcommittee.

Most recently, the FAA, NASA, other federal agencies and private industry are working together on concepts of operation and data exchange requirements to enable multiple beyond visual line-of-sight operations at low altitudes. Amazon, Boeing, GE, and Google announced that they are ready to start working on the development of a private Unmanned Traffic Management (UTM) system for drones. This system will allow drones to fly a couple of hundred feet above the ground using cellular and web applications to avoid collisions and allow for remote tracking.

The FY 2018-19 Budget incorporates funding to provide operational support of UAS testing and administrative expenses to participate in the DAC committee and to continue marketing UAS development at RTS. All of this effort is focused on the ultimate goal of attracting UAS firms to locate at RTS in support of the RTAA's strategic initiative of "Revenue Growth and Diversification".

- Tourism and Convention Visitor Update

Tourism in Northern Nevada continues to strengthen and improve. According to the Reno/Sparks Convention and Visitor Authority (RSCVA), the number of visitors to our community topped the 5 million mark for the first time since 2007. The reasons for this increase include a strong US economy, a renewed effort to market the region, and the growing national profile with the arrival of companies such as Apple, Google, and Tesla.

During the first seven months of FY 2017-18 ending January 31, 2018, the taxable room rates registered \$28.175 million or 13.9% above the same period last year. Washoe County room occupancy percentages of 65.9% for the month of December 2017, an increase of 2.9% in occupancy above the same month last year,

In March 2017, Safari Club International announced its annual convention will be returning to Reno starting in 2019 for three years. The convention draws 20,000 people from 103 countries annually. The convention was last held in Reno in 2013.

Starting in 2018, Interbike, the largest annual U.S. cycling trade show, announced it has selected Reno-Tahoe as the new home for its annual trade show and the site of the newly-created Interbike Marketweek. The three-day trade show will be preceded by a two-day consumer festival and a day-and-a-half trade demo event at the Northstar California Resort at Lake Tahoe. Upon completion, the trade-only show will move to the RSCVA convention center. The week long event, which is scheduled to begin on September 14, 2018, is committed to the convention center through 2022.

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According to the RSCVA, Interbike Marketweek is expected to bring an estimated \$21 million to our region and represents the largest trade show ever booked in our community with 25,000 attendees and 1,200 cycling-related brands annually.

- Gaming Market Update

For the fiscal year ending June 30, 2017, the Gaming Control Board reported statewide gaming revenues of more than \$11.1 billion, an increase of 3.2% above the same period last year. This increase marks the sixth annual increase in the past seven fiscal years. This increase comes at a time when casinos generate more earnings from restaurants, shopping, entertainment, and room rentals than on gaming.

The most recent update has statewide gaming win at more than \$1 billion in May 2018, the fourth time total win has passed this mark in the last five month. According to the Gaming Control Board, this represent the best start to a calendar year since 2008 and, for the eleven months of FY 2017-18 ending May 31, 2018, statewide gaming win has increased 3.14% over the same period last year.

In Washoe County, gaming revenues have come up from their recession lows. In FY 2016-17, Washoe County casinos reported gaming revenues of \$797.9 million, an increase of \$12.8 million or 1.6% higher than the previous fiscal year. For the eleven months ending May 31, 2018, Washoe County total win increased approximately \$41.0 million or 5.5% compared to the same period last year.

- Skiing Market Update

Snow in the early part of the FY 2017-18 ski season was not as plentiful as the record setting total in the prior year, which ended a punishing five-year drought impacting California and Nevada. According to Inntopia in its monthly DestiMetrics market briefing, the lack of early snowfall for Tahoe-area ski resorts led to a drop-off in bookings for the remainder of the ski season.

Despite this lack of early snow, the region was blessed with large storms in February and March 2018. After below-average precipitation to start the season, the "miracle" storms resulted in one of the snowiest month of March on record. While the last snow allowed the resorts to stay open longer and extend the ski season, operators prefer to have snow early rather than late.

According to the California Ski Industry Association, ski visits at California and Nevada resorts dropped 14% in the 2017-18 season with 6.03 million visitors as compared to 7 million visitors during the 2016-17 season.

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Lake Tahoe ski resorts have made significant on-going capital improvements in excess of \$100 million over the last five seasons, which has greatly enhanced the guest experience. Improvements include upgraded snowmaking systems, new chairlifts, extensive base area renovations, and more than 30,000 square feet of new retail storefronts and restaurants planned over the next few years.

In addition, Squaw Valley has proposed sweeping development plans to invest up to \$1 billion over the next 25 years to add a new hotel, retail, restaurants, entertainment and recreational facilities in Olympic Valley to position the resort as a true four-season destination.

- Bowling Tournament Update

With the National Bowling Stadium in downtown Reno, championship bowling has always represented an important influx of visitors to our community. On January 15, 2015, the U.S. Bowling Congress, RSCVA and the City of Reno executed a contract that will keep six bowling tournaments in town through 2026.

The bowling championships will be hosted in Reno as outlined below:

FUTURE USBC CHAMPIONSHIPS CITIES		
Year	Women's Championships	Open Championships
2018	Reno	Syracuse, N.Y.
2019	Wichita, Kan.	Las Vegas
2020	Las Vegas	Reno
2021	Mobile, Ala.	Las Vegas
2022	Las Vegas	Reno
2023	Reno	Las Vegas
2024	TBD	Reno
2025	Reno	Baton Rouge, La.

Per the revised calendar, Reno recently completed hosting the 2018 Women's Championship and its more than 17,000 competing bowlers over a 74-day period that ended on July 1, 2018. With the Open Championship not returning until 2020, the absence of a bowling tournament in FY 2018-19 has been reflected in the passenger traffic activity forecast.

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Air Service Market Update

Passenger Airlines

The 2017 financial results for the 10 publicly traded U.S. airlines (Alaska Airlines, Allegiant Airlines, American Airlines, Delta Air Lines, Hawaiian Airline, JetBlue Airways, Southwest Airlines, Spirit Airlines, United Airlines and Virgin America) continues to reflect profitable operations due primarily to no significant inflation and lower fuel costs. Collectively, these airlines reported a pre-tax profit margin of 11.0% in 2017 as compared to 14.2% the previous year. This represents the eighth consecutive year of profitable financial results.

According to Airlines for America (A4A), the industry trade group, the airlines combined operating revenues in 2017 were approximately \$164.2 billion, an increase of 4.5% from \$157.1 billion in 2016.

Combined 2017 airline operating expenses totaled approximately \$143.5 billion, up 8.3% or \$11.0 billion as labor costs grew 7.1% and fuel costs grew 17.9%. While fuel costs increased as compared to the prior year, it should be noted that it decreased 17% in 2016 as compared to the prior year. Full-time equivalent (FTE) employment at U.S. passenger airlines reached over 426,100 jobs in 2017, the highest level since 2004.

A4A also reported that every U.S. flight in 2016 needed to fill 2 out of every 3 seats or 67% to avoid losing money. With load factors over the past five years ranging from 77% to 83%, a decrease of the breakeven point from 80.9% in 2012 to 68.2% in 2016 represents the improving profitability.

The improved airline cash flow in 2017 has allowed U.S. airlines to retire debt, acquire new aircraft, upgrade facilities, expand Wi-Fi, deploy more seats and reward investors. According to A4A, customers are seeing domestic seat supply at its highest level since 2005. Per the Bureau of Transportation Statistics, traffic on all U.S. airlines reached record highs in 2017 with enplaned passengers rising 3.0% to 853.7 million.

For the first quarter of 2018, U.S. airlines faced a series of challenges due to a host of winter storms, power outages, airport construction and understaffing at air traffic control towers. According to A4A, both labor and jet-fuel prices are on the rise and, despite a 7% increase in revenue, the industry saw lower profitability as compared to the first quarter in 2017. Crude oil prices are the highest level since 2014 with an increase of 60 percent in June 2018 as compared to the same period last year.

The passenger airline industry continues to go out of its way to downplay the significant improvement in financial results and is focusing its message on reminding the public that the industry remains a low-margin business.

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RNO passengers are currently served by the following air passenger carriers: Allegiant, Alaska, American, Delta, Frontier, JetBlue, Southwest, United, and Volaris. In November, 2018, Sun Country will become the 10th passenger air carrier to provide scheduled service to RNO, which is truly impressive for a community of our size.

For FY 2017-18, RNO's total passenger traffic of 4.128 million was significantly up by 8.1% as compared to the same period last year and up 6.0% as compared to the FY 2017-18 adopted budget.

Starting in June 2015, the positive economic winds and cumulative efforts of the community and RTAA staff continue to be rewarded with RNO registering thirty-seven (37) month-over-month increases in passenger traffic as compared to the prior year.

For the six months of 2018 ending June 30, 2018, enplaned passengers are 1.013 million, a 6.0% increase as compared to the same period last year.

This significant increase reflects the impact of the following new air service:

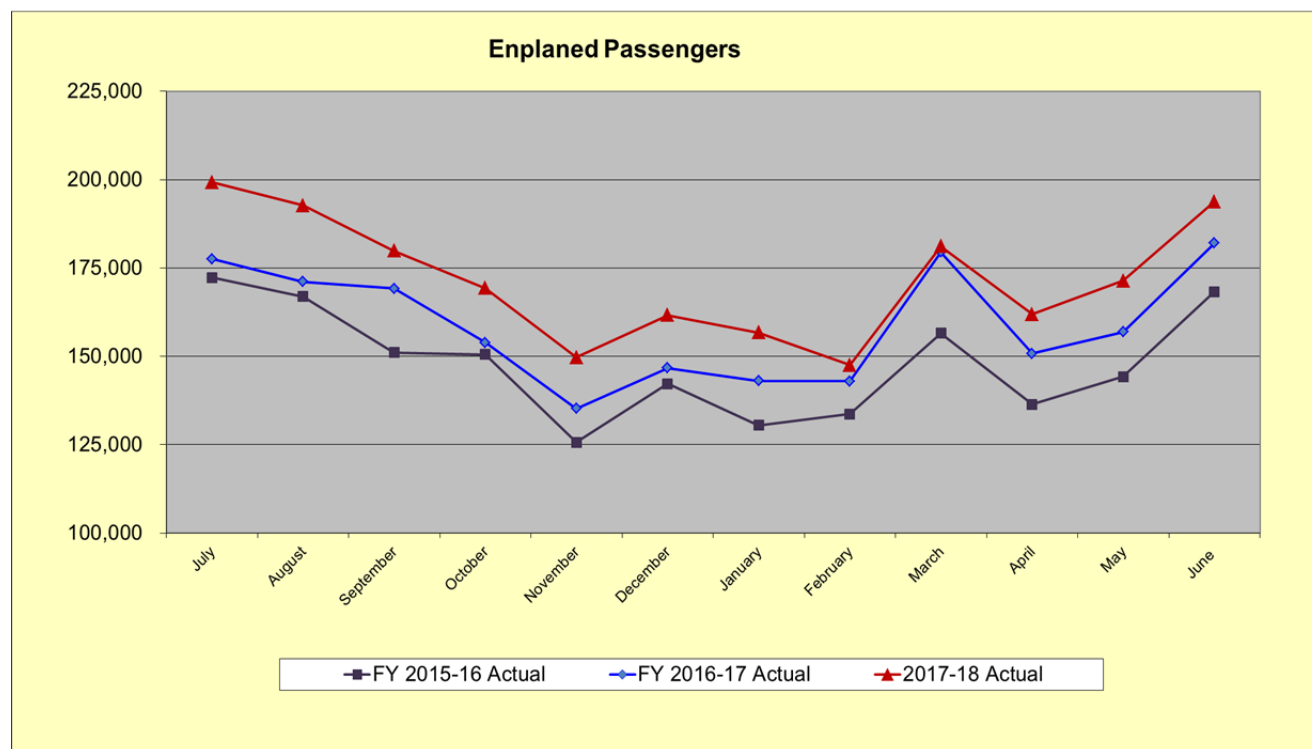
1. Starting June 4, 2017, Southwest Airlines offers daily, non-stop service to San Jose International Airport (SJC), adding to the travel options between Reno and the Bay Area. The RNO-SJC route is currently served by Alaska Airlines on 76-seat Q-400 aircraft.
2. Starting June 8, 2017, United Airlines offers daily, non-stop seasonal service to Chicago O'Hare International Airport (ORD), adding to the summer travel options between Reno and Chicago. American Airlines currently provides non-stop daily service between RNO and ORD and Southwest provides service to Chicago Midway (MDW).
3. Starting November 21, 2017, Frontier returned to RNO after a ten-year absence. The new service is three (3) times a week to Denver International Airport (DEN) on an Airbus 320 with 180 seats. The frequency of this new service increased to four (4) times a week starting April 10, 2018.

The Denver-based, ultra-low-cost carrier offers many connections from the Mile High City including service to more than 55 cities in the United States, Mexico and the Dominican Republic on approximately 275 daily flights. The Denver market at RNO is also served by United Airlines and Southwest Airlines.

Frontier's return to our region is a testament to the area's economic success and the hard work of our air service team and our community partners.

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The positive change in monthly enplaned passengers is outlined in the graph below:



Looking forward into the new FY 2018-19, the following new service announcements will have a positive impact on passenger and aircraft activity:

1. On March 11, 2018, Alaska Airlines increased the number of non-stop flights between Reno and Portland from two flights a day to three flights a day.
2. On April 9, 2018, United Airlines increased the number of daily flights between Reno and Los Angeles from one flight a day to twice a day.
3. On April 10, 2018, Frontier Airlines began non-stop service to Austin-Bergstrom International Airport (AUS) three days a week on an Airbus 320 with 180 seats.
4. Starting November 16, 2018, Sun County is introducing twice a week service to Portland International Airport (PDX) flying a Boeing 737-800 aircraft. With introductory fares starting as low as \$59, this new option is focused on delivering value to leisure travelers.

In order to forecast passenger traffic and air carrier landed weight for the fiscal year, staff obtained each carrier's flight schedules for the next six months, which included aircraft type and available seats. Using this data, a projection for the remainder of the next fiscal year was

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developed, which included likely seasonal adjustments. In addition, staff estimated each carrier's load factor based on recent actual results.

Going forward into FY 2018-19, the enplaned passenger traffic forecast reflects both a 5.7% increase above the adopted FY 2017-18 Budget of 1,948,002 and continued modest growth of 1.0% above the forecasted results for FY 2017-18.

The following table compares the enplaned passenger traffic used to develop the adopted FY 2018-19 Budget as compared to the updated FY 2017-18 forecast and the actual FY 2016-17 results:

Reno-Tahoe International Airport
Enplaned Passenger Forecast

	FY 2017-18 Adopted Budget	FY 2018-19 Adopted Budget	Variance to Prior Year	Percent Change
FY 2016-17	1,909,187 Actual	1,909,187 Actual		
FY 2017-18	1,948,002 Budget	2,040,056 Forecast	130,869	6.9%
FY 2018-19		2,059,503 Budget	19,447	1.0%

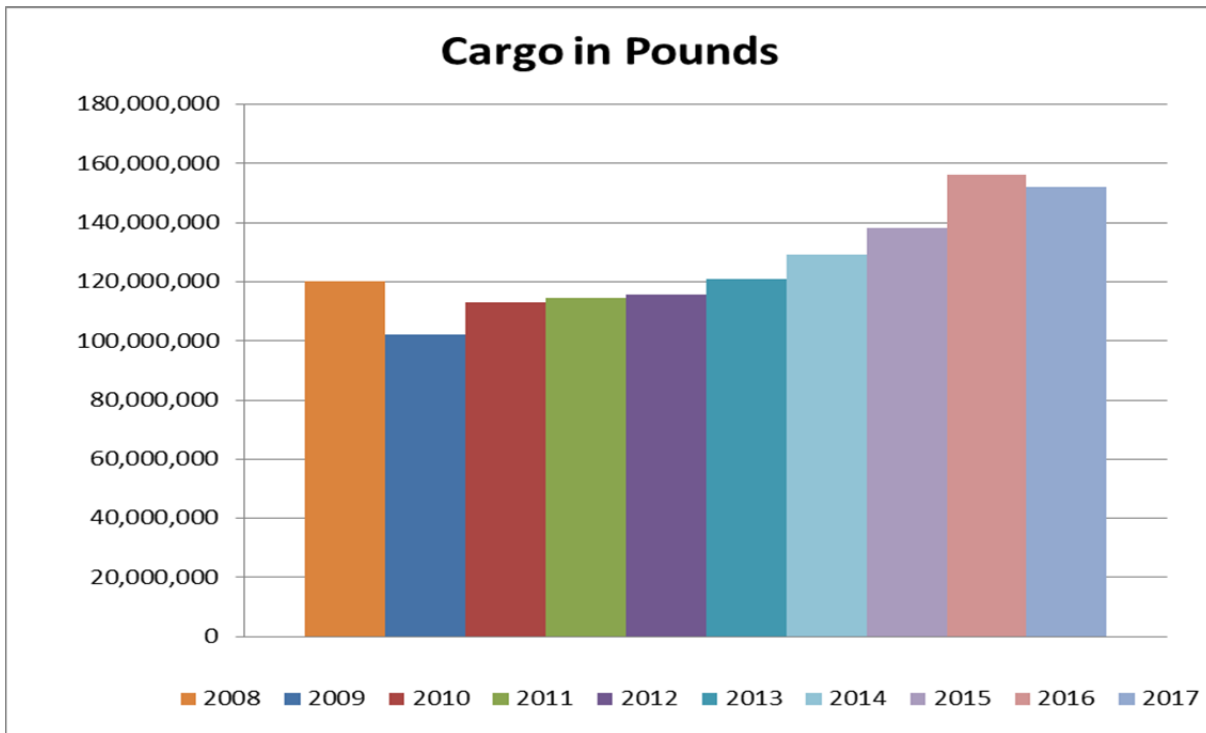
With adoption of the FY 2018-19 Budget prior to completion of the end of the fiscal year, actual enplaned passenger traffic of 2,063,508 in FY 2017-18 exceeded both the updated FY 2017-18 forecast and the adopted FY 2018-19 Budget outlined in the table above.

While the FY 2018-19 Budget traffic forecast now appears to be modestly conservative, the level of announced scheduled service at RNO and the impact of higher 2018 fuel prices and the potential impact on airline fares indicate that passenger traffic will level off in the next year. This forecasted plateau is compared to the very high growth levels achieved of the past three years.

Cargo Airlines

During 2017, RNO handled 152.135 million pounds of air cargo, a decrease of 2.7% when compared to the year 2016. However, this modest decrease comes on the heels of record lift in Calendar Year 2016 as shown below.

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For the first six months of 2018 ending June 30, 2018, RNO handled 71.564 million pounds of cargo, a decrease of 5.1% when compared to the same period last year. This decline in air cargo activity at RNO is primarily due to a reduction in air cargo volume handled by Federal Express with a major distribution facility using an alternative delivery method.

The Reno/Sparks area has become the West Coast distribution hub due to its strategic location providing next-day ground service to almost every major U.S. city in the western United States. This sector of the region's economy includes the presence of major warehousing, pharmaceutical, e-commerce and distribution facilities including such companies as Amazon, Walmart, Petco, Urban Outfitters, eBay, Zulily and 1-800-Flowers.com.

This sector of the economy, along with growth in industrial development areas such as the Tahoe-Reno Industrial Center, has played a key role in cargo growth at RNO in recent years.

In the adopted FY 2018-19 Budget, air cargo represents 17% of total RNO landed weight, which is a significant factor in lowering overall landing fee costs for all carriers.

Existing air cargo operations occupy about 25 acres to the north of the passenger terminal with two buildings used for air cargo activities that consist of approximately 67,300 square feet. The ramp facilities can handle 14 aircraft. In the near future, the north cargo facilities will likely be near capacity and the RNO Master Plan, as discussed in the Operating Environment section

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below, is evaluating options to address the long-term solution, which may include improvements to the southwest quadrant of RNO.

In addition to cargo-only carriers, passenger airlines also provide cargo services at RNO. In Calendar Year 2017, passenger airlines accounted for approximately 3% of all cargo, of which Southwest Airlines represent 83% of this total.

Operating Environment

In evaluating the RTAA's operating circumstances, five (5) significant programs impacted the development of the FY 2018-19 Budget.

Master Plan – Reno Tahoe International Airport (RNO)

On October 27, 2016, the RTAA held a RNO Master Plan Press Conference to announce the beginning of a master planning effort to address airport growth, and aviation industry changes. After eighteen months, the RTAA Board of Trustees on June 14, 2018 approved the ultimate development concept and the supporting financial plan for the RNO Master Plan including approval to transmit the report to the FAA for review.

An airport master plan is a study that provides a 20-year comprehensive guide for future airport development, which satisfies aviation demand in a fiscally feasible manner. The framework for an airport master plan begins with a documented inventory of existing features and conditions, followed by development of a FAA approved forecast, which leads directly into an analysis of the inventory to identify which, if any, airfield, terminal, and/or landside facilities will not meet the forecasted demand. Once those deficiencies have been identified, alternative solutions are evaluated before agreement is reached on a preferred capital improvement plan. The capital improvement plan is then supported with an implementation strategy and financial plan.

To obtain key stakeholder feedback, a Master Plan Working Group (MPWG) was established, which included twenty-four (24) members, who were integral in goal setting and subsequent review of inventory, forecasts, alternatives, and the ultimate development concept. The MPWG had a significant impact on the direction of the master plan and the future long-term development of RNO.

In addition, the RTAA conducted multiple Public Information Sessions, Community Listening Sessions, Tenant/Employee review meetings and one-on-one meetings with key community leaders and stakeholders to engage and collect feedback.

This effort was critical in establishing future RNO facility needs as the Northern Nevada economy grows and provided critical information to the Board of Trustees and staff as it developed the FY 2019-23 Strategic Plan.

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The approach outlined to create facilities for the future includes the following:

1. **Relieve congestion in RNO public parking and rental car facilities** - To address these issues, the RTAA needs to fund and construct a new Consolidated Rental Car Facility (CONRAC) to move rental cars out of the public parking structure, which will increase parking capacity and improve customer service.
2. **Replace RNO terminal concourses and provide a new Customs and Border Protection facility** - With the existing concourses being 40 years old, the RTAA needs to replace RNO terminal concourses with new and larger concourses to address existing constraints.
3. **Modernize the RNO Terminal Building to accommodate future technologies and enhance customer experience and wayfinding** - The airport currently experiences congestion, queuing and wayfinding issues due to operational inefficiencies. This effort will focus on the ticketing hall, security screening checkpoint, and intuitive wayfinding to enhance the flow for both arriving and departing passengers.
4. **Modify the RNO Airfield to FAA Compliance** - The runway and taxiway system is in good condition and mostly meets FAA standards, except for some non-standard geometry that should be addressed as new airfield projects are implemented.
5. **Develop a Plan of Finance and Negotiate Business Agreements** - In order to provide funding for these facility improvements, RTAA staff, in conjunction with a complete Financing Team, will review each project to identify funding sources and eligibility. In addition, staff will engage with key tenants and stakeholders early in the process to ensure a successful design and agreed upon business terms.
6. **Maintain existing facilities at both RNO and RTS and support third-party private investment** - To optimize and extend the useful life of RTAA assets, staff will continue its on-going program of preventive maintenance and major rehabilitation programs. In addition, the RTAA has several land, hangar, and industrial development opportunities that are “market-driven” and dependent upon private party investment. The RTAA will provide support and assistance to facilitate this investment in facilities at both airports

The FY 2018-19 Budget reflects the first steps toward implementation of the recommended Master Plan capital improvement projects including creation of an integrated task list and master schedule to identify critical path priorities, development of a financing team, and submission of a new passenger facility charge application to the FAA.

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RTAA Strategic Plan

The current FY 2013-2018 Strategic Plan expired on June 30, 2018. To help guide the future of the RTAA over the next five-year period, the Board of Trustees and staff over the past year have been crafting the update and the FY 2019-2023 Strategic Plan was adopted on June 14, 2018.

With the significant improvement in the regional economy and an ever-changing aviation industry, the updated plan also reflected input from the public and user groups as part of the current Master Plan update and direct input from airport committees.

The FY 2019-2023 RTAA Strategic Plan consists of the following components, beginning with the broadest, long-term elements to the more specific, short-range and tactical activities: (1) Vision Statement; (2) Mission Statement; (3) Strategic Priorities and Support Strategies; (4) Long-Term Goals; (5) Key Performance Indicators; and (6) Short-Term/ Annual Objectives.

While the new Strategic Plan was still under development and review during the budget development process, the adopted FY 2018-19 Budget reflects almost all of the recommendations and findings of both the final RNO Master Plan and the Strategic Plan update.

The RTAA Board of Trustees and staff, through the Strategic Plan process, developed a vision for the future based on the following eight (8) adopted Strategic Priorities:

1. PASSENGER AND CARGO AIR SERVICE: Enhance air service by retaining and increasing passenger and cargo air service.
2. SAFETY & SECURITY: Safety and security of all is our priority 24/7, 365.
3. GENERAL AVIATION: Foster an atmosphere to encourage general aviation growth at both airports.
4. CUSTOMER EXPERIENCE: Enhance services and provide a positive and convenient environment for all.
5. PEOPLE: With our employees being the current and future strength of our organization, our focus is on development, succession planning and making the RTAA the employer of choice.
6. FINANCIAL DIVERSIFICATION AND GROWTH: Grow and diversify non-airline revenues at both Airports.
7. FACILITIES FOR FUTURE: Optimize infrastructure to address market demand.

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8. SUSTAINABILITY: Operate and manage with a holistic approach reflecting sustainability and environmental stewardship.

In order to achieve the goals of these strategic initiatives, staff identified resources in the FY 2018-19 Budget to implement work plans and performance measures to achieve these goals.

Air Service Development

The success in expanding service by existing carriers, as outlined in the Air Service Market Update, reflects the combined efforts of the RTAA and a partnership with the Regional Air Service Corporation (RASC), comprised of convention and visitor bureaus, hotels, casinos, ski resorts, and various business groups. In addition, the community partnerships with the Reno/Sparks Convention and Visitors Authority (RSCVA), the Economic Development Authority of Western Nevada (EDAWN) and local chambers of commerce and associations have all played an important role in the recent success.

Looking forward into FY 2018-19, staff is committed to building on this success by continuing its aggressive marketing program that includes the following:

- (a) Support of existing air service through a route maintenance and community awareness program. This effort will include local market advertising and on-going outreach to community partners on air service (i.e. new flights, fare sales, mileage program promotion). The campaign's primary goal is to educate local residents in the RNO catchment area on the flights and airline options available.

In addition, this effort is also focused on expanding the reach of our air service by growing the RTAA contact database, social media followers, website visitation and "cookie pool" for retargeting activities.

The considerations used in developing the campaign are the following:

- Build awareness for all air service options (Cities/Airlines)
 - Develop a strategy that would provide promotional benefits beyond the campaign timeframe
 - Develop a campaign that would engage our community and get them excited about air service
 - Develop a campaign that would start a conversation about air service and RNO
 - Provide value and partnership to airlines that serve RNO
- (b) Continue to work with the RASC and the local community to develop risk mitigation resources (i.e. marketing and/or funding) to bring new air service to RNO.

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While the RTAA is limited by FAA policy regarding use of its funds in support of new air service, the RASC and its partners have been able to provide the following:

- Promotion through all partner databases (locally and out of market)
- Promotion through all partner social media channels and websites
- Promotion through all partner marketing/public relations programs
- Financial purchase of advertising both locally and out of market
- Air carrier risk mitigation

The RASC offers a marketing resource that no other community can match - a consortium that spreads across industries (tourism, hotel, gaming, ski, etc.) to promote air service and the region.

- (c) Bring airline representatives to the Reno-Tahoe region as guests to showcase the area through the use of private invitations, Air Service 101 participation, special event attendance and more.
- (d) Continue on-going aggressive airline marketing to attract new and maintain existing air service including the following steps:
 - Meet regularly with existing passenger airlines with market analysis and local economic updates.
 - Present market analyses of new routes and supporting market data.
 - Hold regular meetings with the existing three (3) cargo carriers outlining air cargo opportunities.
 - Package RTAA incentives and marketing support with community derived resources focused on risk mitigation to pursue new opportunities.
- (e) Provide funding for an additional Customs and Border Protection (CBP) officer to reduce processing times to enter the United States by international passengers.

On December 16, 2016, the Cross-Border Trade Enhancement Act was signed into law by President Obama. This law gives the RTAA the opportunity to participate in a U.S. CBP program that allows the Airport to reimburse the government for up to five additional full-time CBP officers.

With recent acceptance of the RTAA into this program, the RTAA will have the ability to cut passenger wait times at the custom's checkpoints, thus providing a better experience for existing passengers and to encourage new international flights. The FY 2018-19 Budget includes \$175,000 to fund this position.

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In accordance with the FAA's Policy and Procedures Concerning the Use of Airport Revenue, RTAA revenue may only be used for the following:

1. Financial Incentives such as airport fee reductions and fee waiver.
2. Acceptable promotional costs, where the purpose is to encourage an air carrier to increase service at the airport.

Under the FAA policy, the financial incentive is limited to one year for new service to markets currently being offered to Reno-Tahoe passengers and up to two years for service to a new destination. The RTAA must make the incentives available to all similarly situated air carriers and the cost of providing the incentives cannot be included in the rate base for the other air carriers without their expressed permission. The current air service incentive policy, adopted by the Board, limits all financial incentives to one year with a six months “on”, six months “off” structure.

The FAA allows promotional incentives to air carriers for new service to (a) increase travel using the airport and/or (b) promote competition at the airport. Incentive programs may not be designed for the purpose of promoting general economic development and cannot take the form of a direct payment of airport revenue to a carrier or to any provider of goods and services to that carrier.

The following are acceptable promotional costs available to the RTAA under FAA policy:

- The full costs of activities directed at promoting competition at an airport.
- Public and industry awareness of airport facilities and services.
- New air service and competition at the airport (other than direct subsidy of air carrier operations).
- A share of promotional expenses such as marketing, advertising, and related activities designed to increase travel using the airport.

Current levels of marketing support permitted under the Board approved Air Service Incentive Policy were increased at the February 8, 2018 Board meeting to the following:

1. \$50,000 - Targeted marketing support for passenger airline commencing new non-stop service from RNO to destinations without existing non-stop service.
2. \$50,000 - Targeted marketing support for new passenger airlines commencing service from RNO.
3. \$75,000 - Targeted marketing support for passenger airline commencing new non-stop service from RNO to international destinations without existing non-stop service.
4. \$25,000 - Targeted marketing support for new dedicated all-cargo air carriers commencing service from RNO.

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The adopted FY 2018-19 Budget has forecasted \$400,000 in fee waivers and \$1.064 million in air service development and promotional costs eligible under FAA guidelines.

Land Development – Reno Tahoe International Airport (RNO)

With the 2015 success of the third legislative effort to abate sales and use tax on aircraft and aircraft parts, Nevada is no longer at a competitive disadvantage. Aviation manufacturers and Maintenance, Repair, and Overhaul (MRO) firms located in Nevada or considering relocating to Nevada will operate in a tax environment competitive with 45 other states that offer abatements or exemptions.

Along with this achievement, the Board of Trustees adopted new RNO General Aviation Commercial Minimum Standards on December 8, 2016 to attract aviation businesses and private sector capital to RNO aeronautical land. In FY 2018-19, staff will continue to market vacant property and, depending upon market demand, may issue Request for Proposals and/or enter into due diligence on one or more vacant parcels.

In addition, the RTAA executed a ground lease with JMA Reno Holding, LLC (JMA) on February 28, 2017 for an Aloft Hotel at the Gateway Center located at the southwest corner of Plumb Lane and Terminal Way. The lease will be for fifty (50) years for approximately 3.0 acres on the northern portion of the property and an exclusive three (3) year option to lease approximately 4.5 acres south of the Hyatt Place.

JMA is proposing to develop the vacant land with a two-phased, master plan approach. JMA believes a “Master Planned Center” (Center) is critical for the success of the entire Gateway Center, including the existing Hyatt Place Hotel. JMA’s vision includes a mixture of hotels, Class A office space, and the right mix of restaurant(s) that create an energy and vitality to stand alone.

As the first phase of the Center development, JMA will construct the Aloft Hotel. This hotel will be operated under an agreement with Marriot International, Inc. (formerly Starwood). This firm owns, operates, franchises and manages hotels, resorts, spas, residences, and vacation ownership properties under its 11 owned brands.

During FY 2017-18, RTAA staff has been assisting JMA to obtain site plan approvals and meet other regulatory requirements necessary to begin construction. Subject to FAA environmental review, the goal is to start construction in early Fall of 2018.

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Land Development – Reno Stead Airport (RTS)

As outlined earlier in the section titled “Industrial Real Estate Market Improvement”, the RTAA owns approximately 37% or 2,400 total acres of the vacant industrial lands in Washoe County and 60% of the City of Reno land zoned for industrial or mixed use. As such, RTAA has been focused on improving the utilization of vacant land at RTS to attract aeronautical and non-aeronautical companies.

To address growing interest, the RTAA in early 2016, upon approval of the Board of Trustees, completed a competitive process, executed a Memorandum of Understanding (MOU), negotiated and completed a Master Development Agreement, and executed a ground lease for Phase 1 of 90 acres with Dermody Properties, doing business as DP RTA Stead, LLC (DP).

The formal award to DP to serve as the exclusive master real estate developer and to execute a 50-year Phase 1 Ground Lease at RTS was approved and adopted by the Board of Trustees on December 8, 2016.

Dermody Properties is a national developer of industrial and commercial properties having been ranked among the 10 largest privately held industrial developers in the nation. Since 1960, the company has developed over 35 million square feet of industrial space including parks, speculative facilities, and build-to-suits for lease or purchase.

Through this Public Private Partnership, the RTAA and DP have master planned 1,700 acres into an airport centric business park (Project), which includes the on-going National Championship Air Races (Air Races). However, should the Air Races discontinue the annual event, DP intends to fold the remaining undeveloped RTS land, for an estimated total of 3,000 acres, into the Project.

Upon execution of the Master Development Agreement and Ground Lease, the first critical step is for DP to obtain funding of the first phase of off-site and on-site infrastructure estimated to be approximately \$7.5 million, which includes \$5 million to construct the business park entrance and associated off-site improvements and \$2.5 million to construct Phase I on-site improvements. To fund the costs of this infrastructure, DP will seek funding from State and/or Federal sources and the conditions under Phase I Ground Lease are contingent and conditional on DP securing infrastructure.

With the execution of the ground lease, DP affirmed its commitment to make good faith efforts toward obtaining the infrastructure funding.

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Based on research and experience in the Reno/Sparks region, as well as national experience, DP believes that the RTS will become a Class “A” master planned, high-tech, airport-centric business park that serves as one of the premier economic development opportunities in Northern Nevada.

The size and importance of this development effort will require a systematic, prudent and cooperative approach by all parties and RTAA staff in FY 2018-19 will be actively involved in assisting and supporting the master developer in its effort to market RTS, fund infrastructure and attract tenants.

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 RTAA (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 RTAA’s day-to-day operating and maintenance expenses are funded almost exclusively from revenues generated through cost recovery from the airlines, rents and concession fees paid by airport tenants, and the RTAA operation of public parking facilities. No state or local property or sales tax dollars are used to meet RTAA’s obligations.

The RTAA is solely responsible to ensure its financial stability and viability. Despite the volatility of the last decade, it has been a top priority to ensure financial stability, maintain a solid credit rating and to position the RTAA with the flexibility to strategically respond to challenges and opportunities.

The statutory requirements are summarized in 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 12, 2018 and May 17, 2018	Public Budget Workshops with the RTAA Board of Trustees
April 15 th	April 15, 2018	Tentative budget filed with the Nevada Department of Taxation
Seven to 14 days before the Third Monday in May	May 11, 2018	Notice of Budget Public Hearing published
After Third Monday in May	May 22, 2018	Hold Public Hearing
On or Before June 1st	May 22, 2018	Adopt Budget

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The budget process begins in early December with a statement of the goals and priorities communicated to staff 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 developed work plans based on the adopted FY 2019-2023 Strategic Plan with its focus on achievement of the strategic priorities.

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.

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

Revenue Bond Resolution

The RTAA's revenue bond resolutions contain provisions that impact the annual budget in 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 2018-19 budgeted net pledged revenues for repayment of the outstanding senior lien bonds is 638% above the debt service requirements for the fiscal year, which significantly exceeds the 25% minimum required.

As of July 1, 2018, the RTAA will have \$15.960 million in one Senior Lien Bond. The debt serviced related to this bond is \$2.249 million in FY 2018-19. RTAA debt and associated annual debt service is further explained in the Debt Service Summary section of this document.

Budget Document Structure

The budget document is composed of twelve 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 2015-16 Budget

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- Section 2: Executive Summary – Overview and Summary of key financial results
- Section 3: Strategic Initiatives
- Section 4: Organization Guide – An operational guide detailing personnel and staff organizational structure
- Section 5: Financial Plan – Financial narratives and policies as well as 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

Conclusion

With the adoption of both an updated Strategic Plan and a new RNO Master Plan, the FY 2018-19 Budget marks a transition focused on meeting the future air transportation needs of our region. Passenger traffic is at its highest level in a decade and new businesses and residents are flocking to the Reno-Tahoe region. Both planning efforts and the adopted budget incorporate extensive data, Board and stakeholder input and a plan of action that reflects the key role the RTAA serves in our prospering region.

Supported by this perspective and extensive research data, RTAA staff is now focused on converting these extensive planning efforts into reality. This budget reflects a dedicated effort to keep airline cost per enplaned passenger reasonable, while using staff innovation and technology to maintain the RTAA's high standard of customer service. As outlined in our new mission statement: *"We Move You! We Bring the World to Reno-Tahoe and Reno-Tahoe to the World."*

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.

RTAA staff is dedicated to building on the long tradition of excellence in financial reporting and budgeting. RTAA staff believes the adopted budget, adopted on May 22, 2018, continues to

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conform to program requirements, and the Finance and Budget Department will submit the FY 2018-19 Budget to GFOA to determine its eligibility for another award. This document will also be posted on the RTAA's website, www.renoairport.com.

Respectfully submitted,

Marily 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, 2017

Christopher P. Morill

Executive Director

Section 2 – Executive Summary

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

The FY 2018-19 Budget summarized below is focused on the achievement of the following strategic initiatives:

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

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

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

The following summary provides a financial overview of the budget for the RTAA's 2018-19 fiscal year, which begins on July 1, 2018 and ends June 30, 2019.

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Airline Activity Forecast

RTAA has based its revenue budget on a forecast of solid growth in passenger enplanements (passengers boarding an aircraft) of 2,059,503, an increase of 5.7%, as compared to the FY 2017-18 prior year adopted budget and 1.0% as compared to update forecast for FY 2017-18.

The following table compares the enplaned passenger traffic used to develop the proposed FY 2018-19 Budget as compared to FY 2016-17 and FY 2017-18 forecast results.

**Reno-Tahoe International Airport
Enplaned Passenger Forecast
FY 2018-19 Adopted Budget**

	FY 2017-18 Adopted Budget	FY 2018-19 Adopted Budget	Variance to Prior Year	Percent Change
FY 2016-17	1,909,187 Actual	1,909,187 Actual		
FY 2017-18	1,948,002 Budget	2,040,056 Forecast	130,869	6.9%
FY 2018-19		2,059,503 Budget	19,447	1.0%

Starting in June 2015, the positive economic winds and cumulative efforts of the community and RTAA staff continue to be rewarded with RNO registering thirty-seven (37) month-over-month increases in passenger traffic as compared to the prior year.

For the six months of 2018 ending June 30, 2018, enplaned passengers are 1.013 million, a 6.0% increase as compared to the same period last year.

This significant increase reflects the impact of the following new air service:

1. Starting June 4, 2017, Southwest Airlines offers daily, non-stop service to San Jose International Airport (SJC), adding to the travel options between Reno and the Bay Area. The RNO-SJC route is currently served by Alaska Airlines on 76-seat Q-400 aircraft.
2. Starting June 8, 2017, United Airlines offers daily, non-stop seasonal service to Chicago O'Hare International Airport (ORD), adding to the summer travel options between Reno and Chicago. American Airlines currently provides non-stop daily service between RNO and ORD and Southwest provides service to Chicago Midway (MDW).

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3. Starting November 21, 2017, Frontier returned to RNO after a ten-year absence. The new service is three (3) times a week to Denver International Airport (DEN) on an Airbus 320 with 180 seats. The frequency of this new service increased to four (4) times a week starting April 10, 2018.

Frontier's return to our region is a testament to the area's economic success and the hard work of our air service team and our community partners.

Looking forward into the new FY 2018-19, the following new service announcements will have a positive impact on passenger and aircraft activity:

1. On March 11, 2018, Alaska Airlines increased the number of non-stop flights between Reno and Portland from two flights a day to three flights a day.
2. On April 9, 2018, United Airlines increased the number of daily flights between Reno and Los Angeles from one flight a day to twice a day.
3. On April 10, 2018, Frontier Airlines began non-stop service to Austin-Bergstrom International Airport (AUS) three days a week on an Airbus 320 with 180 seats.
4. Starting November 16, 2018, Sun County is introducing twice a week service to Portland International Airport (PDX) flying a Boeing 737-800 aircraft. With introductory fares starting as low as \$59, this new option is focused on delivering value to leisure travelers.

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

While the FY 2018-19 Budget traffic forecast now appears to be modestly conservative, the level of announced scheduled service at RNO and the impact of higher 2018 fuel prices and the potential impact on airline fares indicate that passenger traffic will level off in the next year. This forecasted plateau is compared to the very high growth levels achieved of the past three years. This estimate is reflected in the revenue estimates outlined in Section 6 Revenues.

Aircraft Landed Weight Forecast

The RTAA 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

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aircraft's Maximum Gross Landed Weight. Therefore, the higher the landed weight the lower the unit cost for each aircraft landing.

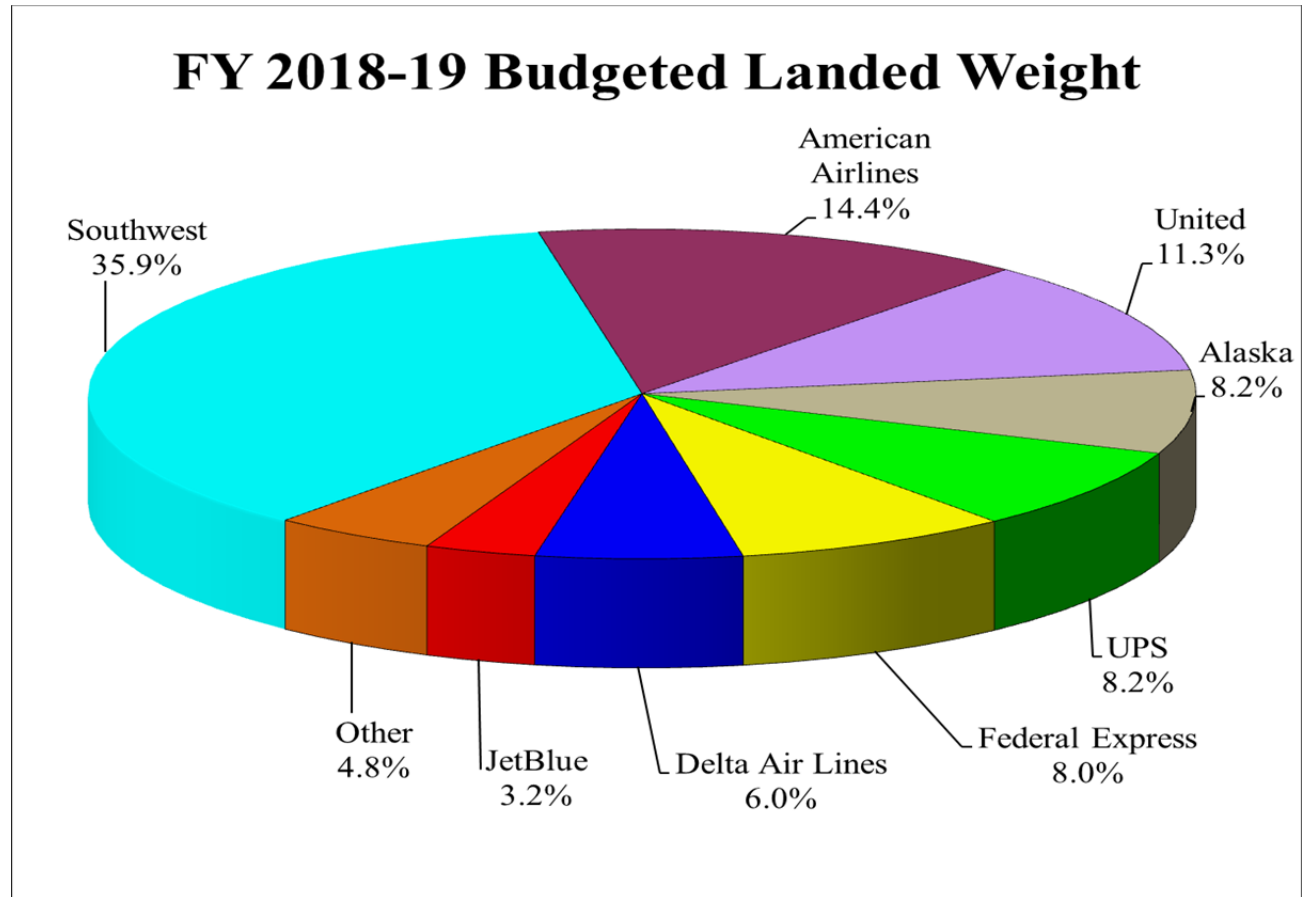
For FY 2018-19, the RTAA is forecasting landed weight of 2,893,828 thousand pounds, a decrease of 1.3% from the FY 2017-18 Budget and 1.5% above the FY 2017-18 actual results. The decrease as compared to Budget reflects lower landed weight by Fed Ex of 33.7% partially offset by the introduction of new service by Frontier Airlines and increased flights by United.

The table and graph below outlines RNO actual passenger and cargo aircraft landed weight, in thousand pounds, along with the forecast incorporated into the FY 2018-19 Budget:

LANDED WEIGHT BY CARRIER (000 Lbs. Units)

	FY 2016-17 Actual	FY 2017-18 Actual	Variance	FY 2018-19 Budget	Variance to FY 2017-18 Actual
Signatory Airlines					
American	409,575	419,085	9,510	417,423	(4,504)
Delta	157,875	168,798	10,924	173,989	2,628
Alaska/Horizon	234,218	213,477	(20,741)	236,871	22,767
Jet Blue	-	-	-	93,708	93,708
Southwest	983,684	1,066,311	82,627	1,038,528	(27,447)
United	255,760	307,621	51,861	326,507	19,108
	2,041,111	2,175,292	134,181	2,287,028	106,262
Federal Express	339,683	239,569	(100,115)	232,187	-
UPS	238,302	236,563	(1,739)	236,307	-
Other Cargo	33,808	34,429	621	32,707	40
	611,794	510,561	(101,233)	501,202	40
	2,652,904	2,685,852	32,948	2,788,229	106,302
Non-Signatory Carrier					
Allegiant	36,073	32,959	(3,114)	39,025	6,079
Frontier	-	19,339	19,339	42,516	23,035
Jet Blue	87,084	94,135	7,051	-	(94,277)
Volaris	23,234	17,752	(5,483)	20,619	1,174
Other	9,384	9,462	78	3,438	987
	155,776	173,647	17,871	105,599	(63,002)
	2,808,680	2,859,499	50,819	2,893,828	43,300
Percent Change			1.8%		1.5%

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Financial Summary

The FY 2018-19 Budget forecasts the airport system will generate \$8.566 million in net revenue or discretionary funding to the RTAA, a decrease of \$459,454 or 5.1% as compared to the prior year budget. This net revenue will be deposited to the General Purpose Fund for the use in funding future capital improvements and maintaining prudent liquidity reserves.

The table below provides a summary level comparison of the FY 2017-18 Budget, the updated FY 2017-18 Mid-Year Forecast, and the FY 2018-19 Budget.

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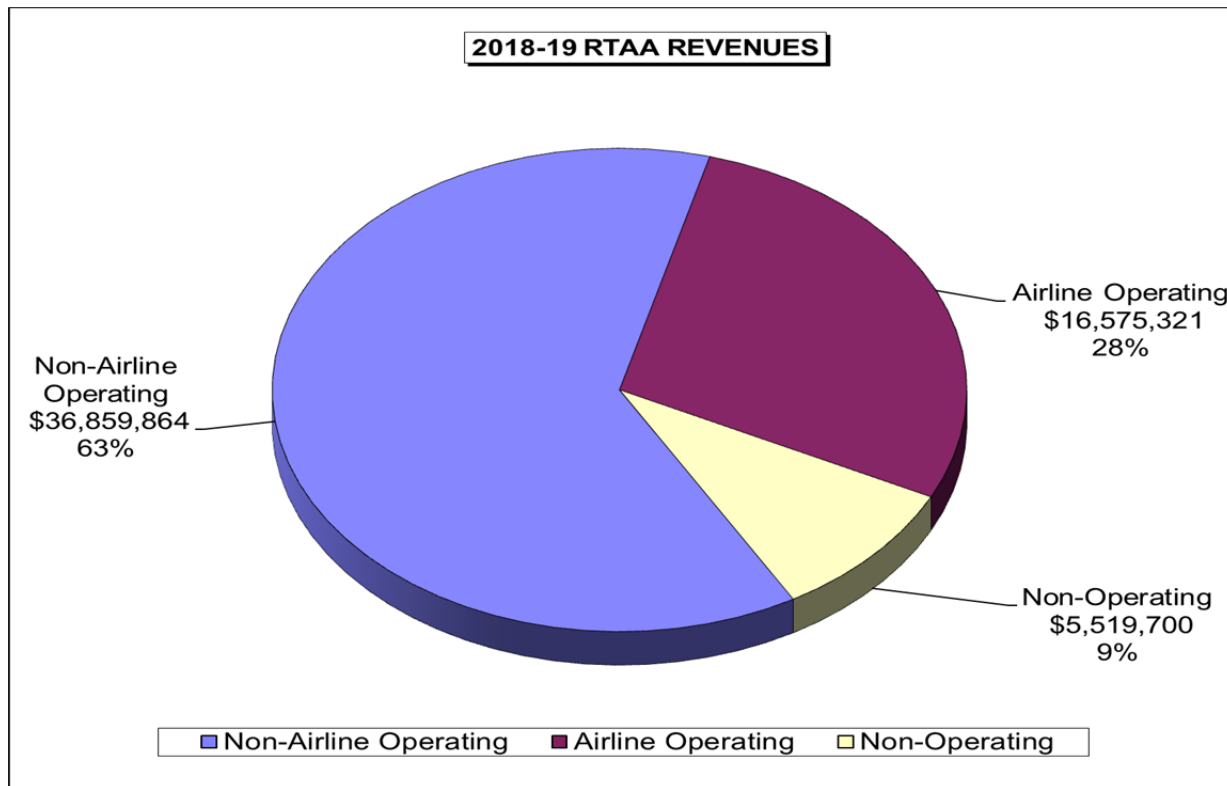
NET REVENUE	FY 2017-18 Budget	FY 2017-18 Mid-Year Forecast	FY 2018-19 Budget	Budget to Budget Variance
Total Operating Revenue Before Revenue Sharing	\$52,530,135	\$54,855,248	\$56,154,485	\$3,624,350
Non-Operating Revenues	4,042,700	4,253,000	5,519,700	1,477,000
Total Revenue Before Revenue Sharing	\$56,572,835	\$59,108,248	\$61,674,185	\$5,101,350
O & M Expenditures	(42,100,139)	(41,189,569)	(44,144,229)	(2,044,090)
Debt Service After PFCs	(2,247,300)	(2,247,300)	(2,248,900)	(1,600)
Net Available Revenue	\$12,225,396	\$15,671,379	\$15,281,056	\$ 3,055,659
Revenue Sharing - Airline Share	(2,167,382)	(3,675,681)	(2,719,290)	(551,907)
Net Revenue to RTAA	10,058,014	11,995,698	12,561,766	2,503,752
Net Funding Committed to Rental Car Facilities	(1,032,294)	(1,102,894)	(3,995,500)	(2,963,206)
Net Revenue to RTAA	\$ 9,025,720	\$10,892,804	\$8,566,266	(\$ 459,454)

Revenue Forecast

Total Revenues are composed of Operating Revenues, after application of the net airline revenue sharing credit, and Non-Operating Revenues. In the FY 2018-19 Budget, Total Revenue is forecasted to be \$58,954,885 (\$61,674,185 - \$2,719,290), an 8.4% increase above the FY 2017-18 Budget. The table below provides a comparison of the FY 2017-18 Budget, the updated FY 2017-18 Mid-Year Forecast, and the FY 2018-19 Budget:

	FY 2017-18 Budget	FY 2017-18 Mid-Year Forecast	FY 2018-19 Budget	Budget to Budget Variance
Airline Fees and Rentals	\$16,130,204	\$14,842,773	\$16,575,321	\$445,117
Non-Airline Revenues	34,232,531	36,336,775	36,859,864	2,627,333
Total Operating Revenue	\$50,362,735	\$51,179,548	\$53,435,185	\$3,072,450
Non-Operating Revenue	4,042,700	4,253,000	5,519,700	1,477,000
Total Revenue	\$54,405,435	\$55,432,548	\$58,954,885	\$4,549,450

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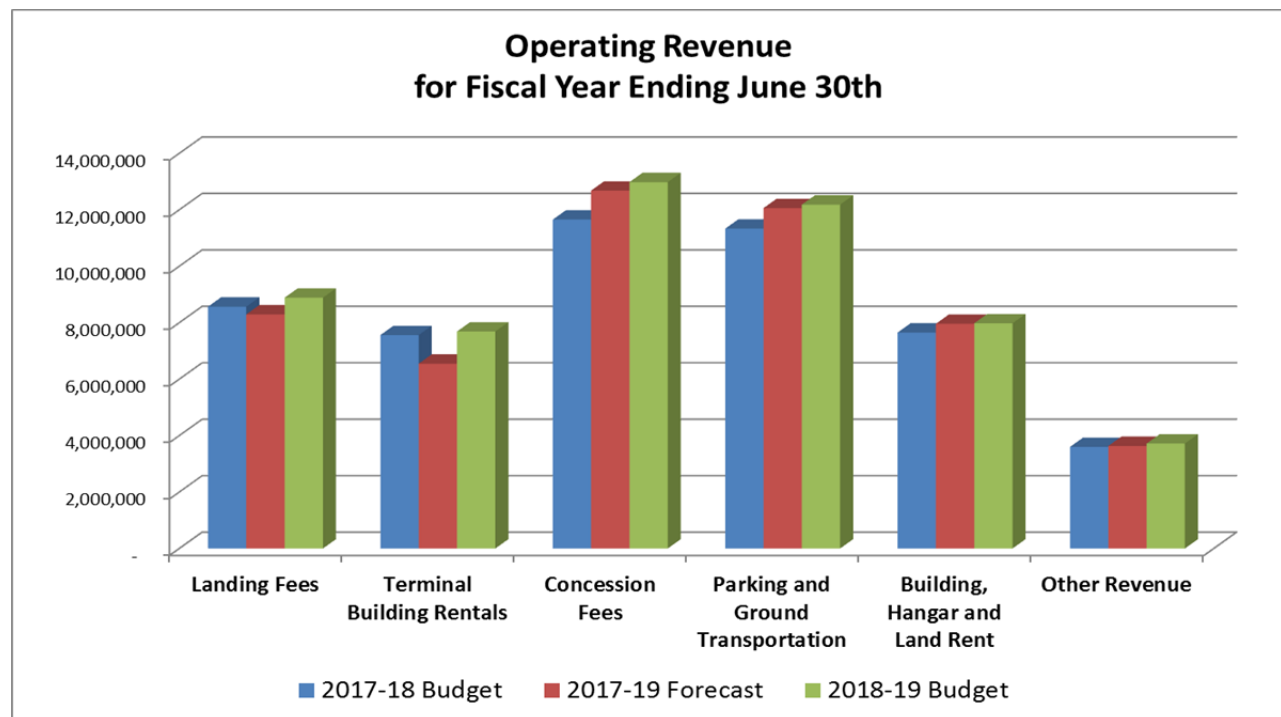
The proposed Total Operating Revenue budget for FY 2018-19 is \$53,435,185. This represents a 6.1% increase above the FY 2017-18 Budget. The Operating Revenues are summarized in two major categories:

- Airline related revenues, which for FY 2018-19, are anticipated to be \$16,575,321 or approximately 31% 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 decrease from \$7.23 in the FY 2017-18 Budget to \$7.07 in the FY 2018-19 Budget.
- Non-Airline Revenues represent \$36,859,864 or approximately 69% of the FY 2018-19 Total 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 2018-19 budgeted increases in Total Operating Revenues, as compared to the FY 2017-18 budget and updated forecast are as follows:

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	FY 2017-18			
TOTAL REVENUE BY CATEGORY	Budget	Mid-Year Forecast	FY 2018-19 Budget	Budget Variance
Airline Revenues				
Landing Fees	\$ 8,568,704	\$ 8,294,573	\$ 8,886,621	\$ 317,917
Terminal Building Rentals	7,561,500	6,548,200	7,688,700	127,200
Total Airline Revenue	\$ 16,130,204	\$ 14,842,773	\$ 16,575,321	\$ 445,117
Non-Airline Revenues				
Concession Fees	11,652,700	12,680,900	12,980,000	1,327,300
Parking/Ground Transportation	11,330,900	12,059,800	12,182,500	851,600
Building, Hangar, and Ground	7,650,650	7,962,200	7,979,200	328,550
Reimbursed Services	2,592,581	2,429,375	2,625,264	32,683
Other Aircraft Fees	969,000	1,051,800	1,037,500	68,500
Other Operating Revenues	36,700	152,700	55,400	18,700
Total Non-Airline Revenue	34,232,531	36,336,775	36,859,864	2,627,333
Non-Operating Revenue	4,042,700	4,253,000	5,519,700	1,477,000
Total Revenue	\$ 54,405,435	\$ 55,432,548	\$ 58,954,885	\$ 4,549,450



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Airline Revenues

The airline agreement, discussed in further detail in Section 5 Financial Plan, sets forth the rate setting formula by which airlines pay for the facilities and services they use. The RTAA currently operates under a five (5) year airline agreement and business arrangement that went into effect on July 1, 2015. The FY 2018-19 Annual Budget was developed based on the business arrangement specified under this agreement.

The total FY 2017-18 Airline Revenues are forecasted to be \$16,575,321, an increase of \$445,117 or 2.7% over the FY 2017-18 Budget. This reflects higher cost recovery in the airline cost centers.

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.

Signatory landing fee revenues of \$8.652 million in the FY 2018-19 Budget represent an increase of approximately \$460,800 or 5.6% as compared to the prior year budget.

The initial FY 2018-19 landing fee rate is \$3.14 per thousand pounds of landed weight. This is an increase of \$0.15 or 5.0% above the FY 2017-18 Budget landing fee rate and an increase of \$0.16 or 5.4% above the FY 2017-18 updated forecast.

The following are factors impacting the requirements in the Airfield Cost Center and the calculation of the landing fee in the FY 2018-19 Budget:

- For FY 2018-19, the RTAA is forecasting landed weight of 2,893,828 thousand pound units, a decrease of 1.3% from the FY 2017-18 Budget and 1.5% above the current updated forecast.

The decrease as compared to the prior year budget reflects lower landed weight by Fed Ex of 33.7% partially offset by the introduction of new service by Frontier Airlines and increased passenger flights by United.

- The operation and maintenance costs allocated to the Airfield Cost Center are proposed to increase by \$703,000 or 7.8% over the prior year budget. This increase is due to both the overall increase in direct costs and a higher allocation of indirect operating budget assigned to the airfield.

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The increase in direct airfield costs reflects higher salaries and benefits for existing employees and additional staffing in Airfield Maintenance and Airfield Rescue and Firefighting (ARFF) to address growing responsibilities. The increase in ARFF direct costs in FY 2018-19 is partially offset by a decrease in the percentage allocation from 70% to 68% of total cost to the airfield based on estimated total staffing hours expended.

- Fixed assets and capital project cost recovery of \$345,500 represents a decrease of a combined \$341,900 from the FY 2017-18 Budget and \$203,600 below the current year updated forecast. The FY 2018-19 Budget primarily reflects an investment in replacing two (2) vehicles, two (2) trailers, a mower and a paint striper for airfield maintenance.

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

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

Terminal Rental Rate

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

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

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

Total airline (signatory and non-signatory) terminal space rental revenue is estimated to be \$7.689 million in FY 2018-19, an increase of \$127,200 or 1.7% above the FY 2017-18 Budget.

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An average terminal building rental rate is set pursuant to the airline agreement, based on the requirements of the Terminal Building Cost Center. The following are significant factors impacting the requirements in the Terminal Building Cost Center and the calculation of the terminal rental rate in the FY 2018-19 Budget:

- The operation and maintenance budget allocated to the Terminal Building is increasing 6.2% above the FY 2017-18 Budget. This increase is due primarily to the overall increase of the direct and indirect operating budget assigned to the terminal building.

The increase in direct costs primarily reflects higher salaries and benefits for existing employees in Airport Operations, Airport Police, Airport Security and Building Maintenance.

Indirect or administrative cost allocations are assigned under the airline agreement based on actual or budgeted costs identified to the six direct cost centers (Airfield, Terminal, BHS, Ground Transportation, Other and Reno Stead Airport). The allocations of indirect and administrative costs to the Terminal Cost Center are slightly higher at 45.1% as compared to the FY 2017-18 Budget of 44.7%.

- Fixed assets and capital projects expenditures of \$742,250 represent an increase of a combined \$51,000 or 4.6% above the FY 2017-18 Budget and a decrease of \$182,300 or 17.0% from the current year updated forecast. The modest increase as compared to the prior year budget reflects a proposed investment in a scissor lift, air compressor, and upgrades to the building control system and chiller adaptive frequency drive.
- The estimated airline's portion of net revenue sharing for FY 2018-19 is \$2.719 million, an increase of \$551,900 or 25.4% above the prior year budget. This increase reflects the higher non-airline revenues due to strong passenger growth outpacing higher operating expenses and capital asset investment.

The average rental rate for FY 2018-19 is \$53.39 per square foot per year. This is a \$1.56 decrease or 28.4% below the FY 2017-18 budgeted average rental rate of \$54.95 and \$13.22 or 31.7% above the FY 2017-18 forecasted average rental rate of \$41.73.

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 \$36,859,864 in FY 2018-19 Budget. This represents an increase of \$2,627,333 or approximately 7.7% above the FY 2017-18 Budget.

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This revenue increase is driven by significantly higher passenger traffic with forecasted enplaned passengers of 2.060 million in FY 2018-19 as compared to the 1.948 million in the prior budget, an increase of 6.9%.

The largest increases are in rental car concessions of \$887,400 and public parking/ground transportation of \$851,600. In addition, the food and beverage concession revenue is estimated to increase by \$287,700 and RNO non-terminal building and land rents reflect an increase by \$356,150.

A detailed breakdown of FY 2017-18 non-airline revenue appears in the Section 6 Revenues.

Non-Operating Revenue

The proposed budget for Non-Operating Revenue for FY 2018-19 is \$5,519,700, an increase of \$1,477,000 or 36.5% above the FY 2017-18 Budget and \$1,266,700 or 29.8% above the updated FY 2017-18 Mid-Year Forecast.

This category primarily consists of Customer Facility Charge (CFC) revenues, aviation fuel taxes and interest earnings on funds the RTAA has available for investment.

This significant increase primarily reflects an increase in the Customer Facility Charge (CFC) from \$1.25 per day to \$3.50 per day. The CFC revenues are derived from a daily fee assessed to each rental car transaction day. The rate increase reflects the RTAA efforts to begin funding for design of a Consolidated Rental Car Facility (CONRAC) identified as a short-term facility need in the recently adopted RNO Master Plan.

This increase is offset the reduction of a one-time gain on the sale of two box hangars to Atlantic Aviation for \$1.85 million in FY 2017-18. These hangars reverted to RTAA ownership on July 1, 2017 due to the expiration of a lease agreement originally executed in 1987.

Investment Interest for FY 2018-19 is budgeted at \$774,700, a 48.8% increase compared to the forecasted revenue in FY 2017-18 and an 83.4% increase from the FY 2017-18 Budget. This increase is due to slightly higher earning balances and an increase in anticipated interest rates on investments due to recent and anticipated increases by the Federal Reserve.

Non-Operating Revenue also includes aviation fuel tax revenues estimated to be \$322,800 in FY 2018-19. 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.

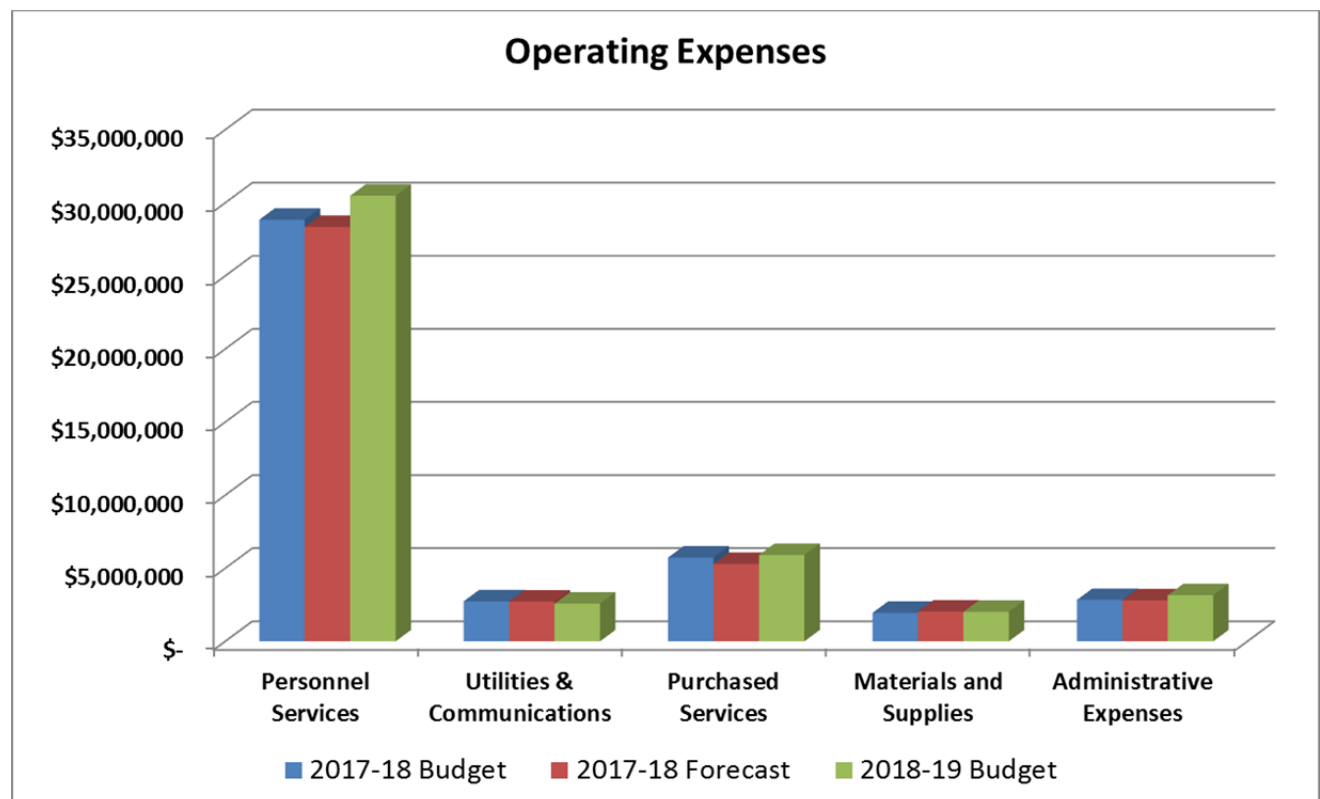
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Operation and Maintenance Budget

With significant improvement in passenger traffic and total revenues forecasted to increase next year, the operations and maintenance budget is \$44.144 million, which represents an increase of \$2,044,090 or 4.9% above the adopted FY 2017-18 Budget.

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

Expense Category	FY 2017-18 Adopted Budget	FY2017-18 Mid-Year Forecast	FY2018-19 Adopted Budget	Budget Variance
Personnel Services	\$28,843,415	\$28,344,335	\$30,478,615	\$1,635,200
Utilities and Communications	2,741,145	2,714,545	2,582,230	(158,915)
Purchased Services	5,731,568	5,289,058	5,907,323	175,755
Materials and Supplies	1,949,869	2,040,795	2,022,373	72,504
Administrative Expenses	2,834,142	2,801,636	3,153,688	319,546
Total Expenses	\$42,100,139	\$41,190,369	\$44,144,229	\$2,044,090



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The following are key drivers and major initiatives incorporated into the FY 2017-18 budget submission:

Personnel Services

The Personnel Services budget of \$30.479 million includes the salaries, wages and benefits cost for RTAA's employees. The FY 2018-19 Budget for personnel services is approximately \$1.635 million or 5.7% higher than the FY 2017-18 Budget and \$2.134 million or 7.5% above the projected expenditures for current FY 2017-18.

As part of the FY 2018-19 Budget review process, 6.5 positions are "frozen" and are not funded in the requested budget. For additional information, please see Section 4 – Organizational Guide.

Wage increases are budgeted to conform to the existing employee collective bargaining agreements and established management and civil service guidelines. The International Brotherhood of Teamsters (Teamsters) bargaining unit entered into a new contract with the RTAA effective July 1, 2016 through June 30, 2020. The RAFFA (Fire) and AAPOPA (Police) bargaining units entered into a new contract with the RTAA effective July 1, 2017 through June 30, 2021.

There are four (4) newly funded positions in the FY 2018-19 Budget: (1) one IT Project Manager; (2) one Airport Project Manager II; (3) one Airfield Equipment Mechanic IV; and (4) Deputy Chief of Airport Rescue and Firefighting (ARFF) (hire date of January 1, 2019). The combined budget impact of funding these previously frozen positions is approximately \$460,500.

Excluding the incremental costs associated with these new positions, the proposed budget reflects an increase of \$1.175 million or 4.1% for existing employee salaries and benefits.

Employee benefits, comprised primarily of health, dental, vision insurance and worker's compensation but excluding retirement contributions, are projected to increase by \$200,700 or 4.7% due primarily to estimated increases in health insurance rates.

The primary driver of this increase is that health insurance costs are anticipated to increase approximately \$254,500 or 8.5% from the current year approved budget. Health insurance is currently managed on a calendar year basis (January 1 – December 31). In November 2016, the RTAA competitively bid this insurance and the current rates will expire on December 31, 2018.

The proposed FY 2018-19 Budget reflects six months (July 1, 2018 to December 31, 2018) at the rates currently in place and six months (January 1, 2019 to June 30, 2019) at rates increased by 10% as suggested by the RTAA's health insurance broker.

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Retirement contributions are projected to increase by \$390,900 or 7.4%. Current contribution rates under the Employer-Paid Contribution Plan are 28.0% for regular employees and 40.50% for Police/Fire members. These rates are recommended by the Public Employees' Retirement System (PERS) based on an actuarial valuation report adopted by the Retirement Board and formally established by the Nevada Legislature during its biennial session that occurs during odd number years. Therefore, the FY 2018-19 Budget has no changes in the retirement contribution rates.

Utilities and Communication

The Utilities and Communications budget includes the RTAA's electricity, water, and natural gas. The cost of telephone and data communication services is also budgeted in this section. The FY 2018-19 Budget is 5.8% or approximately \$158,900 below the FY 2017-18 Budget and 4.9% or approximately \$132,300 over the projected expenditures for the current FY 2017-18.

Purchased Services

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

The FY 2018-19 Budget for Purchased Services of \$5.907 million is increasing approximately \$225,000 or 4.3% from the FY 2017-18 budget levels and is increasing 11.1% or approximately \$618,300 from the projected expenditures in the current fiscal year 2017-18.

The notable changes in the requested budget compared to the previous year's budget include the following:

- Higher data processing due to an \$80,000 software license for a new Human Resource and Payroll software module. This will be an on-going cost starting in the 2018-19 fiscal year.
- In addition, Other Professional Services includes hiring of a traffic engineering consultant for \$100,000 to support RTAA efforts to protect RNO access to and from Interstate 580. While the RTAA is in strong support of the overall highway improvement program, the current proposed plan would eliminate the "flyover" entrance and exits that provide fast, efficient freeway access.
- The FY 2018-19 Budget also contains funding of a full year of a Customs and Border Protection (CBP) officer of \$175,000 through a new Reimbursable Services Program. This addition to CBP staff is to reduce processing times by international passenger to enter the United States. The prior year budget included only one-half year or \$87,500 for this program.

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Materials and Supplies

Materials and Supplies are used primarily for the items needed by the Facilities and Maintenance staff to maintain both airports, as well as the office supplies used by administrative staff.

The FY 2018-19 Budget for Materials and Supplies of \$2.022 million is 3.7% or approximately \$72,500 above the FY 2017-18 Budget and 0.9% or \$18,400 under the current year updated forecast.

Administrative Expenses

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

The FY 2018-19 Budget for Administrative Expenses of \$3.154 million is an increase of \$319,500 or 11.3% above the current FY 2017-18 fiscal year budget and \$325,000 or 12.6% above the projected expenditures for FY 2017-18.

The RTAA does extensive air service development through a variety of channels, from advertising campaigns, new air service announcements and inaugural events to signage to promote air service partners and routes. The budget allocated to this effort is increasing by \$168,700 in FY 2018-19.

In addition, conference sponsorship is also increasing by \$30,000 due to the RTAA's one-time hosting of the Executive Women in Airports Conference and the Airports Council International-North America (ACI-NA) Legal Conference in our community.

Airport liability insurance is projected to increase by \$32,600 or 3.4% from the FY 2017-18 Budget and increase approximately \$84,900 or 9.2% as compared to updated forecast. The primary contributor to the increase is the purchase of cyber insurance on January 1, 2018, which was not included in the FY 2017-18 Budget as well as an anticipated increase in auto insurance coverage.

Personnel Complement

The total budgeted and/or authorized positions for FY 2018-19 is 277.5 positions, which is an unchanged from the adopted FY 2017-18 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

Total debt service for FY 2018-19 is budgeted to be \$2,248,900, an increase of \$1,600 or 0.1% above the FY 2017-18 Budget.

As of July 1, 2018, the RTAA has \$15,960,000 of debt outstanding, which represents \$7.75 of debt outstanding per budgeted FY 2018-19 enplaned passengers of 2,059,503. This compares to the 2016 average median debt outstanding per enplaned passenger for U.S. Airports of \$69.44 as reported by Moody's Investor Services on October 27, 2017.

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

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

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

DEBT SERVICE COVERAGE		FY 2017-18 Budget	FY 2017-18 Forecast	FY 2018-19 Budget
Total Revenue Before Revenue Sharing	A	\$56,572,835	\$59,108,248	\$61,674,185
O & M Expenses	B	(42,100,139)	(41,190,369)	(44,144,229)
Transfers ^(a)	C	(2,192,195)	(2,211,585)	(368,795)
Net Pledged Revenue	A+B+C=D	\$ 12,280,501	\$15,706,294	\$ 17,161,161
Debt Service (Senior Debt)	E	\$ 2,247,300	\$ 2,247,300	\$ 2,248,900
Debt Service Coverage (Senior Debt)	D/E	546%	699%	763%

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

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

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

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Property, Plant and Equipment (PP&E)

The total PP&E request for FY 2018-19 is \$1,007,671. This is a decrease of \$84,205, or 7.7% below the FY 2017-18 PP&E Budget.

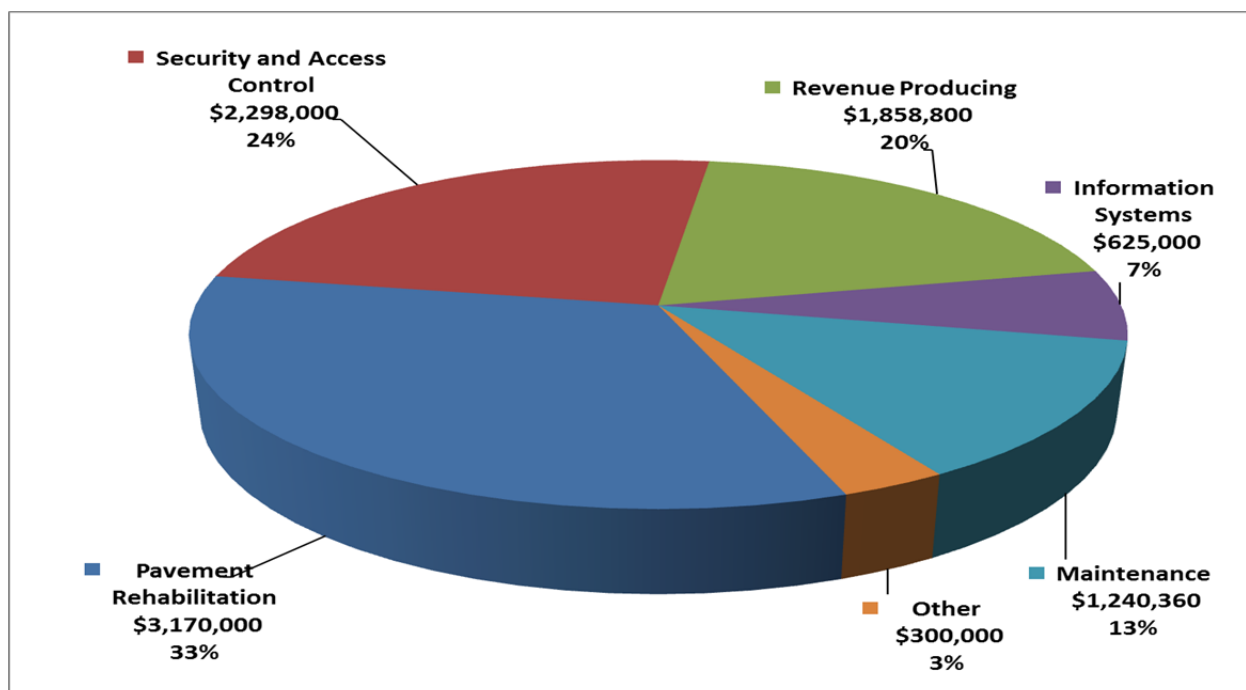
The major PP&E requests in FY 2018-19 consist primarily of exercise equipment, six (6) vehicles, a truck mounted cold air blower, a rotary mower, a paint striper and a scissor lift. The vehicles requested consist of a truck and sport utility vehicle that will be used by Airside Operations, two (2) trucks for Airport Police and two (2) trucks for Airfield Maintenance. All vehicles meet the replacement requirement set through the Facilities vehicle replacement plan.

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

Capital Projects

Capital Projects for RNO and RTS in FY 2018-19, which are funded from RTAA internally generated and other local funds (primarily the general purpose account, the special account and the rental car customer facility charges (CFC) account), are estimated to be \$9.492 million. For a full description of these funding sources, please see Section 5 Financial Plan – Bond Resolution - Trust Accounts for additional detail.

The following chart shows the classification of the FY 2018-19 capital projects:



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This budget represents an increase of \$4.302 million or 83% above the FY 2017-18 Budget. Capital Projects are primarily to provide new infrastructure or maintain the existing infrastructure, such as pavement maintenance and facilities used by rental cars.

The largest investment of RTAA internal funds will be made into the following projects:

✓ Airport Communications Center Remodel	- \$1,194,000
✓ TSA Office Remodel and Expansion	- \$1,059,500
✓ Airfield Pavement Maintenance Yd. Rehab	- \$ 800,000
✓ Airfield Pavement Maintenance Program	- \$ 800,000
✓ Parking Access & Revenue Control System	- \$ 799,500
✓ Landside Pavement Management Program	- \$ 600,000

	\$ 5,253,000

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

Of the total Capital Project budget, \$1,766,500 is allocated to the Airfield Cost Center with \$166,500 being recovered in FY 2018-19 through landing fees.

The project costs applicable to the Terminal Building Cost Center of \$535,500 are included in the calculation of the FY 2018-19 terminal building rent rates.

Any remaining capital project costs, whether assessed 100% in FY 2017-18 or amortized over the asset useful life, will impact airline terminal rents indirectly through lower net revenue 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 was not necessary.

In the FY 2018-19 Budget, two capital projects were subject to the MII requirements outlined above. The projects requiring an MII disapproval vote were restricted to the airfield cost center as follows:

- **Airfield Maintenance Yard Pavement Reconstruction, Phase I** – This project consists of the first of two phases of repaving approximately 100,000 total square feet of AC pavement and pave approximately 30,000 total square feet of bare ground at the Airfield Maintenance Facility. The asphaltic concrete pavement at the Airfield Maintenance

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Facility was placed in 1978, is in a severely failed condition, has reached the end of its useful life and is past due for replacement.

The estimated cost of this phase is \$800,000 and with use of internal funds to fund this capital project, the RTAA will amortize the cost to the airlines over a ten (10) year period beginning in FY 2018-19.

- **Truck Mounted Cold Air Blower** – This is airfield equipment that is used on a weekly basis for clearing runways, taxiways and roadways areas for foreign object debris (FOD). The equipment is a truck-mounted blower assembly that uses 24,000 cubic feet per minute of air, traveling at 525 miles per hour, to blow debris off paved surfaces. The current cold air blower in use at RNO is a 1986 Jet Air. This 32-year-old machine has reached the end of its service life and has become increasingly unreliable.

The estimated cost of this equipment is \$458,000 and with the use of internal funds, the RTAA will amortize the cost to the airlines over a five (5) year period beginning in FY 2018-19.

After consultation with the signatory airlines on May 1, 2018, no airlines objected to the RTAA proceed with this projects in FY 2018-19.

Revenue Sharing Credit

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

The remaining 50% of the RTAA's net revenues for the year are transferred to the General Purpose Fund.

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

The net revenue available to be shared with the signatory airlines for 2018-19 is estimated to be \$5,438,579 as compared to \$4,334,800 in the FY 2017-18 Budget, an increase of \$1,103,779. Per the airline agreement, half of this amount is credited to the Terminal Building Cost Center in the year earned.

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The increase in FY 2018-19 reflects approximately \$3.970 million or 7.5% in higher total revenue offset by approximately \$2.011 million or 4.9% in higher operating expenses. This increase is partially offset by \$788,700 or 16.3% in higher cost recovery associated with fixed assets and capital projects.

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

Section 3 – Strategic Initiatives and Budget Goals

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The Reno-Tahoe Airport Authority (RTAA) operates two of the most important economic catalysts for our region- the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS). Together, these airports generate over \$3.1 billion in annual economic benefit for the region.

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

Over the past three years, the RNO has experiencing consistent year-over-year increases in passenger and cargo volumes due to a growing and diversifying regional economy, which is finally putting the 2008-09 recession in the rear-view mirror. In addition, RTS, along with its primary mission of providing general aviation facilities, host the National Championship Air Races and serves as an active Unmanned Aircraft System (UAS) test site hosting NASA and many Fortune 100 companies.

The RTAA has maintained a solid financial position based on airport-derived revenues and no property or sales taxes throughout volatile market cycles. Regional leaders and the community-at-large broadly support the organization and are actively engaged in helping shape its future.

The continued business development and growth in the region and catchment area present significant opportunities. Additionally, the continued economic diversification, emerging alternatives in transportation (such as drones and the future of self-driving cars), and the changing needs of travelers are trends that are expected to influence the future of the RTAA.

To help guide the future of the RTAA, the Board of Trustees on June 14, 2018 approved an updated Strategic Plan for FY 2018-19 through FY 2022-23. This update replaces the original Strategic Plan, which expired on June 30, 2018. With the significant improvement in the regional economy and an ever-changing aviation industry, the updated plan reflects input from the public and user groups as part of the current Master Plan update and direct input from airport committees, the Board, and staff.

The purpose and desired outcomes of the adopted RTAA FY2019-23 Strategic Plan are the following:

- **Shared Vision:** A strategic vision for the organization that is shared by staff and the Board of Trustees.
- **Strategic Direction:** Core strategies that will help guide the RTAA over the next 5 years.

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- **Roadmap:** A high-level plan to guide priority setting and serve as a helpful road map for staff and the Board of Trustees.
- **Planning Structure:** Long-term goals and performance measures that support the strategic priorities and provide a planning structure for objectives setting and annual action plans.
- **Agility/Flexibility:** A living, breathing plan that provides direction, but is also flexible and broad enough to incorporate constant change in the aviation industry.

Strategic Plan Methodology

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

Vision Statement: This statement is a short, concise, vivid statement of the RTAA’s future, answering the question: “what will the RTAA look like in 10-20 years?”

Mission Statement: This statement is an overarching, timeless expression of the RTAA’s purpose and aspiration, addressing both what the RTAA seeks to accomplish and the manner in which to accomplish it. A mission statement is a declaration of an organization’s core purpose that answers the question, “why do we exist?”

Strategic Priorities and Support Strategies: These items represent the long-term, continuous strategic focus areas that move the organization closer to achieving the vision. Strategic Priorities serve a five-year or more time horizon.

Long-Term Goals: These goals explain how the RTAA will accomplish the strategic priorities over the life of the plan with clear results associated with the objectives.

Key Performance Measures: These quantifiable measures show evidence of movement toward the RTAA’s Strategic Priorities, and ultimately to achieving the Vision. Key Performance Measures are the most important performance measure for a strategic priority/goal (based on a strategy or major initiative).

Short-Term/Annual Objectives: These objectives explain what in the short-term the RTAA will do to accomplish the long-term goals. Short-term objectives are developed by staff and included in department operating budgets with supporting action plans and resource needs.

The update to the Strategic Plan and the FY 2018-19 Budget focused on the following key questions:

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- Why do we exist? (**Mission**)
- How will we behave? (**Values**)
- What do we do? (**Business Description**)
- What does success look like? (**Vision**)
- How will we succeed? (**Strategic Priorities & Long-Term Goals**)
- What is most important right “now”? (**2018 Objectives**)
- How will we measure success? (**KPIs and Performance Measures**)
- Who must do what? (**Initiatives/Action Items**)

Mission Statement – “Why do we exist?”

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

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

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

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

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

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

Values – “How do we behave?”

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

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Teamwork for Results

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

Honesty & Integrity

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

Respect & Recognition

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

Inspire & Innovate

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

Versatility

Versatility and agility, in an organization our size, is key to adapting to an ever-changing work environment. While clear direction is important, so too is the ability to be flexible in the way staff approach tasks, challenges, and opportunities. There is rarely only one way to do something, and each of us may need to explore various options in order to achieve the greatest

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success. Versatility provides the flexibility for all employees to support and assist each other during operational necessity and/or emergency situations.

Enthusiasm for Excellence

A positive attitude can really take you places. By choosing to bring an enthusiasm for excellence to every task staff undertakes, the RTAA recognizes the value of each employee's work and a spirit of continuous improvement. In a collaborative environment, where each person's contribution matters, a spirit of continuous improvement is achieved, and our best efforts lie in the next opportunity. This value aspires to create standards that others in the airport industry want to duplicate.

Business Description – “What do we do?”

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

Vision Statement – “What does success look like?”

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

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

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

The RTAA Board of Trustees and staff, through the Strategic Plan process, established a vision for the future with an emphasis on eight (8) Strategic Priorities. The Priorities focus on elements the Board and staff deem critically important to the long-term viability of the RTAA with maintaining existing and adding new air services. In addition, RTAA intends to further develop air cargo, optimize general aviation services, and expand and diversify non-airline revenue sources. This focus on business development, however, is impossible without a fundamental focus on customer service and creating a positive airport experience for our customers, tenants, and employees.

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

Strategic Priorities – Detailed View

The eight strategic priorities provide the framework for the strategic direction of 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:



Air Service and Cargo

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

Retaining and increasing commercial air service and cargo activities at RNO are essential to the region's economic growth and the RTAA's long-term success. Growth in commercial air service greatly depends on three pillars - Air Carriers (supply), the Airport (infrastructure and facilities), and the Tourism and Business Communities (demand) - to stimulate demand and *sustain* it. The RTAA needs to support and nurture these pillars throughout RNO's catchment area, which extends to Lake Tahoe, Susanville, Gardnerville and Elko.

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

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

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

Anticipate market shifts/demands through data-based decision making. RNO utilizes several data sources to monitor flight schedules, market demand/shifts, airline route health,

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airline strategies, etc. In addition to traditional air service sources, RNO partners with local stakeholders to identify leisure and business market demand for the Reno-Tahoe region.

Strengthen community awareness and support. An increase in passenger and cargo services is dependent upon ongoing partnerships, communication and marketing to the entire catchment area. The RTAA will continue to add new partnerships and strengthen current relationships with the regional conventions and visitors' authorities, the Economic Development Authority of Western Nevada (EDAWN) and Nevada Commission on Tourism (Travel Nevada) to grow and sustain air service. RNO will continue the community awareness program that includes air service educational sessions, local presentations/meetings, etc. RNO will find opportunities to inform the community on which target markets are operationally viable to pursue, given the high-density altitude, terrain and other constraints. RNO will continue to work very closely with the Regional Air Service Corporation and assist the leadership to increase membership, which benefits air service development. RNO will continue to promote air service to the general public in the Reno-Tahoe catchment area by creating and executing an annual "Marketing Campaign." Unlike the tourism industry, this "Marketing Campaign" is focused on Reno originating traffic.

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

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



Safety and Security

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

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

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

Extend RNO security and safety plans, training, etc. beyond what is legally required. As safety and security risks evolve and expand beyond the traditional response to an aircraft accident, it is imperative RNO be prepared. This plan includes not only an appropriate response to the initial emergency, but also continuity of operations for situations that can have a longer lasting impact.

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

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

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



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

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

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

Maintain existing facilities at both RNO and RTS and support third-party private investment. The RTAA has a significant investment in existing airfield infrastructure at both Airports. To optimize and extend the useful life of these assets, staff will continue its ongoing program of preventive maintenance and major rehabilitation programs. In addition, the RTAA has several land, GA services, hangar, and industrial development opportunities that are “market-driven” and dependent upon private party investment. The RTAA will provide support and assistance to facilitate this investment in facilities at both Airports.

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

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



Customer Experience

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

Both Airports makes the ultimate first and last impression when people come and go from our region. The RTAA’s goal is to provide a welcoming environment that inspires a positive, lasting impression. 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. The RTAA views all customer types: millennials, seniors and families who use our Airports as an opportunity to create a positive experience. This means everyone at the Airports is the RTAA’s customer, including airlines, tenants, concessionaires, general aviation, the military, our regional business community and anyone doing business with our family of tenants.

This strategic priority focuses on enhancing the holistic customer experience for all stakeholders by:

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Maintain RNO’s ease of access: The central location of RNO is a competitive advantage to the airport itself and the region overall. Under the current 20-year RNO Master Plan, the RNO’s location will be maintained in the center of the Reno-Sparks region. Strategies and collaboration with community partners will be leveraged to increase the ease of access from the I-580 interchange.

Ease of access also includes customer flow. Surveys highlight customer appreciation for the convenient facilities that make travel quick and easy. Proximity of the parking garage to rental cars, ticket lobby, checkpoint, and bag claim must be maintained, in accordance with the Master Plan, to continue to meet and exceed customer expectations.

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

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

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

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



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

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

The strategic approach to achieve this priority will focus on:

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

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

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



Financial Diversification and Growth

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

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

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

Continue competitive airline cost-per-enplanement focus to retain and attract air service. Due to the nature of the airport's financial structure and financial partnership with the airlines,

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

Encourage and foster new services and product offerings to address evolving market segments and customer expectations. Non-airline revenues comprised of public parking fees, rents collected from airport tenants, rental car and terminal concessions, and hangar and land leases generate 69% of total RTAA operating revenues. The net revenues allow the RTAA to reinvest back into facilities at both Airports and equipment that serve our customers and fund the other initiatives in the Strategic Plan. As the “baby boomers” enter retirement and “millennials” move into their working years and begin household formation, each generation will be looking for targeted services and facilities to enhance their travel experience. The RTAA has an opportunity to offer new services to meet changing consumer needs and preferences, which in turn can generate additional non-airline revenue.

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

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

Develop and implement strategies to expand customer base to more than airline passengers. One current trend is for commercial airports to be a regional destination for local residents, beyond air travel. Some airports are enhancing services to create an attractive

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destination for local residents. The RNO Gateway offers an opportunity to attract additional revenue from the local community through a development partner that plans to construct a new hotel, restaurant and office facilities. In addition, RNO pre-security terminal services offer an opportunity to attract local residents to shop and take advantage of business services not solely focused on passenger needs and preferences. With the relocation of rental car operations, public parking availability will increase and its convenient proximity to the terminal facilities will support the local destination concept, which can be integrated into the planning and design features of the concourse replacement program. See Strategic Priority #3 - Facilities of the Future.

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

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Facilities for the Future

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

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

The strategic approach to create facilities for the future is:

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

Replace RNO terminal concourses and provide a new Customs and Border Protection facility. With the existing concourses being 40 years old, the RTAA needs to replace RNO

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terminal concourses with new and larger concourses to address existing constraints, such as limited space for new amenities and concessions, and allow for future growth and expansion for both domestic and international travel. This effort will focus on development of the first phase of the following recommendations:

- Provide 24 gates, with a clear path of future expansion to achieve a total of at least 27 gates;
- Provide taxi-lanes sized to accommodate aircraft similar in size to the Boeing 757 (B757);
- Provide a new Customs and Border Protection (CBP) facility sized to process 400 passengers per hour and provide an improved passenger experience;
- Provide administrative office space sized and located to meet current and future needs;
- Provide expanded spaces for amenities, concessions and hold rooms.

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

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

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

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

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

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

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

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



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

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

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

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

Prioritize operational efficiency to do more with less as a first place to start. Operational efficiency, in its simplest terms, is doing more with less because of effective management and creative ideas. The RTAA operates under the expectation that well-run facilities cost less to

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operate and maintain. Less, in this case, refers to any number of items, from staff hours to vehicle fuel to heating and cooling costs.

Conserve natural resources through policies, technology, recycling and reuse. Conserving and protecting our natural resources is the most easily identifiable sustainability focus area. The RTAA has long been committed to promoting environmental policies that endeavor to use less of our natural resources, to protect our resources from contamination, to reuse whenever possible, and to recycle. The RTAA will strive to expand on this philosophy and incorporate new technologies, as appropriate.

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

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

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

FY2019-23 Long-Term Goals and Performance Measures

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

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

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Strategic Priority	Long-Term Goals	Performance Measures
CUSTOMER EXPERIENCE	Ease of access to RNO facilities	Adopt Master Plan initiatives for RNO Parking/Rental Cars Draft/implement I-580 Public Relations Plan Number of presentations to public entities about RNO facilities and air service
	Passenger Empowerment	Airline terminal common use study Social Media followers
	Passenger Empathy	Number of hours P4P (dog teams) volunteer Number of Kindness Takes Flight activities Number of annual Ask the Airport, social media responses
	RTAA Brand & Community Leadership	Dollar value of media Number of government presentations Number of civic group presentations New lobbyists Number of Community Outreach Committee meetings
	Positive Travel Experience	Customer satisfaction score
	Landside Operational Improvements	Programmatic Study of Landside Improvements
PEOPLE	Employee Satisfaction	Implementation of improvement opportunities based on items identified in the Employee Engagement Survey
	Employee Engagement	Maximize the effectiveness of our teams through annual departmental moral building activities
	THRIVE Organizational Values are Active	Provide ongoing support of THRIVE values through relevant activities
	RTAA Leadership Program	Facilitate targeted feedback of performance measures Demonstrate a more united leadership team to the RTAA staff
	Employer of Choice	Conduct salary surveys, establish employment branding, highlight employee stories, maintain competitive benefits
	Succession Planning	% Completion of Talent Profiles % of employees being promoted Specific development goals identified on performance reviews Development of an internship program; number of internships
	Workforce Diversity	Development of a Diversity Program Progress towards approximating measures for local demographics as outlined in the RTAA Diversity Plan

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

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FY 2018-19 Objectives – “What is most important right now?” and “Who must do what?”

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

In Section 7 - Expenditures, each department within the RTAA is discussed in detail, including its mission statement, key responsibilities, a progress report on initiatives outlined in the adopted FY 2017-18 Budget and new FY 2018-19 Budget initiatives.

Accountability Structure

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

Plan Structure and Accountability

<u>Accountability Structure</u>	<u>Strategic Plan Structure</u>	<u>Planning Time Frame</u>
Board of Trustees	Mission, Vision, Guiding Principles	Every 5 Years Reviewed annually
	Strategic Priorities	Every 5 Years Reviewed annually
	Long-Term Goals & Performance Measures	Every 3-5 Years Adapted annually
Executive Staff	Short-Term Objectives	Every 1-3 Years Established annually
Individual Contributors	Supporting Actions Plans	Annually

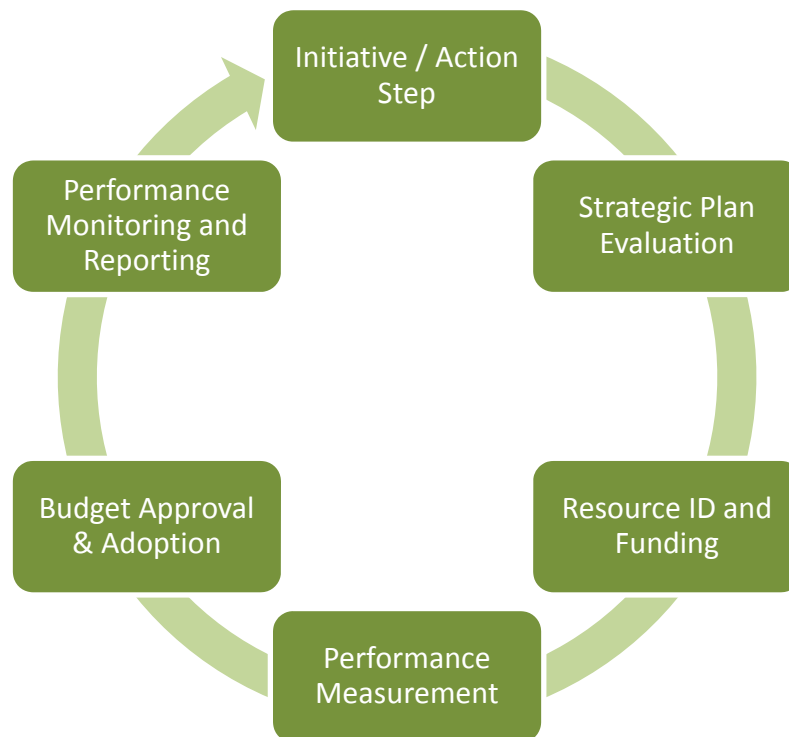
Strategic Plan Integration

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

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

FY 2018-19 Budget – Resource Identification



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

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

The following table outlines the resources identified in the FY 2017-18 Budget, the updated FY 2017-18 Mid-Year Forecast, and the FY 2018-19 Budget specifically dedicated to the achievement of the Strategic Priorities:

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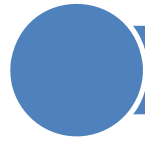
Air Service and Cargo

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

 Airline Incentive -Waiver of Airline Rates and Charges

FY 2017-18 Adopted Budget	FY 2017-18 Mid-Year Analysis	FY 2018-19 Proposed Budget
\$ 10,000	\$ 10,000	\$ 10,000
30,000	30,000	50,000
15,000	15,000	15,000
399,200	331,400	324,300
100,000	65,000	50,000
172,500	237,500	233,500
170,000	170,000	280,000
30,000	5,000	12,000
20,000	20,000	20,000
18,000	18,000	33,700
50,000	50,000	50,000
94,900	82,200	66,000
400,000	400,000	400,000
\$ 1,509,600	\$ 1,434,100	\$ 1,544,500

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Safety and Security

Safety and Security

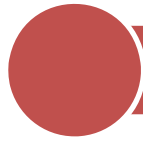
Airfield Operations
 Airport Fire
 Airport Police
 Operations and Public Safety Administration
 Security

 Plant Property and Equipment

 Cap Project -RNO- SCAN Sensor Replacement
 Cap Project -RNO- CCTV Camera Installation, Phase IV
 Cap Project -RNO- TSA Checkpoint Security Surveillance
 Cap Project -RNO- Camera Replacement Project, Phase II
 Cap Project -RNO- Security Vulnerability Study
 Cap Project -RNO- Carpet Replacement (ARFF)
 Cap Project -RNO- ACAMS and CCTV Upgrade
 Cap Project -RNO- Access Control Keypad Replacement
 Cap Project -RNO- Analog Security Camera Replacement
 Cap Project -RNO- BHS Camera Integration
 Cap Project -RNO- Identity Mgmt. System, Ph 1
 Cap Project -RNO- Part 139 Database Software, Phase 1
 Cap Project -RNO- Police Records Mgmt. System
 Cap Project -RNO- Airport Communications Center Upgrade

FY 2017-18 Adopted Budget	FY 2017-18 Mid-Year Analysis	FY 2018-19 Proposed Budget
\$ 2,348,000	\$ 2,324,200	\$ 2,391,300
2,974,200	3,023,800	3,316,000
3,446,400	3,457,700	3,649,200
362,500	331,100	311,100
1,545,600	1,538,900	1,609,900
284,000	302,400	692,600
20,900	20,900	-
90,000	90,000	-
129,200	129,200	-
-	79,000	-
-	25,000	-
-	-	37,500
-	-	150,000
-	-	269,000
-	-	585,000
-	-	100,000
-	-	50,000
-	-	50,000
-	-	350,000
		1,194,000
\$ 11,200,800	\$ 11,322,200	\$ 14,755,600

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 3 – Strategic Initiatives



General Aviation

General Aviation

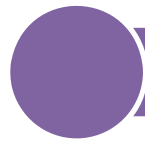
GA Hangar/Asphalt Maintenance/Repairs - RNO
GA Marketing/Customer Service
National Championship Air Race Sponsorship
GA Rent Methodology Study
Reno Stead Airport (RTS) Operations and Maintenance

Plant Property and Equipment

Cap Project -RNO- GA West Asphalt South T-Hangar Row
Cap Project -RNO- Roof Replacement- 485 South Rock
Cap Project -RTS- Hangar #6 Lighting Improvements
Cap Project -RTS- Window Replacement - Aviation Classics
Cap Project -RTS- Wash Bay Restroom Remodel
Cap Project -RTS- Terminal Access Road Rehabilitation, Ph 1
Cap Project -RTS- Water Line Replacement
Cap Project -RNO- Pavement Reconstruction - Gentry Way
Cap Project -RTS- Terminal Access Road Rehabilitation, Ph 2
Cap Project -RTS- Concrete Apron
Cap Project -RTS- Runway 8/26 Rehabilitation (Local Share)

FY 2017-18 Adopted Budget	FY 2017-18 Mid-Year Analysis	FY 2018-19 Proposed Budget
\$ 233,900	\$ 233,900	\$228,400
5,400	5,400	5,300
100,000	100,000	100,000
-	-	40,000
1,067,600	1,083,900	1,068,200
105,700	105,700	-
218,600	218,600	-
64,000	64,000	-
48,500	48,500	-
38,600	38,600	-
16,900	16,900	-
1,132,800	1,460,000	-
	12,200	-
		240,000
		340,000
	71,686	212,564
	229,000	1,139,700
\$ 3,032,000	\$ 3,688,386	\$ 3,374,164

Reno-Tahoe Airport Authority
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Section 3 – Strategic Initiatives



Customer Experience

Customer Experience

Art Program
Community Outreach
Customer Satisfaction Survey
Customs and Border Protection - Customer Service Program
Customs and Border Protection - Additional Officer
Traffic Engineer - Spaghetti Bowl Project
Marketing and Public Affairs Staff

Plant Property and Equipment

Cap Project -RNO- CBP Facility Expansion, Ph 1

FY 2017-18 Adopted Budget	FY 2017-18 Mid-Year Analysis	FY 2018-19 Proposed Budget
\$ 4,000	\$ 4,000	\$ 4,000
67,700	67,700	57,800
22,500	22,500	-
38,000	38,000	38,000
87,500	87,500	175,000
-	100,000	100,000
1,486,300	1,425,400	1,661,800
45,750	45,750	18,800
-	-	100,000
\$ 1,751,750	\$ 1,790,850	\$ 2,155,400



People

People

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

Plant, Property and Equipment

FY 2017-18 Adopted Budget	FY 2017-18 Mid-Year Analysis	FY 2018-19 Proposed Budget
\$ 722,900	\$ 726,600	\$ 770,200
37,500	37,500	37,500
36,700	41,200	49,900
151,700	149,800	207,800
3,700	3,700	3,700
9,650	9,650	-
\$ 962,150	\$ 968,450	\$ 1,069,100

Reno-Tahoe Airport Authority
FY 2018-19
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Section 3 – Strategic Initiatives



Financial Diversification and Growth

Financial Diversification and Growth

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

Plant Property and Equipment

Cap Project -RNO- Mini Warehouse - Asphalt Rehab- CC Bldg.
 Cap Project -RNO- Air Cargo Way Drainage Repair
 Cap Project -RNO- Landside Operations Office Remodel
 Cap Project -RNO- Pavement - 1200 Terminal Way
 Cap Project -RNO- Pavement - 1280 Terminal Way
 Cap Project -RNO- Roof Replacement - Parking Office Roof
 Cap Project -RNO- Parking Structure Planter Wall Refurb.
 Cap Project -RNO- Parking Revenue Control System Upgrade
 Cap Project -RNO- TSA Office Remodel

FY 2017-18 Adopted Budget	FY 2017-18 Mid-Year Analysis	FY 2018-19 Proposed Budget
\$ 1,756,500	\$ 1,659,000	\$ 1,742,000
1,701,900	1,606,500	1,757,300
56,000	47,000	57,400
28,500	14,300	22,400
230,400	57,600	27,200
-	-	-
200,000	200,000	-
86,000	86,000	-
23,800	23,800	-
-	-	130,000
-	-	260,000
-	-	132,000
-	-	51,400
-	-	799,300
-	69,500	1,059,500
\$ 4,083,100	\$ 3,763,700	\$ 6,038,500

Reno-Tahoe Airport Authority
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Section 3 – Strategic Initiatives

Facilities for the Future

Facilities for the Future

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

Plant, Property and Equipment

Airfield Pavement Management Program
Landside Pavement Management Program

Cap Project -RNO- Access Road Reconstruction - Gate 170
Cap Project -RNO- Purchasing Office Relocation
Cap Project -RNO- Administration Carpet Replacement
Cap Project -RNO- Airfield Maintenance Shop Door Repl.
Cap Project -RNO- Jet Bridge Carpet Replacement
Cap Project -RNO- Carpet Replacement - (Admin Offices)
Cap Project -RNO- Pavement - Airfield Maintenance Yd, Ph 1
Cap Project -RNO- Building Demolition - "C" Game Room
Cap Project -RNO- Roof Replacement - CBP Building
Cap Project -RNO- Airfield Maintenance Shop Door Repl.

FY 2017-18 Adopted Budget	FY 2017-18 Mid-Year Analysis	FY 2018-19 Proposed Budget
\$ 3,465,400	\$ 3,385,700	\$ 3,621,800
1,053,500	1,053,400	1,064,400
5,934,700	5,946,500	6,160,600
747,300	741,200	895,600
672,100	667,300	717,700
1,133,700	1,227,500	1,064,800
485,600	505,900	253,700
617,500	756,624	800,000
600,000	600,000	600,000
266,000	266,000	
85,000	135,000	
225,000	225,000	
16,500	16,500	
70,000	70,000	
-		250,000
-	-	800,000
-	-	11,500
-		243,050
-	-	9,000
\$ 15,372,300	\$ 15,596,624	\$ 16,492,150

Reno-Tahoe Airport Authority
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Section 3 – Strategic Initiatives



Sustainability

Sustainability

Environment
 Noise Monitoring Equipment Maintenance and Upkeep

Plant, Property and Equipment

Capital Project -RNO- Building Control System Upgrade, Phase II
 Capital Project -RNO- LED Lighting Replacement (Parking)
 Capital Project -RNO- Chiller Adaptive Frequency Drive
 Capital Project -RNO- Building Controls System Upgrade, Ph III
 Capital Project -RNO- LED Lighting Replacement

FY 2017-18 Adopted Budget	FY 2017-18 Mid-Year Analysis	FY 2018-19 Proposed Budget
\$ 301,000	\$ 301,000	\$ 283,700
190,900	190,900	190,900
-	-	-
185,000	185,000	-
\$ 53,000	53,000	-
-	-	80,000
-	-	170,000
-	-	179,500
\$ 729,900	\$ 729,900	\$ 904,100
\$ 38,641,600	\$ 39,294,210	\$46,333,514

TOTAL STRATEGIC PRIORITIES FUNDING

Proposed Increase of 19.9%

\$ 7,691,914

19.9%

The adopted FY 2018-19 Budget reflects the on-going commitment of RTAA resources of \$46.334 million, an increase of \$7,691,900 or 19.9% above the prior year budget, is dedicated to the accomplishment of the strategic priorities outlined above and as presented in Section 7 – Expenditures.

Section 4 – Organization Guide

Reno-Tahoe Airport Authority
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Section 4 – Organization Guide

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

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



<u>Board of Trustees</u>	<u>Position</u>	<u>Term Expires</u>	<u>Represents</u>
Lisa Gianoli	Chair	June 2019	Washoe County
Jessica Sferrazza	Vice-Chair	June 2019	City of Reno
Jenifer Rose	Treasurer	June 2019	City of Reno
Richard Jay	Secretary	June 2021	City of Reno
Nat Carasali	Trustee	June 2021	Washoe County
Shaun Carey	Trustee	June 2019	City of Sparks
Carol Chaplin	Trustee	June 2021	Reno-Sparks Convention & Visitors Authority
Daniel Farahi	Trustee	June 2021	City of Reno
Art Sperber	Trustee	June 2021	City of Sparks

FY 2018-19 PERSONNEL COMPLEMENT

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

ADDITIONS OR CHANGES

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

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

PRESIDENT/CEO

Air Service Business Development

The Manager of Airline Business Development position has been reclassified as a Manager of Air Service and Cargo Business Development.

The Manager of Air Service Development and Marketing position has been reclassified as a Manager of Air Service Development and Community Engagement.

The Marketing Coordinator position has been moved to the Engineering and Construction department and reclassified as a Project Manager II.

The Executive Assistant position has been moved to the Marketing and Public Affairs department and reclassified as Administrative Assistant III.

Marketing and Public Affairs

The Manager of Public Affairs and Customer Service position has been reclassified as a Manager of Marketing.

One Marketing Coordinator position has been reclassified as a Customer Service Supervisor.

Two Marketing Coordinator positions have been reclassified as Public Relations Coordinators.

The department is growing by one position, the Administrative Assistant III transferred from Air Service.

EXECUTIVE VICE-PRESIDENT/COO

Unmanned Aircraft System (UAS)

The UAS Project Manager position has been moved to the Technology and Information Systems department and reclassified as Information Technology (IT) Project Manager.

Technology and Information Systems

An IT Project Manager position is newly funded in the 2018-19 fiscal year. This new position will facilitate the implementation of Automated Time and Attendance, Payroll,

Reno-Tahoe Airport Authority
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Human Resources Information System (HRIS), Financial Accounting System, and Computerized Maintenance Management System (CMMS) replacement.

Reno-Stead Airport

The Program Technician position has been reclassified as Administrative Assistant III.

The Lead Airfield Maintenance Technician position has been reclassified as Stead Technician V.

The Equipment Mechanic position has been reclassified as Stead Technician III.

The Airfield Maintenance Technician position has been reclassified as Stead Technician IV.

The Maintenance Worker I/II position has been reclassified as Stead Technician I/II/III.

Human Resources

The Administrative Assistant II position has been upgraded to Administrative Assistant III to better reflect the responsibilities of the position and the needs of the department.

Engineering and Construction

A Project Manager II position is newly funded in the 2018-19 fiscal year. This new position will provide the technical resources required for the increase in capital project workload related to the upcoming Runway 16R-34L Reconstruction Program and anticipated capital projects associated with the new Master Plan.

OPERATIONS AND PUBLIC SAFETY

Airside Operations

The Operations Supervisor positions have been reclassified as Airport Duty Manager (G).

Airport Rescue and Fire

Three Fire Fighter positions have been upgraded and reclassified as Driver/Operators.

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

FACILITIES AND MAINTENANCE

Facilities and Maintenance Administration

The Special Projects Manager position has been reclassified as a Facilities Project Manager.

The Special Projects Coordinator position has been reclassified as a Facilities Project Coordinator.

Airfield Maintenance

The Facilities Maintenance Technician I/II/III position has been reclassified as an Airfield Equipment Mechanic Technician IV.

Building Maintenance

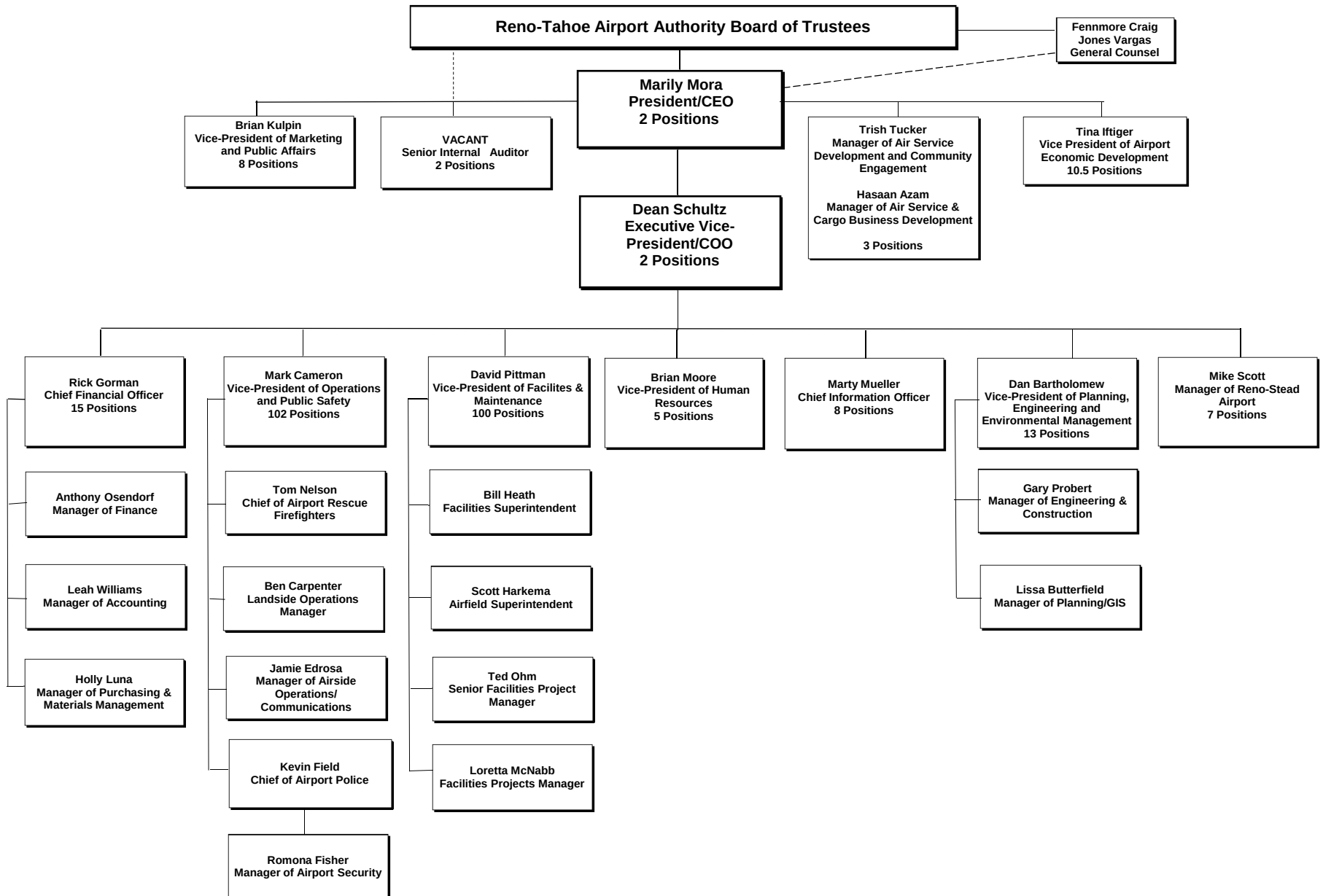
The Facilities Maintenance Technician I/II/III position has been moved to the Airfield Maintenance department.

VACANT POSITIONS

Various vacant positions shown in the personnel complement have been frozen by the President/CEO and are not funded in the FY 2018-19 Budget for personnel services.

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

FY 2018-19



Reno-Tahoe Airport Authority
FY 2018 - 19
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Personnel Complement

	Budgeted and/or Authorized FY 2016-17	Budgeted and/or Authorized FY 2017-18	Budgeted and/or Authorized FY 2018-19
Board of Trustees *	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
Board of Trustees Division	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
President/CEO Division	<u>24.5</u>	<u>24.5</u>	<u>23.5</u>
Executive Vice President/COO Division	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>
Finance and Administration Division	<u>14.0</u>	<u>15.0</u>	<u>15.0</u>
Operations and Public Safety Division	<u>98.0</u>	<u>102.0</u>	<u>102.0</u>
Planning and Engineering Division	<u>12.0</u>	<u>12.0</u>	<u>13.0</u>
Facilities and Maintenance Division	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
TOTAL AIRPORT (Does not include the appointed Board of Trustees)	<u><u>272.5</u></u>	<u><u>277.5</u></u>	<u><u>277.5</u></u>

* Appointed positions

Reno-Tahoe Airport Authority
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Personnel Complement

	Budgeted and/or Authorized FY 2016-17	Budgeted and/or Authorized FY 2017-18	Budgeted and/or Authorized FY 2018-19
Board of Trustees Division			
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 Division	2.0	2.0	2.0
President/CEO Division			
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	1.0	1.0	1.0
Manager of Airline Business Development	1.0	1.0	0.0
Manager of Air Service & Cargo Business Development	0.0	0.0	1.0
Manager of Air Service Development & Marketing	1.0	1.0	0.0
Manager of Air Service Development & Community			
Engagement	0.0	0.0	1.0
Marketing Coordinator	1.0	1.0	0.0
Executive Assistant	1.0	1.0	0.0
Total Air Service Business Development Section	5.0	5.0	3.0
Marketing and Public Affairs Section			
Vice-President of Marketing and Public Affairs	1.0	1.0	1.0
Manager of Marketing	0.0	0.0	1.0
Marketing Coordinator	3.0	3.0	0.0
Public Relations Coordinator	0.0	0.0	2.0
Customer Service Supervisor	0.0	0.0	1.0
Marketing Coordinator - Graphics Design	1.0	1.0	0.0
Graphic Designer	0.0	0.0	1.0
Manager of Public Affairs and Customer Service	1.0	1.0	0.0
Administrative Assistant III	0.0	0.0	1.0
Receptionist	1.0	1.0	1.0
Total Marketing and Public Affairs Section	7.0	7.0	8.0
Economic Development Section			
Vice-President of Airport Economic Development	1.0	1.0	1.0
Supervisor of Real Estate	1.0	1.0	1.0
Senior Manager of Properties	1.0	1.0	1.0
Manager of Economic Development	1.0	1.0	1.0
Property Specialist II	2.0	2.0	2.0
Property Specialist I	1.0	1.0	1.0

Reno-Tahoe Airport Authority
FY 2018 - 19
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Personnel Complement

	Budgeted and/or Authorized FY 2016-17	Budgeted and/or Authorized FY 2017-18	Budgeted and/or Authorized FY 2018-19
Property Specialist I - Paralegal	1.0	0.0	0.0
Contract Specialist I	0.0	1.0	1.0
Property Technician	2.5	2.5	2.5
Total Economic Development Section	10.5	10.5	10.5
Total President/CEO Division	24.5	24.5	23.5
Executive Vice President/COO Division			
Executive Vice-President/COO	1.0	1.0	1.0
Executive/Board Assistant	1.0	1.0	1.0
Total Executive Vice President/COO	2.0	2.0	2.0
Technology and Information Systems Section			
Chief Information Officer	0.0	1.0	1.0
Director of Technology and Information Systems	1.0	0.0	0.0
Project Manager	1.0	1.0	2.0
Telecommunications Technician	1.0	0.0	0.0
Network Administrator II	1.0	2.0	2.0
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	7.0	7.0	8.0
Reno-Stead Airport Section			
Manager of Reno-Stead Airport	1.0	1.0	1.0
Program Technician	1.0	1.0	0.0
Administrative Assistant III	0.0	0.0	1.0
Airfield Maintenance Worker I/II	2.0	2.0	0.0
Stead Technician I/II/III	0.0	0.0	2.0
Equipment Mechanic	1.0	1.0	0.0
Stead Technician III	0.0	0.0	1.0
Airfield Maintenance Technician	1.0	1.0	0.0
Stead Technician IV	0.0	0.0	1.0
Stead Technician V	0.0	0.0	1.0
Lead Airfield Maintenance Technician	1.0	1.0	0.0
Total Reno Stead Airport Section	7.0	7.0	7.0
Unmanned Aircraft Systems			
Project Manager	1.0	1.0	0.0
Total Unmanned Aircraft Systems	1.0	1.0	0.0
Human Resources Section			
Vice-President of Human Resources	0.0	1.0	1.0
Director of Human Resources	1.0	0.0	0.0
Senior Benefits Specialist	1.0	1.0	1.0
Human Resources Specialist	1.0	1.0	1.0

Reno-Tahoe Airport Authority
FY 2018 - 19
ANNUAL BUDGET

Personnel Complement

	Budgeted and/or Authorized FY 2016-17	Budgeted and/or Authorized FY 2017-18	Budgeted and/or Authorized FY 2018-19
Training Specialist	1.0	1.0	1.0
Administrative Assistant III	0.0	0.0	1.0
HR Administrative Assistant	1.0	1.0	0.0
Total Human Resources Section	5.0	5.0	5.0
Total Executive Vice President/COO Division	22.0	22.0	22.0
Finance and Administration Division			
Accounting and Administration Section			
Chief Financial Officer	1.0	1.0	1.0
Manager of Accounting	1.0	1.0	1.0
Accountant	1.0	1.0	1.0
Payroll Administrator	1.0	1.0	1.0
Accounting Technician - AP	2.0	2.0	1.0
Accounting Technician - AR	0.0	0.0	1.0
Administrative Assistant II	1.0	1.0	1.0
Total Accounting and Administration Section	7.0	7.0	7.0
Finance and Budgeting Section			
Manager of Finance and Budgeting	1.0	1.0	1.0
Senior Financial Analyst	1.0	1.0	1.0
Total Finance and Budgeting Section	2.0	2.0	2.0
Purchasing & Materials Management Section			
Manager of Purchasing & Materials Management	1.0	1.0	1.0
Senior Buyer	1.0	1.0	1.0
Buyer	0.0	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	5.0	6.0	6.0
Total Finance and Administration Division	14.0	15.0	15.0
Operations and Public Safety Division			
Operations and Public Safety Administration Section			
Vice-President of Operations and Public Safety	1.0	1.0	1.0
Operations Specialist	1.0	1.0	1.0
Total Operations and Public Safety Administration	2.0	2.0	2.0
Airside Operations Section			
Manager of Airside Operations/Communications	1.0	1.0	1.0
Operations Supervisor	7.0	6.0	0.0
Airport Duty Manager (G)	0.0	0.0	6.0
Airport Duty Manager	0.0	1.0	1.0
Airport Communications Supervisor	0.0	1.0	1.0
Senior Communications Specialist	1.0	1.0	1.0

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Personnel Complement

	Budgeted and/or Authorized FY 2016-17	Budgeted and/or Authorized FY 2017-18	Budgeted and/or Authorized FY 2018-19
Airport Communications Specialist	8.0	10.0	10.0
Airport Communications Training and TAC Specialist	1.0	0.0	0.0
Total Airside Operations Section	18.0	20.0	20.0
Landside Operations Section			
Manager of Landside Operations	1.0	1.0	1.0
Landside Supervisor	0.0	1.0	1.0
Administrative Assistant I/II	1.0	1.0	1.0
Parking Lot Attendant	9.0	9.0	9.0
Parking Shift Leader	4.0	4.0	4.0
Total Landside Operations Section	15.0	16.0	16.0
Airport Rescue and Fire Section			
Chief of Airport Rescue Firefighters	1.0	1.0	1.0
Deputy Chief of Airport Firefighters	1.0	1.0	1.0
Fire Captain	3.0	3.0	3.0
Driver/Operator	6.0	6.0	9.0
Fire Fighter	9.0	9.0	6.0
Total Airport Rescue and Fire Section	20.0	20.0	20.0
Airport Police Section			
Chief of Airport Police	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0
Police Sergeant	4.0	4.0	4.0
Police Corporal	1.0	0.0	0.0
Police Officer	17.0	18.0	18.0
Administrative Assistant II	1.0	1.0	1.0
Total Airport Police Section	25.0	25.0	25.0
Airport Security Section			
Manager of Airport Security	1.0	1.0	1.0
Security Supervisor	0.0	1.0	1.0
Lead Security Specialist	3.0	4.0	4.0
Airport Security Specialist	13.0	12.0	12.0
Security Compliance Specialist	1.0	1.0	1.0
	18.0	19.0	19.0
Total Operations and Public Safety Division	98.0	102.0	102.0
Planning and Engineering Division			
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 Planning/Environmental Service	1.0	1.0	1.0
Airport Senior Planner	1.0	1.0	1.0

Reno-Tahoe Airport Authority
FY 2018 - 19
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Personnel Complement

	Budgeted and/or Authorized FY 2016-17	Budgeted and/or Authorized FY 2017-18	Budgeted and/or Authorized FY 2018-19
Airport Planner II	1.0	1.0	1.0
Airport Noise Analyst	1.0	1.0	1.0
Administrative Assistant III	1.0	1.0	1.0
Total Planning and Environmental Services Section	7.0	7.0	7.0
Engineering and Construction Section			
Manager of Engineering & Construction	1.0	1.0	1.0
Senior Project Manager	2.0	2.0	2.0
Capital Improvements & Grant Coordinator	1.0	1.0	1.0
Project Manager II	1.0	1.0	2.0
Total Engineering and Construction	5.0	5.0	6.0
Total Planning and Engineering Division	12.0	12.0	13.0
Facilities and Maintenance Division			
Facilities and Maintenance Administration Section			
Vice-President of Facilities and Maintenance	0.0	1.0	1.0
Director of Facilities and Maintenance	1.0	0.0	0.0
Senior Facilities Project Manager	0.0	1.0	1.0
Facilities Project Manager	1.0	0.0	1.0
Construction Manager	1.0	1.0	1.0
Special Projects Coordinator	1.0	1.0	0.0
Facilities Projects Coordinator	0.0	0.0	1.0
Special Projects Manager	1.0	1.0	0.0
Total Facilities and Maintenance Administration 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	0.0	0.0
Airfield Technician V	0.0	3.0	3.0
Equipment Mechanic	3.0	0.0	0.0
Airfield Equipment Mechanic IV	0.0	2.0	3.0
Senior Grounds Maintenance Worker	1.0	0.0	0.0
Airfield Landscape Technician IV	0.0	1.0	1.0
Grounds Maintenance Worker	1.0	0.0	0.0
Airfield Landscape Technician III	0.0	1.0	1.0
Airfield Maintenance Electrician	3.0	0.0	0.0
Airfield Electrician Technician IV	0.0	2.0	2.0
Airfield Maintenance Worker I/II	11.0	0.0	0.0
Airfield Technician I, II, III	0.0	11.0	11.0
Airfield Technician IV	0.0	2.0	2.0
Airfield Automotive Technician III	0.0	1.0	1.0
Automotive Technician	1.0	0.0	0.0
Administrative Assistant II	1.0	1.0	1.0
Total Airfield Maintenance Section	27.0	27.0	28.0

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Personnel Complement

	Budgeted and/or Authorized FY 2016-17	Budgeted and/or Authorized FY 2017-18	Budgeted and/or Authorized FY 2018-19
Building Maintenance and Services Section			
Facilities Superintendent	1.0	1.0	1.0
Assistant Facilities Superintendent	0.0	1.0	1.0
Facilities Supervisor	6.0	5.0	5.0
Building Maintenance Technician	7.0	0.0	0.0
Building Maintenance Worker I/II	6.0	0.0	0.0
Facilities Maintenance Technician I, II, III	0.0	8.0	7.0
Facilities Jet Bridge Technician IV	0.0	1.0	1.0
Facilities Maintenance Technician IV	0.0	2.0	1.0
Facilities Plumber Technician IV	0.0	0.0	1.0
Facilities Maintenance Technician V	0.0	3.0	3.0
Facilities HVAC Plant Operator	1.0	0.0	0.0
Facilities HVAC Plant Operator V	0.0	1.0	1.0
HVAC Technician	4.0	0.0	0.0
Facilities HVAC Technician IV	0.0	4.0	4.0
Building Maintenance Electrician	3.0	0.0	0.0
Facilities Electrician Technician IV	0.0	2.0	2.0
Maintenance Scheduler	0.0	0.0	0.0
Maintenance Scheduler/Planner	1.0	1.0	1.0
Facilities & Maintenance Planner	0.0	0.0	0.0
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	68.0	68.0	67.0
Total Facilities and Maintenance Division	100.0	100.0	100.0
TOTAL AIRPORT (Does not include the appointed Board of Trustees)	272.5	277.5	277.5

* Appointed positions

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As a quasi-municipal corporation, the Reno-Tahoe Airport Authority (RTAA) was created by the Nevada Legislature in 1977 to acquire, operate, and finance the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS) and related facilities. 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 (GAAP), 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.

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

Revenues from landing fees, rents, parking revenue and other miscellaneous sources are reported as operating revenues. Transactions, which are capital, financing or investing related, are reported as non-operating revenues. Passenger Facility Charges and Customer Facility Charges are reported as non-operating revenues. Expenses from employee wages and benefits, purchases of services, materials and supplies and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

The bond resolution also prioritizes the flow and use of revenues through a series of accounts held by a third-party trustee. 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.

Legal Requirements

The enabling legislation, which created the RTAA, requires that the budget process complies with the Local Government Budget Act and the Local Government Purchasing Act enacted by

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the Nevada State Legislature. 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 RTAA is also subject to the Local Government Securities Law, which defines the process required by local Nevada governments when issuing short and long term debt.

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

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 RNO is to be used by the airlines. In addition, this Agreement also identifies the following:

- Establishes the business arrangement/rate-setting methodology with the airlines;
- Identifies the premises and facilities leased by the airlines and defines the degree of control by the lessee (e.g., exclusively-leased, preferentially-leased, leased in common, etc.);
- Defines the level of control over the expenses at the airport, if any (typically, capital improvement projects are those where the airlines may have some control through a majority-in-interest or similar type provision);

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- Identifies general party responsibilities and obligations regarding indemnification, insurance, environmental issues, and other governmental inclusion; and
- Establishes six cost centers: Airfield, Terminal Building, Baggage Handling System, Parking and Ground Transportation, Other, and Reno-Stead Airport.

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

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

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

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

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

The RTAA is currently operating under a five (5) year airline agreement and business arrangement that went into effect July 1, 2015.

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

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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 RTAA. The expenditures, which are primarily comprised of operating expenses, debt service and recovery of capital project/equipment expenditures with unit costs of less than \$300,000, in the Terminal Building cost center are divided by a “rentable” space divisor (total terminal space available that is revenue producing and available for lease).

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

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

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

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

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

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

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

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

The RTAA budgeted cost per enplanement (CPE) for fiscal year 2017-18 was \$7.23 and it is currently forecasted at \$6.18. The CPE for FY 2018-19 is budgeted to be \$7.07. This ratio compares to the 2016 average median for all U.S. Airports of \$8.42 as reported by Moody's Investors Service on October 27, 2017.

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

Bond Resolution - Trust Accounts

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

The RTAA 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 accounts as required by the Bond Resolution.

The RTAA has several accounts that accumulate cash and investments for specific and discretionary purposes. From a governmental accounting standpoint, the RTAA is an enterprise fund and various accounts are created as provided in bond indenture documents. The RTAA's accounts are not the typical governmental purpose type funds seen in municipal government accounting.

The accounts mentioned in this section and their payment priority are established by the RTAA's revenue bond resolution and are not inclusive of all the cash, cash equivalents and investments of the RTAA as reflected on the Statement of Cash Flows in Section 11 - State of Nevada.

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

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

In the Resources Applied by 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 is the Bond Account, with its subaccounts of Interest and Principal, which is used to accumulate funds for the semi-annual interest payments and the annual principal payments on the revenue bonds. The amounts in these funds vary depending on the amount of debt service to be paid during the year. The transfers being shown into this account are for the principal and interest due July 1, 2019 and the transfers out are for debt service due July 1, 2018.

The Bond Reserve Account is available to hold either a cash/investment 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 refunding of the Airport Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds") on September 30, 2015, the RTAA no longer has any debt funded through a sale to the general public. The Series 2015 Bond is a direct loan of \$20,690,000 with Compass Mortgage Corporation, an Alabama Corporation and a subsidiary of BBVA Compass.

While the terms and conditions governing the new 2015 Bond are substantially similar to terms and condition established under the Series 2005 Bonds, the RTAA is no longer required and has not deposited any cash/investment or surety bond into the Bond Reserve Fund for the Series 2015 Bond. However, the Bond Reserve Account may be used for any parity debt issued in the future if required by any supplemental bond resolution.

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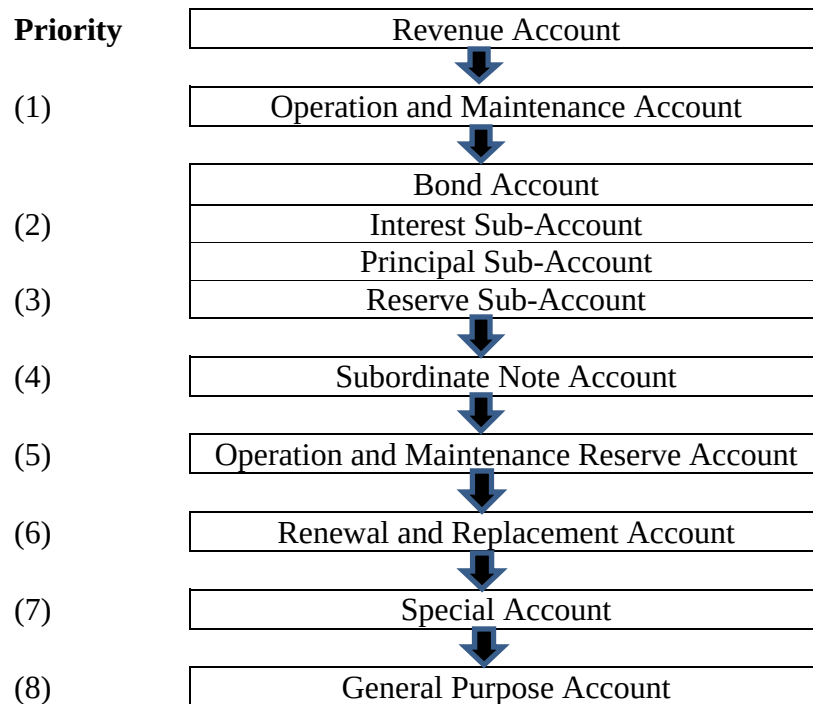
The following funds have balances that are maintained beyond one fiscal year:

1. The Operation and Maintenance Reserve Account is a deposit equal to two months of the annual operation and maintenance expense budget. The balance of this fund as of June 30, 2018 is \$7,243,071. 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, 2018 of \$7,357,371.
2. The Renewal and Replacement Account maintains a balance set by management of \$780,000 for unexpected or emergency repairs. This fund account maintains a balance to repair any damage and keep the airports running in the event some major unforeseen event, not included in the annual budget, occurs. The fund has the required balance as of June 30, 2018.
3. The Special Account 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 balance of this fund at June 30, 2018 is \$7,039,764.
4. The General Purpose Account 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 primarily be used for Five-Year Capital Improvement Plan projects at the Reno-Tahoe International Airport. The balance of this account at June 30, 2018 is \$34,149,801.

The expenditures from this fund are for equipment and capital projects being purchased in the FY 2018-19 Budget. Eligible projects with a project cost greater than \$300,000 will be amortized over their useful lives and repaid to the RTAA prior to the calculation of funds subject to revenue sharing credit with the airlines.

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**SUMMARY OF APPLICATION OF REVENUES IN ORDER OF PRIORITY
AS ESTABLISHED BY THE BOND RESOLUTION**



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

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

Liquidity and Working Capital Policy

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

Airports primarily face the following two revenue risks: (1) Volume: Traffic Base and Carrier Diversity - This risk factor is an airport's underlying market characteristics, such as the size of

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the enplanement base, origin and destination passenger mix, diversity of carriers and competition from other airports or modes of transportation; and (2) the Airline Contractual Framework for Cost Recovery - This risk factor largely focuses on the underlying use and rate-setting agreements between an airport and its airline carriers. See the “*Airline Agreement*” information previously outlined in this section.

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

Based on an evaluation of these revenue risk factors and the RTAA’s cash cycle, expense volatility, and operating and capital needs, the RTAA has established its policy target to retain 365 Days of Cash on Hand. In addition, the RTAA has established a minimum ratio of no less than 300 days based on the likelihood that a decrease below this threshold may be the basis for a rating downgraded by the credit rating agencies.

The 2016 median average, as compiled by Moody’s Investor Services, is 615 for all airports and 563 for small hub airports.

As of June 30, 2018, the RTAA’s cash and liquidity position is solid with 517 days’ worth of unrestricted cash on hand to meet operating and maintenance requirements.

In addition, the RTAA also monitors working capital (i.e. current assets less current liabilities) with a focus on accounts receivable collections and the investment in inventory and prepaid assets reasonably expected to be realized in cash or consumed within a year. An appropriate allowance for uncollectible receivables is established and staff maintains an on-going and aggressive collection effort.

The RTAA has established an internal policy to maintain a minimum net working capital of 270 Days. This ratio is calculated by dividing current assets less current liabilities by the daily operating and maintenance expenditures (annual operating and maintenance expenses divided by 365 days). The annual operating and maintenance budget used in the denominator excludes RTAA’s annual depreciation expense due to the non-cash nature of the reduction in the value of an asset.

For the fiscal years ending June 30, 2016 and 2017, the net working capital ratio was 584 days and 645 days, respectively.

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Reserve and Fund Balance Policy

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

All revenues and department expenditures are reported within the RTAA's enterprise fund within the revenue and operation and expenditure accounts. Within the enterprise fund, the RTAA also has a series of restricted use accounts as outlined in the Bond Resolution and Trust Accounts section above. Resources in an account are either (1) required to be used for the purpose of the account or (2) intended by the RTAA to be used for that purpose.

Fund balance is required to be reported in three components – net investment in capital assets, reserved and unreserved.

The net investment in capital assets represents the RTAA's total capital assets less revenue bonds and other indebtedness uses to fund the acquisition or construction of those assets.

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

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

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

The following table provides the RTAA’s fund balance or net position in millions as June 30, 2016 and 2017:

	2016	2017	Change	% Change
Net Position (In Millions)				
Invested in Capital Assets, net of debt	\$367.749	\$345.904	(\$21.844)	-5.9%
Restricted				
Operating & Maintenance Reserve	6.614	6.784	.170	2.6%
Renewal & Replacement Reserve	.798	.782	(.017)	-2.1%
Passenger Facility Charge	8.623	11.303	2.680	31.1%
Debt Service (Bond)	4.303	4.776	.473	11.0%
Other Reserve Purpose	.003	.005	.002	46.0%
Total Restricted	20.372	23.692	3.321	16.3%
Unrestricted	11.302	16.685	5.383	47.6%
Total Net Position	\$399.423	\$386.282	(\$13.141)	-3.3%

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

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

In addition to the reserve accounts previously outlined, the RTAA is committed to maintain a portion of Unrestricted Account Balance, after an adjustment for net pension liability, as a reserve that equals a minimum of Fund Balance as a reserve that equals a minimum of four months of audited RTAA operating expenses (which is equivalent to 33.3% of audited RTAA’s Operating Expenses).

This policy standard is conservatively compared to the GFOA recommendation that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance of no less than two months or 16.67% of regular general fund operating revenues or regular general fund operating expenditures. The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government’s particular circumstances.

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

This significant accounting change reduced the Unrestricted Net Position shown above by \$32.609 million in 2016 and \$37.811 million in 2017. This reduction is partially offset by a Deferred Outflow of Resources for pension obligations established after the net pension liability measurement date of \$4.743 million and \$5.146 million, respectively.

For purposes of this policy, the RTAA has determined that the net pension liability, after the current year pension contribution, represents a future obligation that can be removed from the calculation of Unrestricted Net Position Reserve.

Based on the policy, the following is the calculation for the fiscal years ending June 30, 2016 and June 30, 2017:

(In Millions)		2016	2017	Change	% Change
Net Position- Unrestricted		\$11.302	\$16.685	\$5.383	47.6%
Net Pension Liability		32.609	37.811	5.202	16.0%
Deferred Inflow of Resources - Pension Contribution after Measurement Date		(4.743)	(5.147)	(0.404)	(8.5%)
Unrestricted Net Position (Adjusted)	A	\$39.168	\$49.349	\$10.181	26.0%
Total Operating Expenses		\$36.617	\$37.938	\$1.321	3.6%
Percent Designated for Unrestricted		33.3%	33.3%		
Total of Unrestricted Account Reserve	B	\$12.193	\$12.633	0.440	3.6%
Unrestricted Reserve (Adjusted) as % of Policy Requirement	A/B	321.2%	390.6%		

In conjunction with the Operating and Maintenance Reserve of two months, this designated reserve will provide six months of operating expenses in the case of unforeseen events.

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

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As of the adoption of the FY 2018-19 Budget, the RTAA has not determined the Net Pension Liability and the associated Deferred Inflow of Resources as of June 30, 2018. However, based on the balances as of June 30, 2017 and the forecasted operating results for both FY 2017-18 and FY 2018-19, the RTAA does not anticipate the need to restore funds to meet the targeted levels in this policy.

Investment Policy

The investment policy of the RTAA states that the primary objectives, in order of priority, shall be safety, liquidity, and yield. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

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

Under authority delegated by the Board of Trustees of the RTAA, in accordance with chapter 474, Statutes of Nevada, NRS 354.474 and 355.175, and Bond Resolution 526, the investment of RTAA funds is the responsibility of the CEO. All cash, including bond proceeds, received by the RTAA will be invested by the CFO.

The CFO will maintain a list of approved broker/dealers and financial institutions which are authorized to provide investment services to 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.

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In addition, RTAA expanded its investment options in 2014 by modifying its investment policy to permit investment in the Washoe County Pooled Investment Fund, as permitted under NRS 355.168 and 355.175, which authorizes the Washoe County, Nevada Treasurer (“Treasurer”) to invest by pooling any money held by the Treasurer for local governments, including that of the RTAA.

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 narrowly defined 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 Bond Resolution - Trust Funds section within Section 5 – Financial and Budgetary Policies.

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

As of October, 2015, the RTAA refinanced its senior lien bonds and currently doesn’t have any public debt. However, the RTAA will continue to maintain its financial position per the established criteria outlined by the major rating agencies in order to obtain a minimum investment grade rating of “A” with a stable outlook as such time the RTAA may decide to issue any future public debt.

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

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

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 5 – Financial and Budgetary Policies

the proceeds of each issue of tax-exempt bonds and the current use of the facilities financed by tax-exempt bonds, notes or debentures.

To the extent the RTAA has any outstanding bonds, notes or debentures that are not rebate exempt, the RTAA will retain rebate consultants to assist in monitoring the compliance of its bond issues with the rebate and yield restriction requirements of Section 148 of the Internal Revenue Code.

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 RTAA's financial position and bond rating. Strategies employed to attain this balance include cost reductions, personnel and service efficiencies, developing and diversifying non-airline revenues and increasing fees to match program expenditures.

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 revenue sharing process contained in the airline agreement. Increasing non-airline revenues, such as new concession fees and the rents from the development of land and facilities, remains a strategic goal for 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. Currently, no RTAA debt service is allocated to the airfield or terminal building cost centers.

The President/CEO instructed the management staff to prepare departmental work plans to implement the Board of Trustees' strategic plan and guiding principles as outlined in *Section 3 – Strategic Initiatives*. Specific department work plans in support of the strategic plan are outlined in *Section 7 – Expenditures*.

Under the leadership of the President/CEO, staff strives to limit the increases in operating and maintenance expenses by focusing on "mission critical" areas and exploring every opportunity to reduce or maintain the current level of operating costs. The FY 2018-19 Operating Budget of \$44.144 million reflects an increase of \$2.044 million or 4.9%. Approximately 80% of the budget increase is due to higher personnel related costs.

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Each proposed new employee, property, plant and equipment (PP&E), and capital projects requires individual department justifications that are reviewed by RTAA Finance staff. The requests are forwarded to Human Resources, Purchasing, and Engineering, respectively, for pricing. Meetings are then held with each department to review each department's submissions with the President/CEO and Executive Vice President/COO. The strategic plan and associated 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, terminal rental rate, and baggage handling system fee. The Finance Department, in conjunction with other key stakeholders, also prepares the revenue budget. Budget workshops are held during public Board of Trustees meetings to review the proposed 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 proposed airline rates, fees and charges along with any capital improvement projects subject to the Majority-In-Interest (MII) requirements outlined in the *Airline Agreement*. If the proposed capital project costs exceed limits established in the airline agreement, the airlines must submit their ballots denying any of the proposed capital projects within 30 days of this meeting.

In the FY 2018-19 Budget, two capital projects were subject to the MII requirements outlined in the *Airline Agreement* discussion in this section. The projects requiring an MII disapproval vote were restricted to the airfield cost center as follows:

- **Airfield Maintenance Yard Pavement Reconstruction, Phase I** – This project consists of the first of two phases of repaving approximately 100,000 total square feet of AC pavement and pave approximately 30,000 total square feet of bare ground at the Airfield Maintenance Facility. The asphaltic concrete pavement at the Airfield Maintenance Facility was placed in 1978, is in a severely failed condition, has reached the end of its useful life and is past due for replacement.

The estimated cost of this phase is \$800,000 and with use of internal funds to fund this capital project, the RTAA will amortize the cost to the airlines over a ten (10) year period beginning in FY 2018-19.

- **Truck Mounted Cold Air Blower** – This is airfield equipment that is used on a weekly basis for clearing runways, taxiways and roadways areas for foreign object debris (FOD). The equipment is a truck-mounted blower assembly that uses 24,000 cubic feet per minute of air, traveling at 525 miles per hour, to blow debris off paved surfaces. The current cold air blower in use at RNO is a 1986 Jet Air. This 32-year-old machine has reached the end of its service life and has become increasingly unreliable.

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The estimated cost of this equipment is \$458,000 and with the use of internal funds, the RTAA will amortize the cost to the airlines over a five (5) year period beginning in FY 2018-19.

After consultation with the signatory airlines on May 1, 2018, no airlines objected to the RTAA proceed with this projects in FY 2018-19.

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
- Days Cash on Hand

**Reno Tahoe Airport Authority
Revenue Sharing
Fiscal Year 2018-19 Budget**

	Cost Centers						Total
	<u>Airfield</u>	<u>Terminal</u>	<u>Baggage Sys</u>	<u>Landside</u>	<u>Other</u>	<u>Reno Stead</u>	
Airline Revenue (Before Revenue Sharing)	\$ 9,086,621	\$ 10,513,900	\$ -	\$ -	\$ -	\$ -	\$ 19,600,521
Non Airline Revenue	995,600	6,184,400	1,525,364	20,493,400	7,543,000	891,400	37,633,164
Total Revenue	10,082,221	16,698,300	1,525,364	20,493,400	7,543,000	891,400	57,233,685
O&M Expense	9,671,055	19,047,301	1,414,448.0	7,030,429	3,835,711.79	2,210,084	43,209,029
Debt Service	-	-	-	2,248,900	-	-	2,248,900
Pre Bond Loan	-	-	-	-	-	-	-
O&M Reserve	74,636	146,997	10,916	57,550	33,526	17,056	340,682
Fixed Asset	178,967	211,752	-	80,000	62,360	16,591	549,671
Capital Project	166,500	530,500	100,000	243,400	1,667,550	-	2,707,950
Amort of Capital Items	887,770	61,838	-	731,239	363,667	325,565	2,370,079
Special Fund	-	368,795	-	-	-	-	368,795
Total Requirement	\$ 10,978,928	\$ 20,367,184	\$ 1,525,364	\$ 10,391,518	\$ 5,962,816	\$ 2,569,296	\$ 51,795,106
Net Revenues	\$ (896,707)	\$ (3,668,884)	\$ -	\$ 10,101,882	\$ 1,580,184	\$ (1,677,896)	\$ 5,438,579
Airport Share			50.00%				\$ 2,719,290
Airline Share			50.00%				\$ 2,719,290

RENO - TAHOE AIRPORT AUTHORITY
FY 2018-19
ANNUAL BUDGET
Summary of Sources and Uses of Funds

	Actual 2016-17	Budget 2017-18	Budget 2018-19
SOURCES OF FUNDS			
Revenue Fund			
Landing and Aircraft Fees	\$ 8,285,922	\$ 9,537,704	\$ 9,924,121
Gaming Concession Fees	976,431	977,700	1,053,700
Food and Beverage Revenue	1,231,992	1,149,300	1,437,000
Merchandise Revenue	1,060,468	1,111,000	1,108,000
Auto Rental Concession Fees	7,190,999	7,190,800	8,078,200
Other Concession Fees	1,338,196	1,223,900	1,303,100
Auto Parking and Ground Transportation	11,316,885	11,330,900	12,182,500
Terminal Rents	6,257,744	7,561,500	7,688,700
Other Rents	7,448,805	7,650,650	7,979,200
Reimbursed Services & Miscellaneous	2,699,247	2,629,281	2,680,664
CFC Revenue	1,481,004	1,493,900	4,422,200
Other Non-Operating Pledged Revenue	544,109	2,270,800	773,300
Total Revenue Fund	<u>\$ 49,831,803</u>	<u>\$ 54,127,435</u>	<u>\$ 58,630,685</u>
Non Rate Base Revenue			
Non-Rate Base Interest	45,456	61,100	10,100
Fuel Tax Revenue	298,124	276,400	322,800
Fuel Tax Interest	1,167	1,600	1,400
PFC Interest	78,896	82,400	204,900
PFC Revenue	7,401,836	7,269,000	7,685,000
Other Revenue	(271,937)	-	-
Total Non Rate Base Revenue	<u>7,553,542</u>	<u>7,690,500</u>	<u>8,224,200</u>
TOTAL SOURCES OF FUNDS	<u>\$ 57,385,345</u>	<u>\$ 61,817,935</u>	<u>\$ 66,854,885</u>
USES OF FUNDS			
Operation and Maintenance Fund			
Personnel Services	\$ 26,838,771	\$ 28,843,415	\$ 30,478,615
Utilities	2,337,577	2,740,110	2,582,230
Purchased Services	4,217,170	5,053,497	5,255,623
Materials and Supplies	1,752,799	1,949,869	2,022,373
Administrative Expenses	2,354,611	2,611,642	2,870,188
Total Operation and Maintenance Fund	<u>\$ 37,500,928</u>	<u>\$ 41,198,533</u>	<u>\$ 43,209,029</u>
Bond Fund			
Interest Account	534,463	487,300	438,900
Principal Account	1,715,000	1,760,000	1,810,000
Total Bond Fund	<u>\$ 2,249,463</u>	<u>\$ 2,247,300</u>	<u>\$ 2,248,900</u>
Subordinate Debt Fund			
Interest Account	82,393	-	-
Principal Account	3,057,000	-	-
PFCs Applied	(1,812,790)	-	-
Total Subordinate Debt Fund	<u>\$ 1,326,603</u>	<u>\$ -</u>	<u>\$ -</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	<u>\$ 191,030</u>	<u>\$ 301,595</u>	<u>\$ 340,682</u>
Short Term Financing			
Prebond Loan	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Property, Plant & Equipment	<u>\$ 623,796</u>	<u>\$ 1,091,876</u>	<u>\$ 549,671</u>
Capital Projects			
Current Year	1,775,412	1,976,775	2,707,950
Prior year project reimbursement	1,424,732	1,770,397	2,370,079
Total Capital Projects	<u>\$ 3,200,144</u>	<u>\$ 3,747,172</u>	<u>\$ 5,078,029</u>
Special Fund			
35 % of projected gaming revenue to Special Fund	<u>\$ 341,751</u>	<u>\$ 342,195</u>	<u>\$ 368,795</u>
General Purpose Fund			
Current Year Profit Sharing Total	6,318,510	4,334,747	5,438,569
Current Year Profit Sharing Airline Share	(3,159,255)	(2,167,382)	(2,719,290)
Prior Year Profit Sharing Airline Share	-	-	-
Air Service Incentive	(255,203)	(400,000)	(400,000)
Total General Purpose Fund	<u>\$ 2,904,052</u>	<u>\$ 1,767,365</u>	<u>\$ 2,319,279</u>
Non-Rate Base Interest	45,456	53,500	-
Non Rate Base Expenditures			
Fuel Tax	299,024	278,000	324,200
CFC Funding	1,481,004	1,493,900	4,422,200
PFC Funding	7,480,732	7,351,400	7,889,900
CBP Staffing Funding	-	87,500	94,100
Other Revenue	(258,639)	1,857,600	10,100
	<u>\$ 9,047,577</u>	<u>\$ 11,121,900</u>	<u>\$ 12,740,500</u>
TOTAL USES OF FUNDS	<u>\$ 57,385,344</u>	<u>\$ 61,817,935</u>	<u>\$ 66,854,885</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, 2019

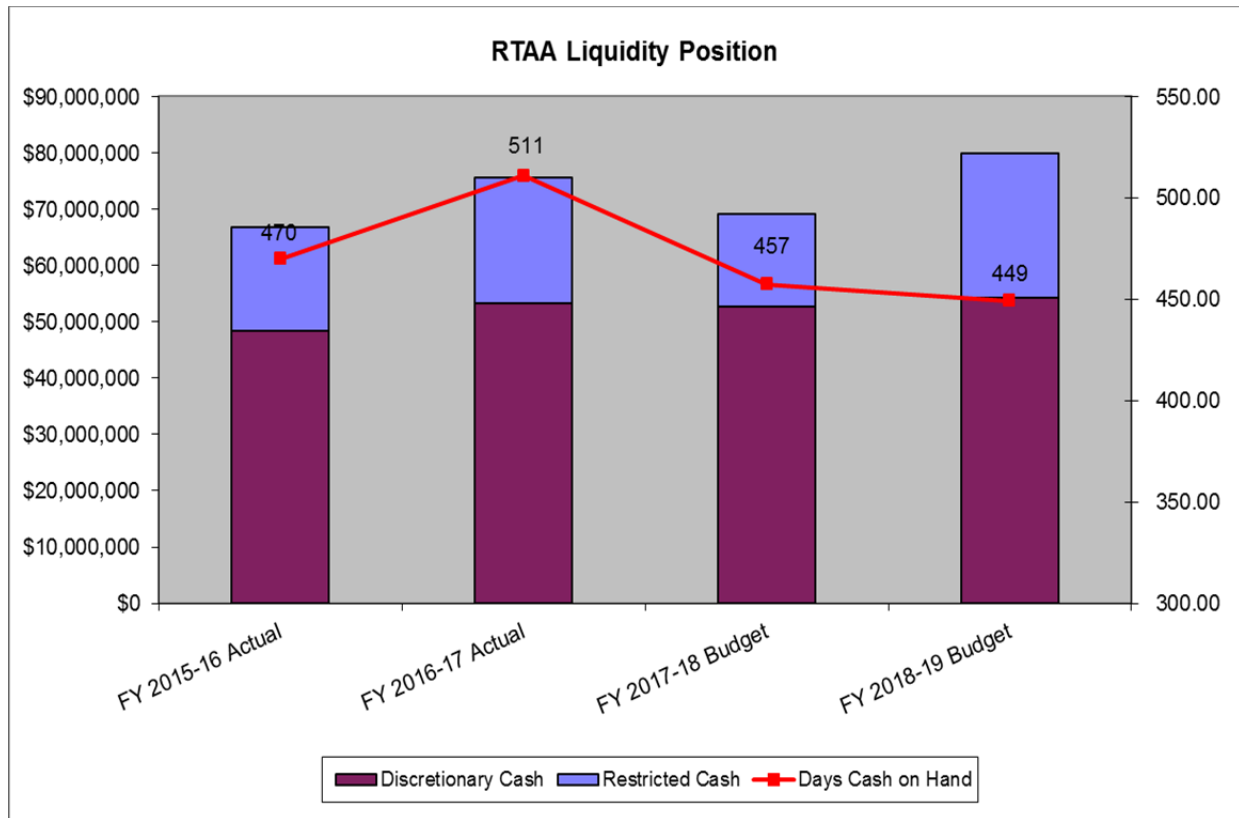
	Issuer Cash and Investment Accounts		Bond Fund		Trustee's Cash and Investment Accounts					
	Special Account ^(a)	Operation & Maintenance Account	Interest Account 2015 ^(b)	Principal Account 2015 ^(b)	Operations & Maintenance Reserve Fund	Renewal & Replacement Account	General Purpose Account	PFC Account ^(c)	Revenue Account	Totals
Balance June 30, 2018 (Unaudited)	\$ 6,869,383	\$ -	\$ 243,650	\$ 1,760,000	\$ 7,016,690	\$ 780,000	\$ 38,684,485	\$ 15,172,117	\$ 4,500,000	\$ 75,026,325
Receipts:										
Gross pledged revenues received:										-
Deposits from Airport revenues									58,180,185	58,180,185
Income received from investments pledged portion								204,900	773,300	978,200
PFC revenue								7,685,000		7,685,000
FAA Grants and Other Contributions									25,069,249	25,069,249
Transfer among funds:										
Gaming revenue	368,795								(368,795)	-
Operation and maintenance expenses		48,129,029							(48,129,029)	-
Debt service requirements			438,900	1,810,000				-	(2,248,900)	-
Maintain reserve requirement					340,682				(340,682)	-
Capital Improvement Projects	(2,780,267)						(8,877,475)	(5,449,134)	21,034,711	3,927,836
Property, Plant and Equipment	-	549,671							(549,671)	-
Net Cashflow from Operations							7,316,408		(7,316,408)	-
Disbursements:										
Operation and maintenance expenses		(48,129,029)								(48,129,029)
Property, Plant and Equipment		(549,671)								(549,671)
Payment of revenue bond interest and principal			(463,100)	(1,760,000)						(2,223,100)
Capital Improvement Projects									(46,103,960)	(46,103,960)
Projected Balance at June 30, 2019	<u>\$ 4,457,911</u>	<u>\$ -</u>	<u>\$ 219,450</u>	<u>\$ 1,810,000</u>	<u>\$ 7,357,372</u>	<u>\$ 780,000</u>	<u>\$ 37,123,418</u>	<u>\$ 17,612,883</u>	<u>\$ 4,500,000</u>	<u>\$ 73,861,034</u>
	<u>\$ (2,411,472)</u>	<u>\$ -</u>	<u>\$ (24,200)</u>	<u>\$ 50,000</u>	<u>\$ 340,682</u>	<u>\$ -</u>	<u>\$ (1,561,067)</u>	<u>\$ 2,440,766</u>	<u>\$ -</u>	<u>\$ (1,165,291)</u>

Fund Balance Changes

- (a) Capital Projects funded by the Special Account in FY 2018-19 include the RTAA local share of FAA grants to install concrete apron pads and rehabilitation of Runway 8/26. In addition, the RTAA is refurbishing access roads to the RTS terminal building.
- (b) The 2005 Bonds were refunded and replaced by the 2015 Bonds on September 30, 2015.
- (c) Capital Projects to be funded by Passenger Facility Charges in FY 2018-19 include snow removal equipment, an ARFF Vehicle, communication center systems replacement, interactive training system, Flight Information and Paging System upgrade, jet bridge replacement, terminal elevator/escalator replacement. In addition, the RTAA local share of FAA grants for the RNO Master Pland and yo rehabilitate Runway 16R/34L and upgrade the east airfield lighting vault.

Reno-Tahoe Airport Authority
FY 2017-18
ANNUAL BUDGET
Section 5 – Financial and Budgetary Policies

Days Cash on Hand

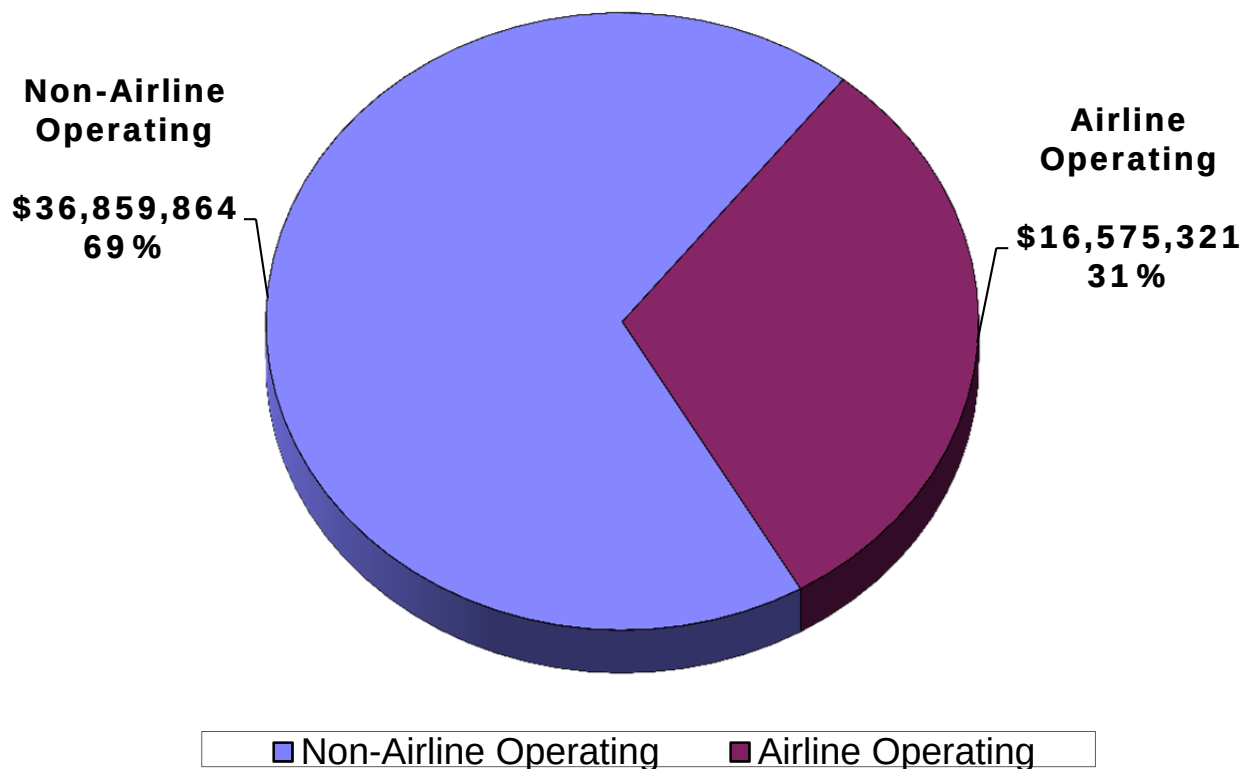


Section 6 – Revenues

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 6 – Revenues**

The total Operating Revenue budget for FY 2018-19 is \$53,435,185. This is a \$3.072 million or 6.1% increase from the FY 2017-18 Budget. Budgeted airline revenues are \$16,575,321 or approximately 31% of total operating revenues. The total non-airline operating revenue budget is \$36,859,864 or approximately 69% of the total operating revenue budget.

FY 2018-19 RTAA OPERATING REVENUES



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

The RTAA budget, within limits, is balanced each year through the airline rate setting and the revenue sharing mechanism of the airline agreement. The diversification of revenues, mentioned

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 6 – Revenues

in this section, provides the revenue available for sharing that has allowed RTAA's airline rates and charges to be very competitive with other airports.

For FY 2018-19, the RTAA is forecasting a 5.7% increase in enplanements to 2.060 million as compared to the FY 2017-18 Budget of 1.948 million enplaned passengers. As outlined in Section 1 – Introduction and Section 2 – Executive Summary, the increase in passenger traffic as compared to the FY 2017-18 Budget is primarily due to increased flights from American, Delta, Frontier and United.

The forecasted landed weight for FY 2018-19 is projected to decrease to 2,893,828 (thousand pound units), a decrease of 1.3% or 38,849 (thousand pound units) below the adopted FY 2017-18 Budget. The decrease in landed weight as compared to the prior year budget is primarily due to lower cargo landed weight activity by Fed Ex. A decrease in airline landed weight increases the landing fee by reducing the base used to recover airfield costs.

The FY 2018-19 Budget revenue projections are, in many cases, derived by reviewing historical and forecasted trends in revenue earned and transaction levels derived from estimated passenger traffic. This approach is primarily used to forecast terminal concessions, rental car concessions, and public parking revenue.

In addition, existing fixed lease payments and minimum annual guarantees are considered in estimating fiscal year revenue budgets by revenue source. If any construction projects or other external factors that might affect tenant revenues take place or are scheduled, these events are also factored into the estimates.

Non-airline operating revenues are forecasted to be \$36,859,864 in the FY 2018-19 Budget. This represents an expected increase of \$2,627,333 or approximately 7.7% above the FY 2017-18 Budget.

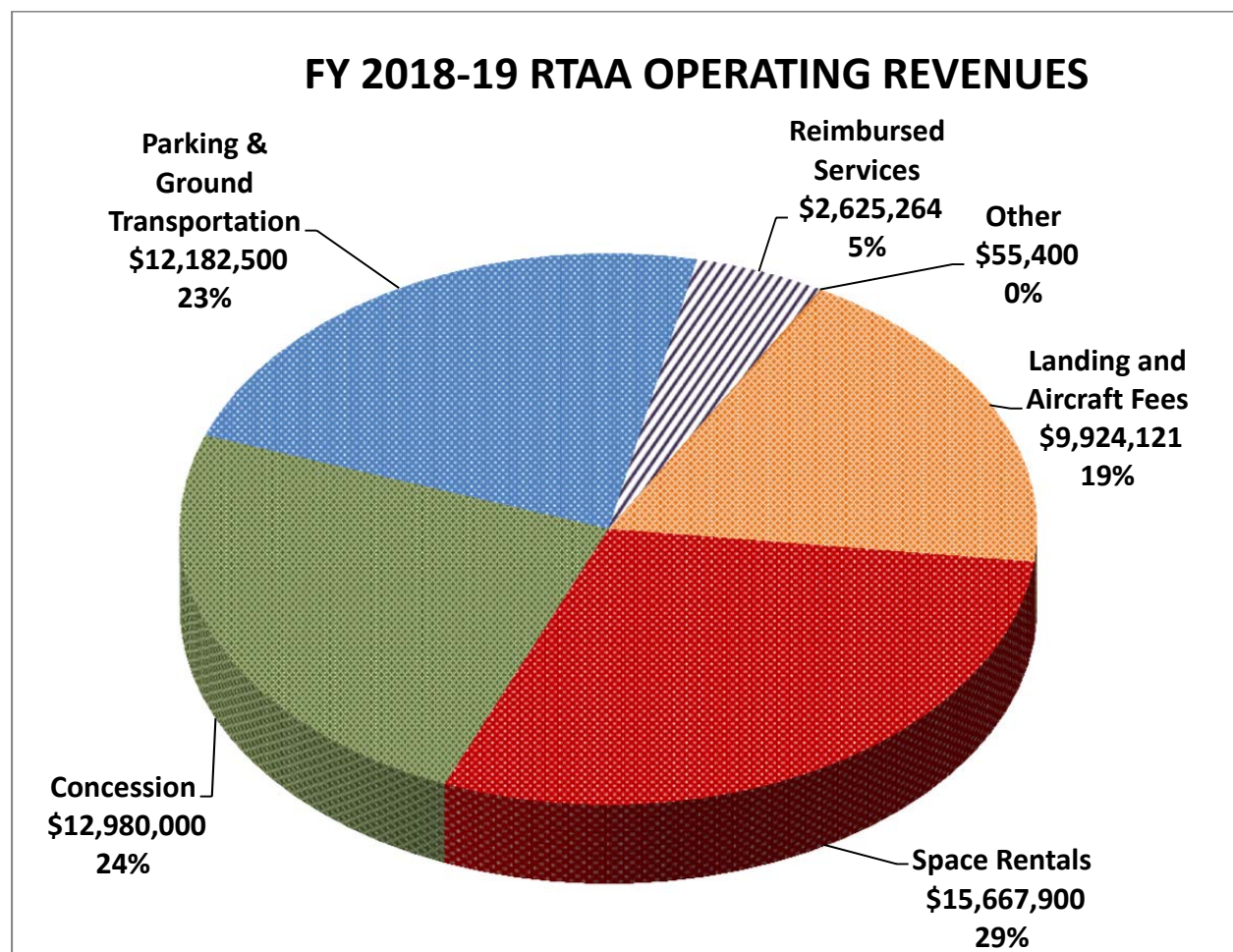
This higher non-airline revenue is primarily due to the forecasted increase in passenger traffic. This positively impacts public parking and concession revenues associated with the terminal and rental car service areas. The RTAA has also been successful in increasing land, building and hangar rents at both RNO and RTS.

REVENUE SUMMARY BY TYPE

There are seven major sources of revenue received by the RTAA: (1) landing and aircraft fees, (2) space rentals (building, hangar and land rents), (3) concession revenue, (4) auto parking and ground transportation revenue, (5) reimbursed services, (6) non-operating revenues, and (7) non-rate base revenues.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 6 – Revenues

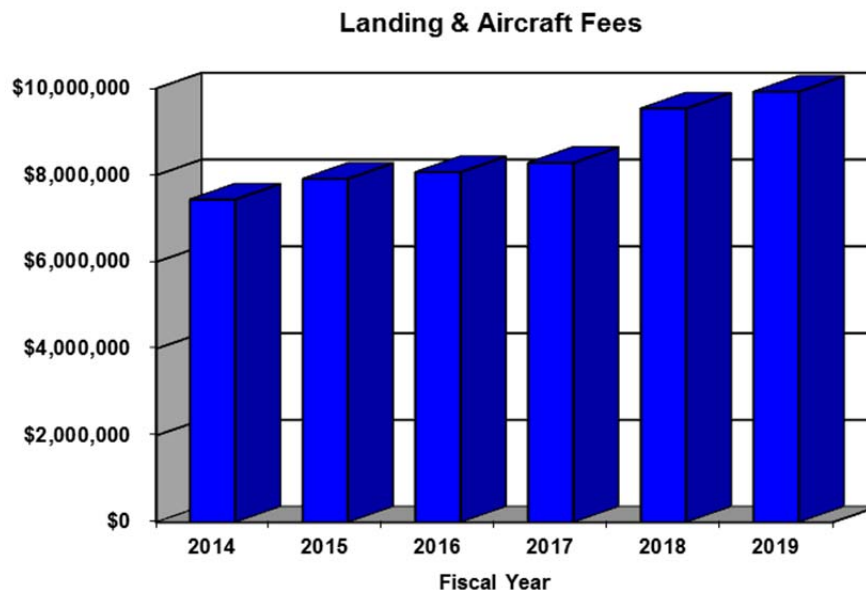
Overall, the RTAA is projecting operating revenues of \$53,435,185 million in FY 2018-19, a 6.1% increase from the FY 2017-18 Budget and a 4.4% increase from the FY 2017-18 updated forecast. Key inputs used in the revenue budget include the projected changes in passenger and aircraft traffic, and regional and national economic indicators. In addition, many RTAA ground and building leases have rent adjustments based on changes in the Consumer Price Index (CPI).



The charts presented in this section depict actual revenues for the fiscal years 2013-14 through 2016-17 followed by budgeted revenues for fiscal years 2017-18 and 2018-19.

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 6 – Revenues**

LANDING AND AIRCRAFT FEES



The RTAA currently recovers almost 100% of its airfield costs through landing and aircraft fees. Total landing and aircraft fees of \$9.924 million in the FY 2018-19 Budget are anticipated to increase \$386,400 or 4.1% as compared to the FY 2017-18 Budget. This increase is due to higher landing fee revenue, which reflects an increase in O&M costs in FY 2018-19 allocated to the Airfield Cost Center. This increase is partially offset by lower Fixed Assets and Capital Projects expenditures.

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.

Landing fees are charged to passenger and cargo carriers for each aircraft landing based on the aircraft's Maximum Gross Landed Weight. The Landing Fee Rate is calculated by dividing (i) the total cost of the Airfield as a whole (operation and maintenance expenses, debt service, fixed asset and capital improvements expenditures, and other funding requirements of the Bond Ordinance) less airfield non-airline revenues by (ii) the total landed weight of aircraft arrivals. The initial FY 2018-19 landing fee rate is \$3.14 per thousand pounds of landed weight. This is an increase of \$0.15 or 5.0% above the FY 2017-18 Budget landing fee rate and an increase of \$0.16 or 5.4% above the FY 2017-18 updated forecast.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 6 – Revenues

In the current airline agreement, there is no premium charged for landing fees assessed to non-signatory airlines as compared to signatory airlines. Therefore, the \$3.14 rate will be charged to all airlines, signatory or non-signatory.

CALCULATION OF FY 2018-19 LANDING FEE RATE

			FY 2017-18			
		FY 2016-17 Actual	Budget	Forecast	FY 2018-19 Budget	Variance
O&M Expenses		\$ 8,159,449	\$ 8,968,020	\$ 8,887,516	\$ 9,671,055	\$ 703,035
Debt Service		-	-	-	-	-
Coverage		-	-	-	-	-
Pre Bond Loan		-	-	-	-	-
O&M Reserve		40,169	64,245	53,682	74,636	10,391
Fixed Assets		126,195	304,968	372,180	178,967	(126,002)
Capital Projects		110,732	382,400	176,900	166,500	(215,900)
Amortization of Capital Items		-	-	-	-	-
Less: Revenue Sharing (Prior Year)		-	-	-	-	-
Total Requirement		\$ 8,436,544	\$ 9,719,633	\$ 9,490,277	\$ 10,091,158	\$ 371,525
Less: Other Airfield Credits		-	-	-	-	-
Other Airfield Revenues		(1,075,619)	(944,700)	(988,600)	(995,600)	(50,900)
Total Net Requirement	A	\$ 7,360,925	\$ 8,774,933	\$ 8,501,677	\$ 9,095,558	\$ 320,625
Total Landed Weight (000s)	B	2,808,680	2,932,677	2,850,528	2,893,828	(38,849)
Signatory Landing Fee Rate	A/B = C	\$ 2.62	\$ 2.99	\$ 2.98	\$ 3.14	\$ 0.15
Signatory Landed Weight (000s)	D	2,619,096	2,739,648	2,649,260	2,755,522	15,875
Signatory Landing Fee Revenue	C * D	\$ 6,862,032	\$ 8,191,546	\$ 7,894,795	\$ 8,652,340	\$ 460,794
Non-Signatory Premium		1.00	1.00	1.00	1.00	-
Non-Signatory Landing Fee Rate		\$ 2.62	\$ 2.99	\$ 2.98	\$ 3.14	\$ 0.15

Signatory landing fee revenues of \$8.652 million in the FY 2018-19 Budget represent an increase of approximately \$460,800 or 5.6% as compared to the prior year budget.

The following are factors impacting the requirements in the Airfield Cost Center and the calculation of the landing fee in the FY 2018-19 Budget:

- For FY 2018-19, the RTAA is forecasting landed weight of 2,893,828 thousand pound units, a decrease of 1.3% from the FY 2017-18 Budget and 1.5% above the current updated forecast. The decrease as compared to the prior year budget reflects lower landed weight by Fed Ex of 33.7% partially offset by the introduction of new service by Frontier Airlines and increased passenger flights by United.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 6 – Revenues

- The operation and maintenance costs allocated to the Airfield Cost Center are estimated to increase by \$703,000 or 7.8% over the prior year budget. This increase is due to both the overall increase in direct costs and a higher allocation of indirect operating budget assigned to the airfield.

The increase in direct airfield costs reflects higher salaries and benefits for existing employees and additional staffing in Airfield Maintenance and Airfield Rescue and Firefighting (ARFF) to address growing responsibilities. The increase in ARFF direct costs in FY 2018-19 is partially offset by a decrease in the percentage allocation from 70% to 68% of total cost to the airfield based on estimated total staffing hours expended.

In addition, the RTAA is investing in an additional project manager and consulting services to address information system upgrades to enhance security and upgrade major computer systems including police records management.

Indirect or administrative cost allocations are assigned under the airline agreement based on actual or budgeted costs identified to the six direct cost centers (Airfield, Terminal, BHS, Ground Transportation, Other and Reno Stead Airport). The allocations of indirect and administrative costs to the Airfield Cost Center are virtually unchanged at 22.3% as compared to the FY 2017-18 Budget of 22.9%.

- Fixed assets and capital project cost recovery of \$345,500 represents a decrease of a combined \$341,900 from the FY 2017-18 Budget and \$203,600 below the current year updated forecast. The FY 2018-19 Budget primarily reflects an investment in replacing two (2) vehicles, two (2) trailers, a mower and a paint striper for airfield maintenance.

To illustrate the impact on landing fees, a 737-700 flown by Southwest Airlines, with a landed weight of 128,000 lbs., will cost \$402 per landing.

Due to the administrative challenge of identifying and charging a landing fee to private aircraft (general aviation) using the airports, airfield revenues are collected from general aviation (GA) aircraft in the form of fuel flowage fees. The fuel flowage fee is collected by the Fixed Based Operator (FBO) at both RNO and RTS on a per-gallon of fuel purchased by GA aircraft.

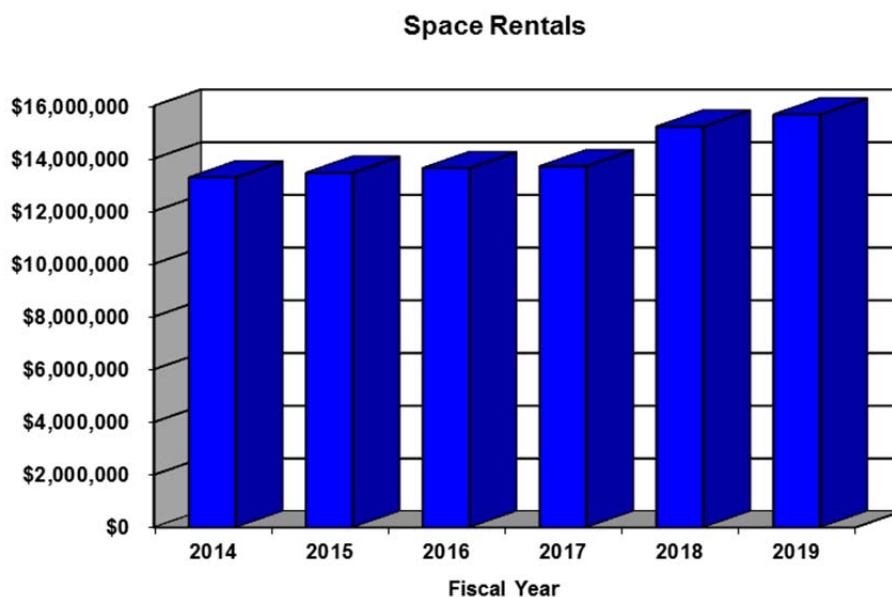
This fee is established annually by ordinance and for FY 2018-19 the fee is unchanged at \$0.07 per gallon at RNO and \$0.05 per gallon at RTS. This ensures that general aviation aircraft pay a share of the expenses of maintaining and developing the airfield. The revenue budget for RNO fuel flowage fees is \$212,700, an increase of 6.4% as compared to the FY 2017-18 Budget.

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Fuel farm system revenue of \$626,000 is paid by a consortium of signatory airlines for use of RTAA owned fueling facilities, equipment, and associated land. Revenue was established based on a determination of fair market value as established by independent appraisals in July 2011. At five year intervals starting on July 1, 2016, the revenue will either be adjusted based on cumulative percentage of change in the Consumer Price Index for All Urban Consumers (CPI-U) or an updated fair market appraisal of the system. The revenue included in the FY 2018-19 Budget is unchanged from the prior year budget.

The Landing Fees and Fuel Flowage Fees of \$57,700 for RTS reflect landing fees assessed for use of airfield facilities by based firefighting aircraft and fuel flowage fees from fuel sales to GA aircraft.

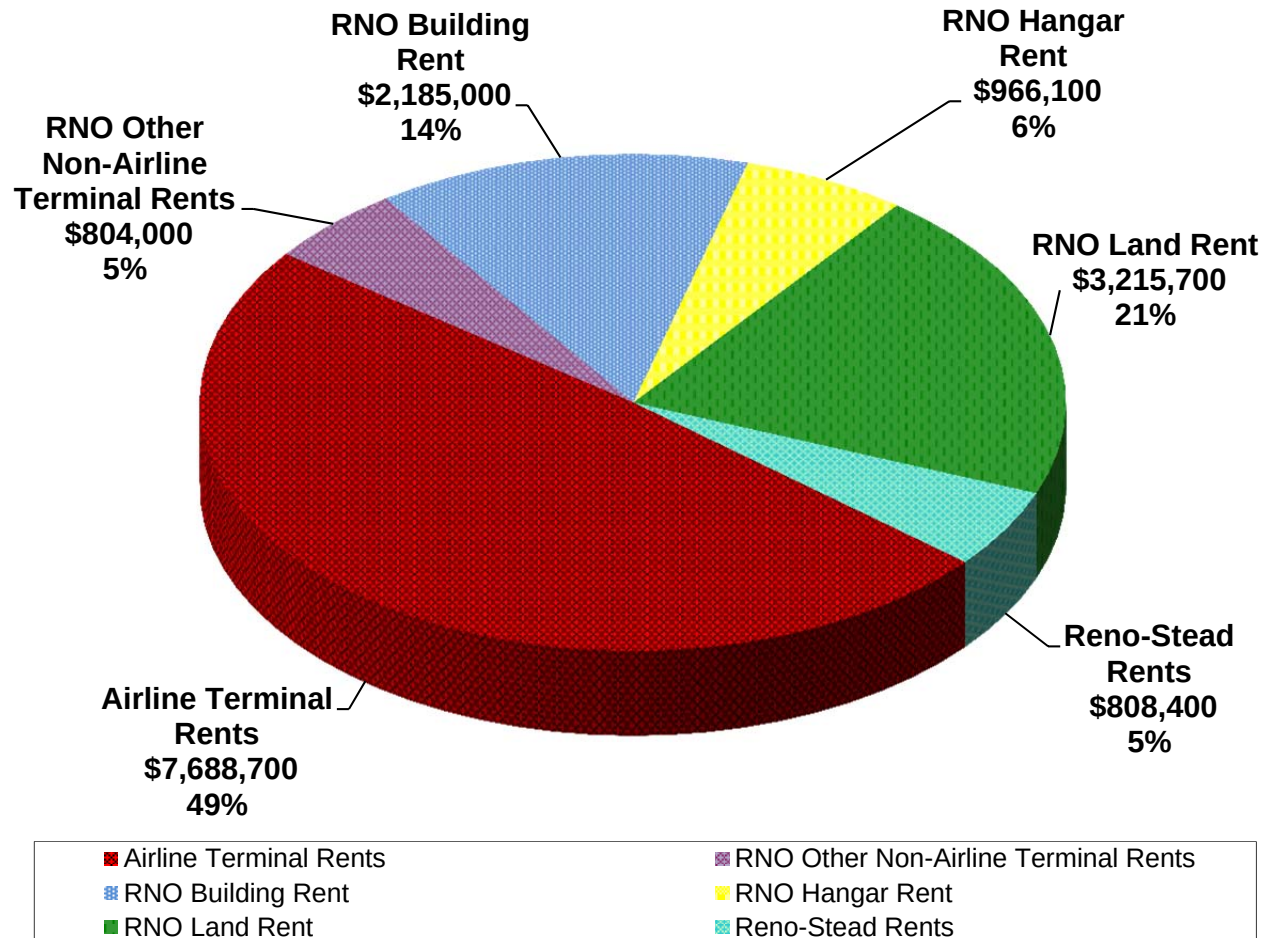
SPACE RENTALS



Space Rentals for FY 2018-19 are budgeted to reach \$15.668 million, an increase of \$455,750 or 3.0% as compared to the prior year adopted budget. The revenue category is comprised of airline terminal rents, other non-airline terminal rents, and other building, hangar, and land rents at both RNO and RTS.

The following chart outlines the adopted FY 2018-19 Budget by category of Space Rents:

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Airline terminal rentals reflects cost recovery of terminal costs allocated to airline occupied facilities (commercial compensatory basis) with total facility costs divided by rentable terminal square footage. The airlines pay a “for only what they use” basis and the RTAA is at financial risk if vacant facilities exist. Approximately 49% or \$7.689 million of total Space Rents are derived from the airlines.

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

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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 RTAA's General Purpose Account.

For the FY 2018-19 Budget, the average budgeted rental rate is \$53.39 per square foot per annum, a decrease of 2.8% from the FY 2017-18 average budgeted rental rate of \$54.95.

CALCULATION OF FY 2018-19 TERMINAL RENTAL RATE

		FY 2017-18			FY 2018-19 Budget	Variance
		FY 2016-17 Actual	Budget	Forecast		
GROSS TERMINAL RENTAL RATE						
O&M Expenses		\$ 16,494,241	\$ 17,936,046	\$ 17,787,481	\$ 19,047,301	\$ 1,111,255
Debt Service		-	-	-	-	-
Coverage		-	-	-	-	-
Pre Bond Loan		-	-	-	-	-
O&M Reserve		82,969	128,489	107,439	146,997	18,508
Fixed Assets		259,588	364,737	450,380	211,752	(152,984)
Capital Projects		208,879	345,000	513,700	530,500	185,500
Amortization of Capital Items		-	-	-	-	-
Total Requirement		\$ 17,045,677	\$ 18,774,272	\$ 18,859,000	\$ 19,936,551	\$ 1,162,279
Less: Other Terminal Revenues		-	-	-	-	-
Less: Airline Reimbursements (Disposal Fee)		(251,917)	(274,700)	(261,700)	(276,600)	(1,900)
Total Net Requirement		\$ 16,793,761	\$ 18,499,572	\$ 18,597,300	\$ 19,659,951	\$ 1,160,379
Square Footage		254,320	254,360	261,202	262,114	7,754
Average Terminal Rental Rate (Gross)		\$ 66.03	\$ 72.73	\$ 71.20	\$ 75.01	\$ 2.28
Signatory Airline Terminal Leased Space		124,366	121,872	124,730	125,757	3,885
Signatory Airline Share of Net Requirement		8,211,900	8,863,800	8,880,800	9,433,000	569,200
Less: Revenue Sharing (Current Year)		(3,159,255)	(2,167,400)	(3,675,700)	(2,719,300)	(551,900)
Revenue Sharing (Authority Contribution)		-	-	-	-	-
Adjusted Signatory Airline Net Requirement		5,052,645	6,696,400	5,205,100	6,713,700	17,300
Signatory Airline Terminal Leased Space		124,366	121,872	124,730	125,757	3,885
Signatory Airline Average Rental Rate (Net)		\$ 40.63	\$ 54.95	\$ 41.73	\$ 53.39	\$ (1.56)

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As part of this calculation, thirty-five percent (35%) of gaming revenue in each fiscal year is retained by the RTAA and not available as part of the revenue sharing credit used to reduce the Terminal Rental Rate.

Total airline (signatory and non-signatory) terminal space rental revenue is estimated to be \$7.689 million in FY 2018-19, an increase of \$127,200 or 1.7% above the FY 2017-18 Budget.

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 2018-19 Budget:

- The operation and maintenance budget allocated to the Terminal Building is increasing 6.2% above the FY 2017-18 Budget. This increase is due primarily to the overall increase of the direct and indirect operating budget assigned to the terminal building.

The increase in direct costs primarily reflects higher salaries and benefits for existing employees in Airport Operations, Airport Police, Airport Security and Building Maintenance.

Indirect or administrative cost allocations are assigned under the airline agreement based on actual or budgeted costs identified to the six direct cost centers (Airfield, Terminal, BHS, Ground Transportation, Other and Reno Stead Airport). The allocations of indirect and administrative costs to the Terminal Cost Center are slightly higher at 45.1% as compared to the FY 2017-18 Budget of 44.7%.

- Fixed assets and capital projects expenditures of \$742,250 represent an increase of a combined \$51,000 or 4.6% above the FY 2017-18 Budget and a decrease of \$182,300 or 17.0% from the current year updated forecast. The modest increase as compared to the prior year budget reflects a proposed investment in a scissor lift, air compressor, and upgrades to the building control system and chiller adaptive frequency drive.
- The estimated airline's portion of net revenue sharing for FY 2018-19 is \$2.719 million, an increase of \$551,900 or 25.4% above the prior year budget. This increase reflects the higher non-airline revenues due to strong passenger growth outpacing higher operating expenses and capital asset investment.

The average rental rate for FY 2018-19 is \$53.39 per square foot per year. This is a \$1.56 decrease or 28.4% below the FY 2017-18 budgeted average rental rate of \$54.95 and \$13.22 or 31.7% above the FY 2017-18 forecasted average rental rate of \$41.73.

The RTAA also derives RNO space rents from the airlines leased space and on a per use basis. In addition, rents are collected on both terminal and non-terminal space leased to tenants other

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than the airlines. The RTAA also collects rents at RTS 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.

RNO Terminal Rents from non-airline tenants and Non-Terminal Rents (building, hangar, and ground rent) of \$7.171 million in FY 2018-19 are estimated to increase by \$132,200 or 1.9% above the FY 2017-18 Budget.

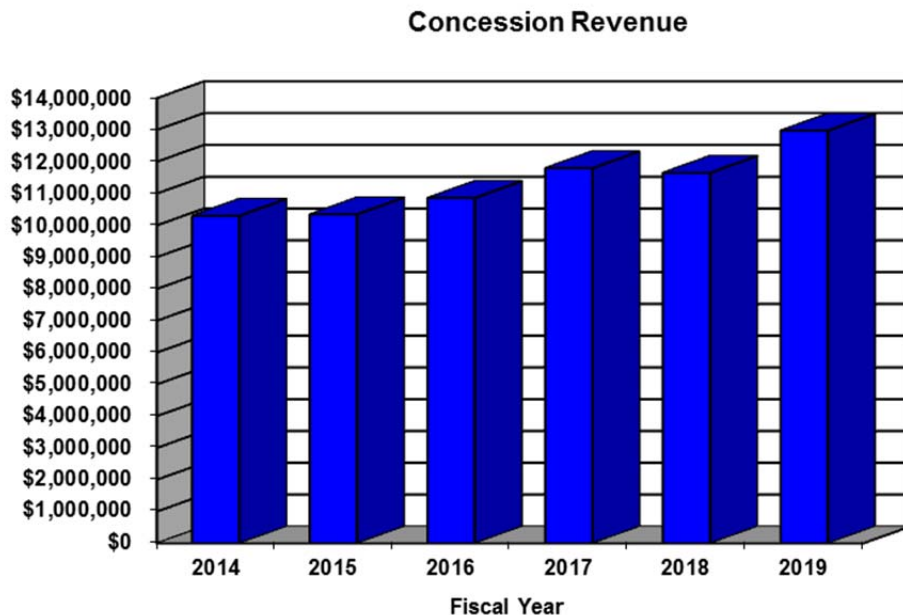
Hangar, land, and other facility rent at RTS of \$808,400 represents an increase of \$196,350 or 32.1% above last year's adopted budget. This increase is primarily due to the 100% lease of Hangar 6 by Tactical Air Support starting in February 2018. In addition, the first option payment of \$75,000 by the RTS master developer was paid in FY 2018-19.

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

CONCESSION REVENUE

Concession revenues of \$12.980 million are predicted for FY 2018-19, an increase of \$1.327 million or 11.4% as compared to the prior year budget. The graph below provides the past four year's actual results and the budget for FY 2017-18 and FY 2018-19.

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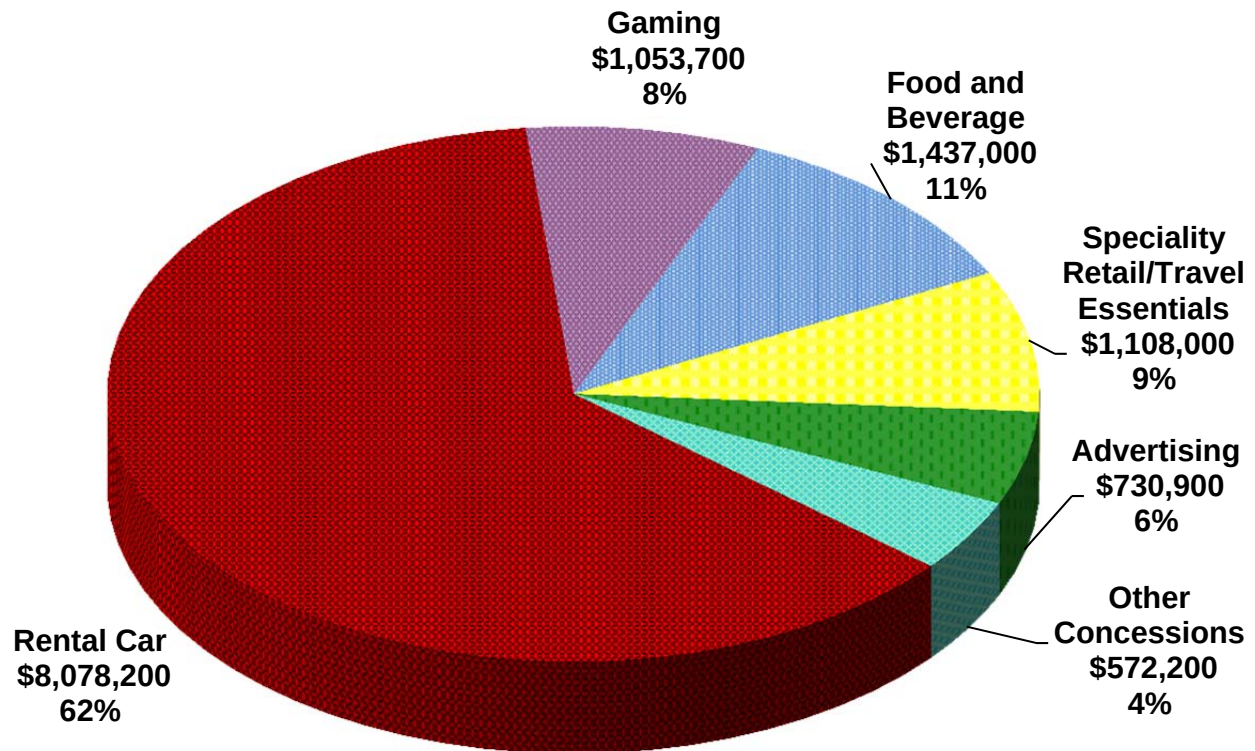


Concession revenue consists of the following: gaming, food and beverage, specialty retail/travel essentials, advertising, rental cars and other concession revenues.

This overall increase in concession revenue is primarily due to a forecasted increase in passenger traffic and significant expansion and upgrade of terminal concessions services available in FY 2018-19.

Please 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 2018-19 Budget.

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The largest contributor to concession revenues is the rental car industry. The concession agreements with these firms are responsible for \$8.078 million or more than 62% of total revenue from this source. The next largest contributors are gaming, specialty retail/travel essentials, food and beverage, and advertising. Combined, these five categories represent approximately 96% 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.

The following graphs and narrative provides additional information regarding the largest contributors to concession revenue. The graphs include the past four year's actual results and the budget for FY 2017-18 and FY 2018-19.

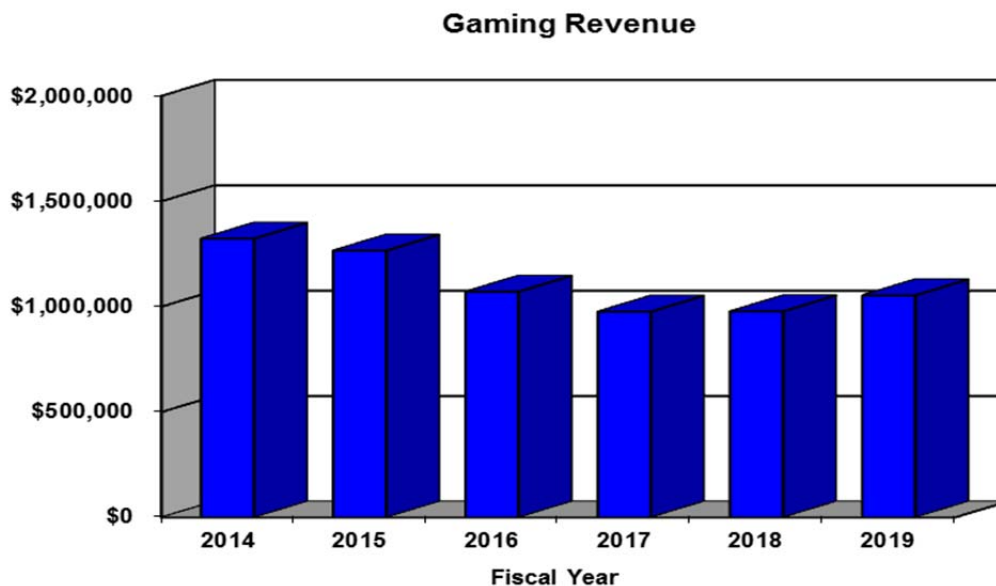
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Gaming – This revenue source is unique and almost exclusively earned by Nevada airports. The gaming concession was awarded to International Game Technology (IGT) effective December 1, 2015 under a new five year agreement, which expires on November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

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

This revenue structure compares to the previous agreement, executed in 2008, under which IGT paid a concession fee of 53% of Net Win up to \$350,000 and 75% for Net Win over \$350,000. The reduction in the RTAA's percentage of Net Win reflected the impact of the Great Recession and ever expanding entertainment options available to passengers due to electronic devices.

On a positive note, the decreasing trend reached its lowest point in FY 2016-17 and is forecasted to generate \$1.054 million in gaming revenue in FY 2018-19 primarily due to higher passenger traffic. This represents an increase of \$76,000 or 7.8% over the prior year budget and \$20,600 or 1.6% increase from the FY 2017-18 updated forecast.

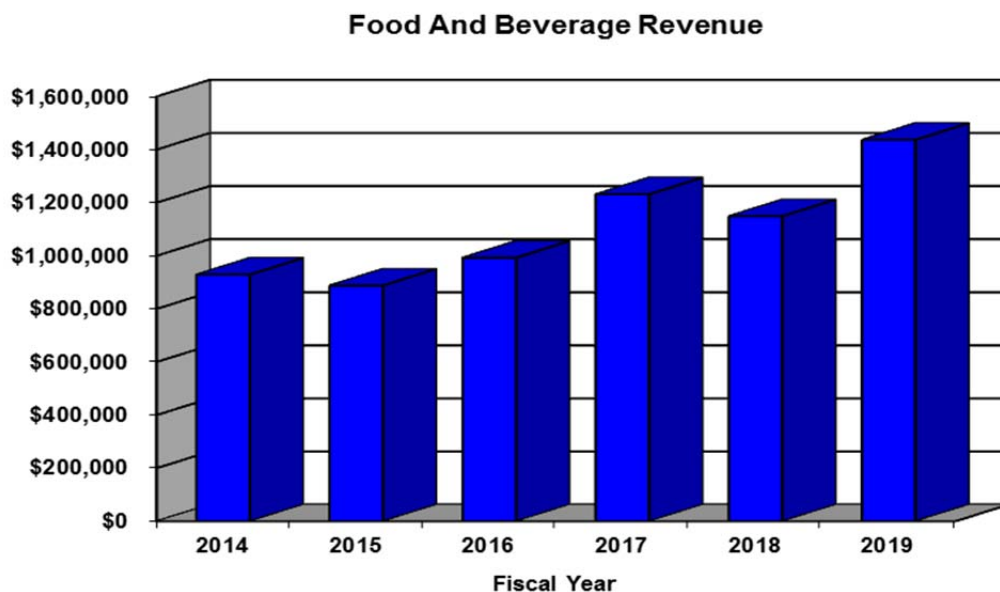


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Food and Beverage - Creative Host Services, Inc. (CHS) was awarded a non-exclusive food and beverage concessions effective October 2001. Effective June 19, 2008, Creative Host Services, Inc. changed its name to SSP America, Inc. (SSP).

The concession agreement calls for SSP to pay the RTAA a percentage of gross revenues ranging from 8% to 16.5% depending on product type or a Minimum Annual Guarantee (MAG), which is 85% of the previous year's payments but not less than \$885,800, whichever is greater.

The budgeted revenue is \$1.437 million for FY 2018-19. This estimate reflects an increase of 25.0% or \$287,700 above the FY 2017-18 Budget and 12.8% or \$162,600 above the FY 2017-18 updated forecast. The weighted average percentage that SSP pays to the RTAA is forecasted to be 10% of gross sales.



With forecasted passenger growth in both FY 2017-18 and FY 2018-19, the percentage of gross sales for SSP is anticipated to exceed the MAG in both years.

In May 2018, SSP remodeled the storefront and floor of its Peet's Coffee location before security. This effort was in conjunction with the remodel of the immediately adjacent Adventure News discussed below in Specialty Retail/Travel Essentials.

To further enhance the food and beverage program, the RTAA issued and completed a Request for Proposal to provide a common use airport lounge at RNO. The goal of the solicitation was to

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offer a high-end business class experience without entry restrictions – one where any passenger can eat, drink, work and relax in a peaceful, mountain-contemporary atmosphere.

After a comprehensive competitive process, Manchester Airport Group (MAG) US Lounge Management, LLC was selected and opened a new common use airport lounge in December 2017 operating under the name of “Escape Lounges”.

The Escape Lounge will also generate additional non-airline revenue over its ten (10) year term of 7% of Gross Receipts on any amounts greater than the minimum annual guarantee of \$60,000 annually.

In addition, the RTAA recently completed a Request for Proposal (RFP) process for additional specialty retail and/or food and beverage opportunities in the terminal lobby area, on the C-Concourse and the concourse connector area.

As a result of this effort, the RTAA has reached agreement with Vino Volo and a contract was awarded by the Board at the April 2018 Board meeting. Vino Volo Wine Bar will bring wine country to RNO with wine tasting flights from a constantly rotating menu that features local, boutique and small regional wineries. Vino Volo’s “Verdi Market” will also feature a coffee bar serving local gourmet coffee, fresh grab-and-go food and beverages suitable for all hours of the day including breakfast.

Vino Volo has submitted 90% design plans and staff is reviewing and commenting on the submittal based on the RNO Airport Improvement Guidelines. Construction is expected to begin this summer with an estimated grand opening in advance of Thanksgiving 2018.

In addition, the RTAA has reached agreement with Subway to open its concept at the corner of terminal connector and Concourse C. The Board of Trustees approved this contract at its May, 2018 meeting.

The FY 2018-19 Budget reflects additional revenue from Vino Volo and Subway of \$116,600 based on an estimate of six month of operations at both locations.

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Specialty Retail/ Travel Essentials - This terminal concession is projected to provide \$1.108 million in revenue in FY 2018-19. This amount is \$3,000 lower than the FY 2017-18 budgeted revenue and 1.3% or \$14,900 below the FY 2017-18 updated forecast.



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

This agreement provides payment to 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.

With forecasted passenger growth in both FY 2017-18 and FY 2018-19, the percentage of gross sales is anticipated to exceed the MAG in both years. The weighted average percentage that Paradies, pays to the RTAA is forecasted to be 15% of gross sales.

The current specialty retail stores at RNO include No Boundaries, Brighton, and InMotion in the post-security concourse connector area and the PGA Tour Shop in the pre-security terminal lobby area. During FY 2017-18, Paradies' also had four travel essential (previously known as news/gift) stores including the post-security Traveler Gifts on the B-Concourse, TravelMart on the C-Concourse, CNBC News on the concourse connector area, and Adventure News in the pre-security terminal lobby area.

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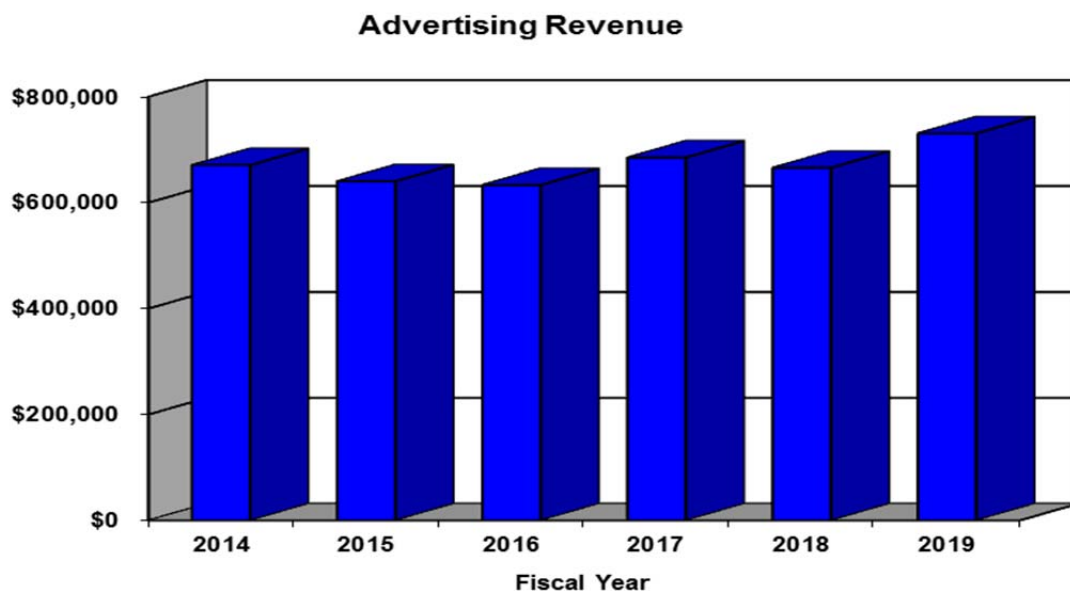
On April 2017, Paradies submitted a proposal to invest a minimum of \$1,024,000, inclusive of the \$164,000 mid-term refurbishment requirement amount, to construct improvements to three of the four travel essential stores noted above. The objective was to create a more contemporary modern mountain design, including new storefront branding and signage, which was forecasted to increase sales and improve the passenger experience.

On May 26, 2018, a newly refurbished Adventure News, rebranded as the Silver State Market Place, opened next to the recently refreshed Peet's Coffee, both of which are located in the Airport terminal lobby.

On June 30, 2018, Paradies completed the full upgrade and opened its post-security travel essentials stores. Travelers Gifts, located on the B-Concourse, is now named Summit Travel. Travelmart, located on the C-Concourse, is now named Plane Provisions.

In addition to the completion of improvements and rebranding of all three travel essentials stores at RNO, Paradies is rolling out a new fresh and local grab-and-go food program with sandwiches, wraps and snacks provided by Rounds Bakery.

Advertising - Revenues derived primarily from display ads located in the RNO terminal building are budgeted at \$730,900 for FY 2018-19. This amount is \$65,000 or 9.8% above the FY 2017-18 budgeted revenue and \$15,100 or 2.1% above the FY 2017-18 updated forecast.



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Effective February 1, 2015, the RTAA executed a new five-year Nonexclusive Advertising Program Concession License for advertising services including two (2) two-year options with Clear Channel Airports. The terms of this agreement will compensate the RTAA with the greater of 55% of all display sales and 15% of Clear Vision (digital screens on the concourses) or a minimum annual guarantee of \$660,000.

The FY 2018-19 Budget is forecasting that advertising revenue will exceed the minimum annual guarantee.

The RTAA also receives approximately \$6,000 in advertising revenue associated with bins used by passengers going through security screening.

Auto Rental - The RTAA has five (5) on-airport car rental company agreements with eight (8) brands: (1) Avis/Budget Car Rental doing business as Avis, Budget, (2) DTG Operations doing business as Dollar and Thrifty, (3) Enterprise, (4) Hertz, and (5) Vanguard Car Rental doing business as Alamo and National. All of these brands have check-in counters located within the Terminal Building.

In addition, the RTAA also has one (1) off-airport concession agreement with Payless Car Rental that provides a ticket counter in the Terminal Building; however, this company has no on-airport ready/return, quick-turn-around or service/storage facilities on RTAA property.

In 2007, Enterprise acquired Vanguard Car Rental, doing business as Alamo and National. In 2013, the Hertz Corporation acquired DTG Operations, doing business as Dollar and Thrifty and Avis/Budget acquired Payless Car Rental. Effectively, three (3) rental car companies control the nine brands at RTAA.

All of these companies, with the exception of Payless, 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.

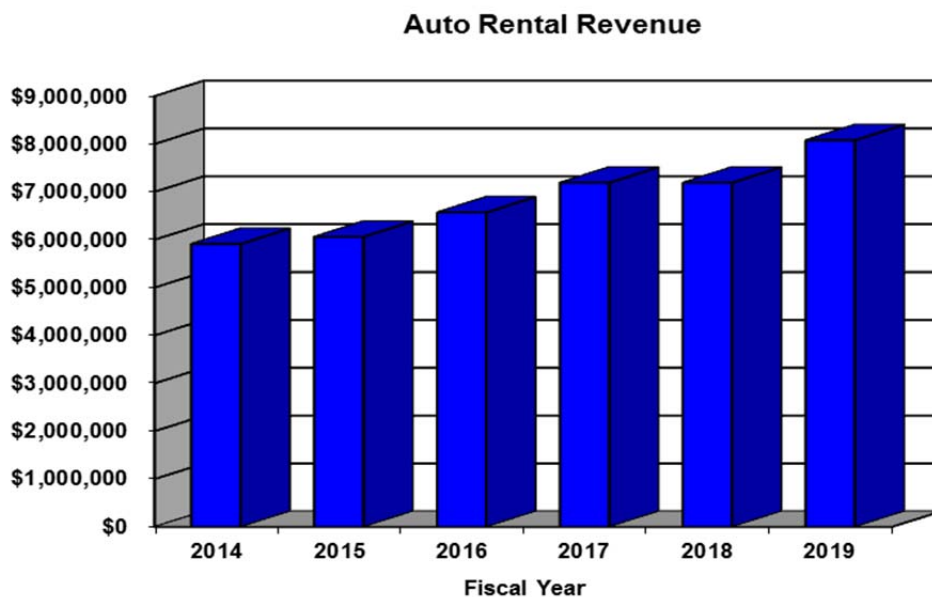
The ready/return parking spaces (“Ready/Return Premises”) are conveniently located in the Parking Structure, across from the Terminal; the QTA building and associated vehicle parking, which provides efficient fueling and car wash services, are located immediately north of the Parking structure; and the Service/ Storage Facilities are located south of the Terminal Building, as further described herein under a separate Ground Lease.

Based on minimum annual guarantee (MAG) bids, Payless continues to be a limited service operator with a check-in counter on the airport; however, all other facilities are located “off-airport” with their customers required to take a shuttle bus to an off-airport site for the rental and return of their vehicles.

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The current auto rental agreements, which began on July 1, 2010, were extended for an additional three years through June 30, 2018. The RTAA and the Rental Car Companies recently completed and agreed to amend and restate the agreement for an additional five (5) year term or upon the opening of a new Consolidated Rental Car Facility (CONRAC) at RNO, whichever occurs earlier. This extension is under the same terms and conditions as the original agreement.

Revenues are budgeted at \$8.078 million for FY 2018-19. The budgeted amount is 12.3%, or \$887,400 above the FY 2017-18 Budget. This concession represents approximately 21.9% of the Airport's total budgeted non-airline operating revenues.



This estimate is based on the agreement terms that establish annual revenue as the greater of 10% of gross receipts at RTAA or a Minimum Annual Guarantees (MAG). With the MAG for FY 2018-19 forecasted to be set at \$6.791 million, the RTAA's Budget projects that 10% of gross receipts will be significantly higher than the MAG.

The agreements do have an abatement clause, which waives the MAG if deplaning passengers fall below 75% of the levels established for the corresponding month in the preceding year. The FY 2018-19 Budget does not forecast any MAG abatement.

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PARKING AND GROUND TRANSPORTATION

Total auto parking and ground transportation revenues of \$12.183 million are budgeted to increase 7.5% from the prior year budget and 1.0% as compared to the updated FY 2017-18 projected revenues. Auto parking represents 23% of FY 2018-19 budgeted operating revenues and 33% of the RTAA's budgeted non-airline operating revenues.



The increase in revenue from last year's budget is due primarily to increased passenger traffic. In addition, the FY 2018-19 Budget is forecasting revenue per transaction to be modestly higher than the prior year budget due to increased parking utilization and longer stay duration.

Ground transportation fees are projected to be \$357,000 in FY 2018-19, which is an increase of \$52,700 or 17.3% from the FY 2017-18 Budget. These fees are paid by transportation operators such as limousines, shuttle buses, and taxicabs.

With the State of Nevada authorizing Transportation Network Companies (TNC) such as Uber and Lift to begin operations in May 2015, RTAA began discussions, implemented procedures and systems, and executed permits allowing TNC companies to operate at RNO starting in January 2016.

The fees assessed to TNC companies are the same as those paid by taxis and pay limousines on a per trip basis.

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REIMBURSED SERVICES

This category is comprised of reimbursement from the airlines, tenants, and the Transportation Security Administration (TSA) for services provided by the RTAA in support of their daily operations including maintenance of the baggage handling system, trash disposal, utilities, ID badges, law enforcement at the security checkpoint and canine explosive detection teams.

Reimbursed services revenue of \$2.625 million is budgeted in FY 2018-19, which is an increase of 1.3% from the FY 2017-18 Budget. Approximately 58% of this revenue reflects reimbursement from the airlines for the baggage handling system as outlined below.

Baggage Handling System - The Baggage Handling System (BHS) Charge reflects 100% cost recovery of the operating and maintenance agreement, utilities, supplies, and other direct costs of operating the integrated explosive detection equipment system.

Based on projected operations for FY 2018-19, this revenue, which includes BHS reimbursement from signatory airlines, non-signatory airlines, and the Transportation Security Administration (TSA), is estimated to be \$1.525 million.

The signatory airline portion in FY 2018-19 represents the RTAA charging \$1.09 per processed bag based on an estimate of 1.966 million signatory enplaned passengers checking in with 0.65 bags per passenger on average.

- The BHS costs of \$1.414 million are included in the FY 2018-19 Budget. This represents an approximately 5.0% decrease from the FY 2017-18 Budget primarily due to the reduction in electrical costs to operate the system.
- In FY 2018-19, the RTAA has a capital project to integrate the BHS camera system into the existing Video Monitoring System for approximately \$100,000. The existing system is at the end of its useful life and no longer receiving maintenance support as of the end of FY 2017-18.
- The total operation and maintenance costs related to the Baggage Handling System (BHS) are reduced by an estimated \$41,400 because of reimbursement by the TSA for direct costs associated with their screening equipment. This reimbursement is credited against the BHS recovery assessed to the airlines.

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CALCULATION OF FY 2018-19 BAGGAGE HANDLING SYSTEM FEE

		FY 2017-18			
		FY 2016-17		FY 2018-19	
		Actual	Budget	Budget	Variance
Operating Requirement					
O&M Expenses		\$ 1,382,315	\$ 1,488,485	\$ 1,488,385	\$ 1,414,448 \$ (74,037)
Debt Service		-	-	-	-
Coverage		-	-	-	-
O&M Reserve		7,141	10,663	8,990	10,916 253
Fixed Assets		-	-	-	-
Capital Projects		-	-	-	100,000 100,000
Amortization of Capital Items		70,325	53,333	-	- (53,333)
Less: TSA Reimbursement		(32,125)	(37,300)	(40,800)	(41,400) (4,100)
Less: Non-Signatory Airline BHS		(103,791)	(110,700)	(135,300)	(91,400) 19,300
Total Baggage System Charge Revenue		1,323,865	1,404,481	1,321,275	1,392,564 (11,917)
Total Number of Bags Processed - Signatory		1,139,216	1,089,722	1,230,724	1,277,754 188,032
Signatory Rate per Bag Processed		\$ 1.16	\$ 1.29	\$ 1.07	\$ 1.09 \$ (0.20)
Non-Signatory Rate per Bag Processed		\$ 1.34	\$ 1.42	\$ 1.42	\$ 1.20 \$ (0.22)

Other Reimbursed Services

The remaining FY 2018-19 Budget of approximately \$1.100 million includes payments from the TSA for RTAA providing police services at the security checkpoints as well as for participation in the National Explosives Detection Canine Team Program.

This category also includes reimbursement for waste disposal services and other RTAA provided utilities. The disposal services fees are based on RTAA actual costs of providing the service and utilities are billed at the rates assessed by local utility providers.

NON-OPERATING REVENUE

The FY 2018-19 Budget also includes non-operating revenues of \$5.520 million, an increase of \$1.477 million from the FY 2017-18 Budget.

This significant increase primarily reflects an increase in the Customer Facility Charge (CFC) from \$1.25 per day to \$3.50 per day. The CFC revenues are derived from a daily fee assessed to each rental car transaction day. The rate increase reflects the RTAA efforts to begin funding for design of a Consolidated Rental Car Facility (CONRAC) identified as a short-term facility need in the recently adopted RNO Master Plan.

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This increase is offset by the elimination of a one-time gain on the sale of two box hangars to Atlantic Aviation for \$1.85 million in FY 2017-18. These hangars reverted to RTAA ownership on July 1, 2017 due to the expiration of a lease agreement originally executed in 1987.

This category primarily consists of Customer Facility Charge (CFC) revenues, aviation fuel taxes and interest earnings on funds the RTAA has available for investment.

Investment Interest for FY 2018-19 is budgeted at \$774,700, a 48.8% increase compared to the forecasted revenue in FY 2017-18 and an 83.4% increase from the FY 2017-18 Budget. This increase is due to slightly higher earning balances and an increase in anticipated interest rates on investments due to recent and anticipated increases by the Federal Reserve.

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 fuel tax revenues estimated to be \$322,800 in FY 2018-19. This revenue represents a \$0.01 per gallon fee collected by the State of Nevada and remitted to RTAA through Washoe County on aviation jet fuel sold, distributed, or used in the county.

The use of Aviation Fuel Tax revenue is restricted to funding transportation projects related to airports including ground transportation improvements and promoting the use of RNO including efforts to increase the number and availability of flights.

NON-RATE BASE REVENUE

Non-rate base revenue of \$7.900 million is a separate classification of non-operating revenue that is not included in the calculation of the landing fees and terminal rental rates per the airline operating agreement.

Passenger Facility Charges (PFC's) of \$7.685 million are the main source of non-rate base revenues. The PFC program is a Federal program that is overseen by the Federal Aviation Administration (FAA) 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 FAA. This money must be segregated from all other airport revenues. For a complete explanation of the PFC program, please see Section 8 Capital Projects.

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Also included in this category is restricted investment interest earned on the restricted cash balances such as revenue bond construction funds and PFC funds. The same investment policy restrictions apply to these funds, as outlined for all RTAA investments, and hence the same rate of return is used for this calculation.

These investment earnings must be returned to the construction or PFC fund pursuant to the bond resolution and the PFC rules. They cannot be used to fund the operations of the airports.

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Summary of Budgeted Revenues

	FY 2016-17 Actual	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change
Landing Fees - Reno-Tahoe				
Signatory Airlines-Scheduled Carriers	\$ 5,347,710	\$ 6,437,800	\$ 7,181,267	
Signatory Airlines - Freight Carriers	1,514,322	1,753,746	1,471,073	
Non Signatory Airlines - Scheduled Carriers	401,498	473,029	331,580	
Charters, FBO's	30,323	-	-	
Non Signatory Airlines - Charters	25,724	-	-	
Non-Signatory Airlines - Air Freight Carriers	86,795	104,129	102,701	
Air Service Incentive- Landing Fees	(120,382)	(200,000)	(200,000)	
	<u>7,285,989</u>	<u>8,568,704</u>	<u>8,886,621</u>	4%
Aircraft Fees - Reno-Tahoe				
Fuel Flowage	202,450	199,900	212,700	
Aircraft Parking	115,570	100,800	122,900	
Aviation Gas Tax Refunds	-	-	-	
Fuel Farm Use Fee and Ground Rent- RFFC	626,025	626,000	626,000	
Fuel Farm Use Fee - Jet West	18,000	18,000	18,200	
	<u>962,045</u>	<u>944,700</u>	<u>979,800</u>	4%
Aircraft Fees - Reno-Stead				
Fuel Flowage	24,001	18,200	35,400	
Landing Fees	13,887	6,100	22,300	
	<u>37,888</u>	<u>24,300</u>	<u>57,700</u>	137%
TOTAL Aircraft Fees	<u>\$ 8,285,922</u>	<u>\$ 9,537,704</u>	<u>\$ 9,924,121</u>	4%
Concession Revenue				
Gaming Revenue	\$ 976,431	\$ 977,700	\$ 1,053,700	8%
Food and Beverage Revenue	1,231,992	1,149,300	1,437,000	25%
Retail Revenue				
Speciality Retail/Travel Essentials	<u>1,060,468</u>	<u>1,111,000</u>	<u>1,108,000</u>	0%
	1,060,468	1,111,000	1,108,000	
Other Concession Revenue				
FBO's and Ground Handling				
Fixed Base Operators - Reno-Tahoe	113,575	-	15,800	
Security Services	43,063	43,600	47,400	
Ground Handling/Support Services	<u>306,615</u>	<u>318,900</u>	<u>300,100</u>	0%
	463,253	362,500	363,300	
Stead Concession Revenue				
Fixed Base Operators - Reno-Stead	19,136	17,600	25,100	
Other Concession Revenue	<u>153</u>	<u>800</u>	<u>200</u>	38%
	19,289	18,400	25,300	
Advertising Revenue	685,246	665,900	730,900	10%
Miscellaneous Concession Revenue				
Other Concessions	31,287	30,800	33,400	
Luggage Carts	17,121	17,300	17,200	
ATM	<u>122,000</u>	<u>129,000</u>	<u>133,000</u>	4%
	170,408	177,100	183,600	
Total Other Concession Revenue	<u>1,338,196</u>	<u>1,223,900</u>	<u>1,303,100</u>	6%
Total Concession Revenue Excluding Auto Rental and Gaming	3,630,656	3,484,200	3,848,100	10%
On Airport Auto Rental	<u>7,190,999</u>	<u>7,190,800</u>	<u>8,078,200</u>	12%
	7,190,999	7,190,800	8,078,200	
TOTAL Concession Fees	<u>\$ 11,798,087</u>	<u>\$ 11,652,700</u>	<u>\$ 12,980,000</u>	11%

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Summary of Budgeted Revenues

	FY 2016-17 Actual	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change
Auto Parking and Ground Transportation				
Auto Parking/Traffic Control				
Public Parking Lot	10,639,000	10,658,000	11,436,400	
Off-Airport Parking	12,629	10,000	13,000	
Employee Parking	354,126	350,400	364,800	
Parking Fines	8,695	8,200	11,300	
	<u>11,014,450</u>	<u>11,026,600</u>	<u>11,825,500</u>	7%
Ground Transportation				
Taxi Loop	83,782	84,700	90,000	
Transportation Network Companies	72,077	58,400	105,000	
Limousines	9,001	8,300	10,200	
Buses/Courtesy Shuttles	129,621	138,300	143,100	
Permit Fees	7,955	14,600	8,700	
	<u>302,435</u>	<u>304,300</u>	<u>357,000</u>	17%
TOTAL Auto Parking and Ground Transportation	\$ 11,316,885	\$ 11,330,900	\$ 12,182,500	8%
Space Rentals				
Terminal Rents, Signatory Airlines				
Ticket Counter	\$213,270	\$295,300	\$328,400	
Hold Room	1,058,843	1,434,700	1,463,500	
Back Office	397,561	450,900	524,200	
Bag Claim	946,111	1,281,800	1,230,000	
Bag Service Office	111,224	150,700	171,400	
Bag Makeup	947,635	1,284,000	1,231,900	
Baggage System	638,003	864,500	829,400	
Operations Space	487,337	592,100	606,500	
Common Use Drives	229,792	311,400	298,700	
Outside Storage	22,868	31,000	29,700	
Gate Use Charge/ Non-Signatory Use Fees	1,339,920	1,065,100	1,175,000	
Air Service Incentive- Terminal Rent	<u>(134,821)</u>	<u>(200,000)</u>	<u>(200,000)</u>	
	<u>\$6,257,744</u>	<u>\$7,561,500</u>	<u>\$7,688,700</u>	2%
Terminal Rents, Other				
Government Agencies	333,962	297,400	283,900	
Car Rental Counters & Offices	318,949	284,000	271,100	
Other Terminal Rents	<u>276,371</u>	<u>250,200</u>	<u>249,000</u>	
	<u>929,282</u>	<u>831,600</u>	<u>804,000</u>	-3%
Reno/Tahoe Non-Terminal Rents				
Building Rental	1,581,156	1,637,400	1,700,200	
Building Rental - Auto Rental	466,187	465,900	484,800	
Hangar Rental	966,432	945,500	966,100	
Land Rental	1,692,470	1,985,500	2,051,700	
Land Rental - Auto Rental	<u>1,172,419</u>	<u>1,172,700</u>	<u>1,164,000</u>	
	<u>5,878,663</u>	<u>6,207,000</u>	<u>6,366,800</u>	3%
Reno Stead Rents				
Building Rental	26,330	8,000	8,100	
Hangar Rental	285,729	278,100	399,200	
Airfield Rental	51,373	51,000	54,000	
Land Rental	165,320	157,800	250,500	
Unmanned Aircraft System (UAS) Testing	22,600	25,200	12,000	
Sewer Use Fee	11,641	11,400	12,600	
Wash Rack	243	100	100	
Mini Warehouse Rent	14,712	14,500	14,600	
Other Rental	<u>62,912</u>	<u>65,950</u>	<u>57,300</u>	
	<u>640,860</u>	<u>612,050</u>	<u>808,400</u>	32%
TOTAL Space Rentals	\$ 13,706,549	\$ 15,212,150	\$ 15,667,900	3%

Reno-Tahoe Airport Authority
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Summary of Budgeted Revenues

	FY 2016-17 Actual	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change
Reimbursed Services				
Security Services	625,561	575,200	558,300	
Utilities	173,172	176,700	200,400	
Maintenance	7,433	6,200	7,600	
Disposal Fees	78,745	98,000	76,200	
Other	108,584	105,400	24,700	
Rental Car CFC Admin Costs	77,948	78,600	232,700	
BHS Reimbursement - Signatory Airline	1,323,865	1,404,481	1,392,564	
BHS Reimbursement - Non-Signatory Airline	103,791	110,700	91,400	
BHS - TSA Reimbursement	32,125	37,300	41,400	
TOTAL Reimbursed Services	2,531,223	2,592,581	2,625,264	1%
Miscellaneous Revenue				
Miscellaneous Revenue	136,123	36,700	55,400	
Damage Claim Reimbursement	31,901	-	-	
	168,024	36,700	55,400	51%
TOTAL OPERATING REVENUE	\$ 47,806,689	\$ 50,362,735	\$ 53,435,185	6%
Non-Operating Revenue				
Investment Interest	496,079	391,800	711,100	
Investment Interest, CFC	34,732	29,000	62,200	
Investment Interest, Fuel Tax Fund	1,167	1,600	1,400	
Gain (Loss) on Sale of Fixed Assets	13,298	1,850,000	-	
Aviation Gas Tax	298,124	276,400	322,800	
CFC Revenue	1,481,004	1,493,900	4,422,200	
Miscellaneous	-	-	-	
TOTAL Non-Operating Revenue	2,324,405	4,042,700	5,519,700	37%
TOTAL Pledged Revenue	\$ 50,131,094	\$ 54,405,435	\$ 58,954,885	8%
Non-Pledged Revenue				
Investment Interest, Other Restricted	-	500	-	
Investment Interest, Flood Proceeds	45,456	53,000	-	
Investment Interest, Consent Decree	-	7,600	10,100	
Investment Interest, PFC	78,896	82,400	204,900	
PFC Revenue	7,401,836	7,269,000	7,685,000	
Gain (Loss) on Investments Value	(271,937)	-	-	
TOTAL Non-Pledged Revenue	\$ 7,254,250	\$ 7,412,500	\$ 7,900,000	7%
TOTAL REVENUES	\$ 57,385,345	\$ 61,817,935	\$ 66,854,885	8%

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Non-Airline Revenues

2016-17 Actual	2017-18 Budget	2017-18 Forecast	2018-19 Budget	% Percent Change FY 19 Budget to	
				FY 18 Budget	FY 18 Forecast

Non Airline Revenue

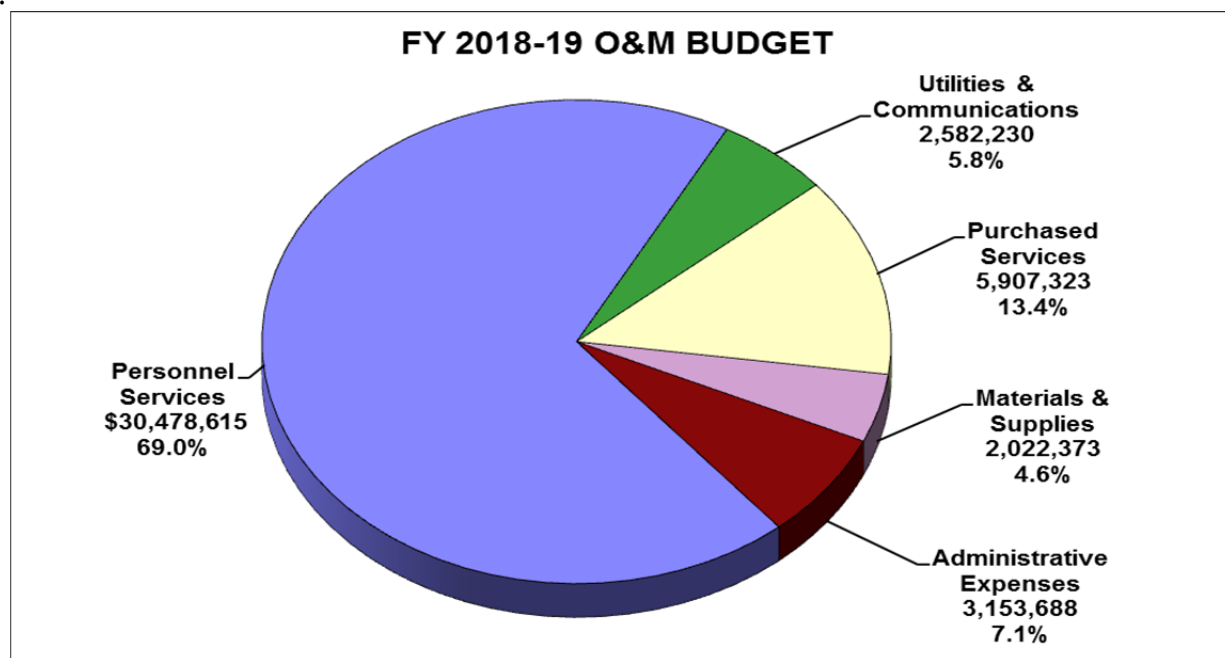
Aircraft Fees - Reno	962,045	944,700	973,000	979,800	3.7%	0.7%
Aircraft Fees - Stead	37,888	24,300	78,800	57,700	137.4%	-26.8%
Gaming Concession	976,431	977,700	1,033,100	1,053,700	7.8%	2.0%
Food & Beverage	1,231,992	1,149,300	1,274,400	1,437,000	25.0%	12.8%
Merchandising Revenue	1,060,468	1,111,000	1,122,900	1,108,000	-0.3%	-1.3%
Advertising	685,246	665,900	715,800	730,900	9.8%	2.1%
Other Concessions	652,950	558,000	564,700	572,200	2.5%	1.3%
Auto Rental	7,190,999	7,190,800	7,970,000	8,078,200	12.3%	1.4%
Auto Parking	11,014,450	11,026,600	11,710,900	11,825,500	7.2%	1.0%
Ground Transportation	302,435	304,300	348,900	357,000	17.3%	2.3%
Other Terminal Rents	929,282	831,600	844,100	804,000	-3.3%	-4.8%
Reno/Tahoe Non-Terminal Rents	5,878,663	6,207,000	6,431,100	6,366,800	2.6%	-1.0%
Reno Stead Rents	640,860	612,050	687,000	808,400	32.1%	17.7%
Baggage Handling System	1,459,781	1,552,481	1,497,375	1,525,364	-1.7%	1.9%
Reimbursed Services	1,071,442	1,040,100	932,000	1,099,900	5.7%	18.0%
Miscellaneous	168,024	36,700	152,700	55,400	51.0%	-63.7%
Total Non Airline Revenue	\$ 34,262,956	\$ 34,232,531	\$ 36,336,775	\$ 36,859,864	7.7%	1.4%
Non Operating Revenue	2,324,405	4,042,700	4,253,000	5,519,700	36.5%	29.8%
TOTAL NON-AIRLINE REVENUES	\$ 36,587,361	\$ 38,275,231	\$ 40,589,775	\$ 42,379,564	10.7%	4.4%

Section 7 – Expenditures

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The RTAA's budget process is a zero-based process in which each expenditure line item is evaluated on its merit each year. The underlying structure of the FY 2018-19 O&M expense budget requests are the departmental initiatives and work plans supporting the implementation of the Comprehensive Strategic Plan priorities. Each department's initiatives, work plan and budget are presented to and reviewed by the President/CEO and Executive Vice President/COO.

The FY 2018-19 Operations and Maintenance (O&M) Budget is \$44,144,229 with resources allocated as outlined below:



The outlined budget is 4.9% above the FY 2017-18 Budget and 7.2% above FY 2017-18 projected expenditures as shown below:

	CURR. YR.	CURR. YR.	BUDGET	PERCENT CHANGE	
	BUDGET	PROJECTED	REQUEST	FY19 BUDGET TO FY18	
	2017-18	2017-18	2018-19	BUDGET	PROJECTED
Personnel Services	\$ 28,843,415	\$ 28,344,335	\$ 30,478,615	5.7%	7.5%
Utilities & Communications	2,741,145	2,714,545	2,582,230	-5.8%	-4.9%
Purchased Services	5,731,568	5,289,058	5,907,323	3.1%	11.7%
Materials & Supplies	1,949,869	2,040,795	2,022,373	3.7%	-0.9%
Administrative Expenses	2,834,142	2,801,636	3,153,688	11.3%	12.6%
Total	\$ 42,100,139	\$ 41,190,369	\$ 44,144,229	4.9%	7.2%

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The following narrative lists the more significant changes:

Personnel Services

The Personnel Services budget of \$30.479 million includes the salaries, wages and benefits cost for RTAA’s employees. The FY 2018-19 Budget for personnel services is approximately \$1.635 million or 5.7% higher than the FY 2017-18 Budget and \$2.134 million or 7.5% above the projected expenditures for current FY 2017-18.

As part of the FY 2018-19 Budget review process, 6.5 positions are “frozen” and are not funded in the requested budget. For additional information, please see Section 4 – Organizational Guide.

Wage increases are budgeted to conform to the existing employee collective bargaining agreements and established management and civil service guidelines. The International Brotherhood of Teamsters (Teamsters) bargaining unit entered into a new contract with the RTAA effective July 1, 2016 through June 30, 2020. The RAFFA (Fire) and AAPOPA (Police) bargaining units entered into a new contract with the RTAA effective July 1, 2017 through June 30, 2021.

The changes in the Personnel Services budget are summarized by category in the table below.

		2017-18 Budget	2018-19 Budget	Difference	Percent Change
Salaries and Wages		18,269,855	19,291,766	1,021,911	5.6%
Overtime		1,058,460	1,080,129	21,669	2.0%
Employee Benefits		4,264,200	4,464,920	200,720	4.7%
Retirement Contribution		5,250,900	5,641,800	390,900	7.4%
	Total	\$ 28,843,415	\$ 30,478,615	\$ 1,635,200	5.7%

There are four (4) newly funded positions in the FY 2018-19 Budget: (1) one IT Project Manager; (2) one Airport Project Manager II; (3) one Airfield Equipment Mechanic IV; and (4) Deputy Chief of Airport Rescue and Firefighting (ARFF) (hire date of January 1, 2019). The combined budget impact of funding these previously frozen positions is approximately \$460,500. Excluding the incremental costs associated with these new positions, the proposed budget reflects an increase of \$1.175 million or 4.1% for existing employee salaries and benefits.

A regular management and civil service plan employee may also be eligible for an additional 0.5% to 3.0% increase in base salary on July 1 of a fiscal year if the fiscal performance during

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the preceding 36 month period is such that gains in the revenue and landed weight support such an increase.

Based on the updated forecasted revenue and landed weight for FY 2017-18, the three year rolling index indicates that the gain share will meet the 2% salary increase benchmark. The proposed FY 2018-19 Budget includes an increase of \$185,000 in additional base salary under this program.

The RTAA also provides management and professional salaried employees an Incentive Achievement Program as defined in the Management Guidelines and Civil Service Plan. Under this program, the amounts awarded to each employee are determined by the President/ CEO, subject to defined criteria and limits on amounts paid. The FY 2018-19 Budget includes \$285,000 for this program.

Employee benefits, comprised primarily of health, dental, vision insurance and worker's compensation but excluding retirement contributions, are projected to increase by \$200,700 or 4.7% due primarily to estimated increases in health insurance rates.

The primary driver of this increase is that health insurance costs are anticipated to increase approximately \$254,500 or 8.5% from the current year approved budget. Health insurance is currently managed on a calendar year basis (January 1 – December 31). In November 2016, the RTAA competitively bid this insurance and the current rates will expire on December 31, 2018.

The proposed FY 2018-19 Budget reflects six months (July 1, 2018 to December 31, 2018) at the rates currently in place and six months (January 1, 2019 to June 30, 2019) at rates increased by 10% as suggested by the RTAA's health insurance broker.

Retirement contributions are projected to increase by \$390,900 or 7.4%. Current contribution rates under the Employer-Paid Contribution Plan are 28.0% for regular employees and 40.50% for Police/Fire members. These rates are recommended by the Public Employees' Retirement System (PERS) based on an actuarial valuation report adopted by the Retirement Board and formally established by the Nevada Legislature during its biennial session that occurs during odd number years. Therefore, the FY 2018-19 Budget has no changes in the retirement contribution rates.

Utilities and Communications

The Utilities and Communications budget includes the RTAA's electricity, water, and natural gas. The cost of telephone and data communication services is also budgeted in this section. The FY 2018-19 Budget is 5.8% or approximately \$158,900 below the FY 2017-18 Budget and 4.9% or approximately \$132,300 over the projected expenditures for the current FY 2017-18.

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		2017-18 Budget	2018-19 Budget	Difference	Percent Change
Electricity		1,610,300	1,440,200	(170,100)	-10.6%
Natural Gas		397,300	377,000	(20,300)	-5.1%
Water		158,640	148,800	(9,840)	-6.2%
Other Utilities		574,905	616,230	41,325	7.2%
	Total	\$ 2,741,145	\$ 2,582,230	\$ (158,915)	-5.8%

The decrease in the FY 2018-19 Budget is primarily due to lower utility rates and efficiency savings associated with electricity.

The Baggage Handling System (BHS) equipment, including HVAC units and X-Ray equipment are separately metered and billed directly to the airlines in the BHS charge. In addition, direct utility billing is provided to the Transportation Security Administration (TSA) for its equipment and screening areas.

Purchased Services

Purchased Services represents legal and professional services necessary for needed expertise not available with the RTAA as well as maintenance and repair services for specialized systems and equipment. Equipment rental is also included in this category of the budget.

The FY 2018-19 Budget for Purchased Services of \$5.907 million is increasing approximately \$173,800 or 3.1% from the FY 2017-18 budget levels and is increasing 11.7% or approximately \$618,300 from the projected expenditures in the current fiscal year 2017-18.

Approximately \$412,400 of the Purchase Services budget in FY 2018-19 is funded through Customer Facility Charges (CFCs) collected from rental car customers in support of property management and repair and maintenance of rental car facilities owned by the RTAA.

For additional information about the CFC revenue source, please see Section 6 – Revenue under the item “Non-Operating Revenue”.

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		2017-18 Budget	2018-19 Budget	Difference	Percent Change
Legal Services		425,000	425,000	-	0.0%
Data Processing		749,512	805,782	56,271	7.5%
Other Professional Services		941,715	998,253	56,538	6.0%
Contracted Services		2,797,025	2,840,073	43,048	1.5%
Other Repair/Maintenance Svcs		506,347	602,168	95,821	18.9%
Other Purchased Services		311,969	236,047	(75,922)	-24.3%
	Total	\$ 5,731,568	\$ 5,907,323	\$ 175,755	3.1%

The notable changes in the requested budget compared to the previous year’s budget are as follows:

- Data Processing is increasing due to the additional \$80,000 budget to license a new Human Resource and Payroll software module. This will be an on-going cost starting in the 2018-19 fiscal year.
- The increase in Other Professional Services of \$56,500 is due primarily to the hiring of a traffic engineering consultant to support RTAA efforts to protect RNO highway access to and from Interstate 580. While the RTAA is in strong support of the overall highway improvement program, the current proposed plan would eliminate the “flyover” entrance and exits that provide fast, efficient freeway access.
- The FY 2018-19 Budget also includes an investment of \$50,000 to complete a property assessment of all easements located at the Reno-Stead Airport in support of future land development and \$40,000 for a general aviation rent methodology study.
- This increase is partially offset by savings from completion of the following plan updates, consulting projects and studies in FY 2017-18:
 - ✓ Ready Return Area Traffic/ Parking Reconfiguration of \$50,000
 - ✓ Rental Car Concession and Facility Lease Extension of \$20,000
 - ✓ Customer Satisfaction Survey of \$22,500
 - ✓ RTAA Economic Impact Study of \$25,000
 - ✓ Outside Properties Building Assessments of \$30,000
 - ✓ RNO Wildlife Hazard Assessment of \$40,000

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- The increase in Contracted Services primarily reflects an increase in Information Technology for payment card industry compliance (PCI) and development of an IT Strategic Plan of \$125,000. In addition, the proposed budget reflects an increase of \$87,500 for the full year funding of an additional Customs and Border Protection agent in support of international air service.
- Lower contract services required to support unmanned aircraft system (UAS) testing at RTS of \$179,000 significantly offsets these higher costs.
- The increase in Other Repair & Maintenance Services of \$95,800 is due primarily to the following:
 - a. Repair and maintenance of rental car facilities paid by Customer Facility Charges (CFC) of \$52,300
 - b. Replacement of batteries for the Access Control and Monitoring System (ACAMS) (performed every three years) of \$60,000
- The decrease in Other Purchased Services of \$75,900 is due primarily to the following:
 - a. Purchasing new copier equipment instead of leasing under a multi-year agreement. This generated savings of \$37,000 associated with the elimination of the lease payments. The new equipment is now under a maintenance agreement.
 - b. Elimination of maintenance associated with the interactive terminal kiosks budgeted in FY 2017-18 of \$18,100.
 - c. Lower equipment rental required to support unmanned aircraft system (UAS) testing at RTS of \$17,900.

Materials and Supplies

Materials and Supplies are used primarily for the items needed by the Facilities and Maintenance staff to maintain both airports, as well as the office supplies used by administrative staff.

The FY 2018-19 Budget for Materials and Supplies of \$2.022 million is 3.7% or approximately \$72,500 above the FY 2017-18 Budget and 0.9% or \$18,400 under the current year updated forecast.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 7 – Expenditures

		2017-18 Budget	2018-19 Budget	Difference	Percent Change
Office Supplies		133,760	127,885	(5,875)	-4.4%
Operating Supplies		610,343	573,122	(37,221)	-6.1%
Repair and Maintenance Supplies		815,325	843,250	27,925	3.4%
Small Tool and Minor Equipment		390,441	478,116	87,675	22.5%
	Total	\$ 1,949,869	\$ 2,022,373	\$ 72,504	3.7%

The increase in Materials and Supplies is primarily due to the following:

- a. Computer hardware and other IT related items of \$58,500;
- b. Air filters for the Heating, Ventilation and Air Conditioning (HVAC) system of \$47,000;
- c. Office furniture for new employees and replacing old furniture of \$26,900;
- d. Telephone equipment and labor of \$11,000;

Administrative Expenses

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

The FY 2018-19 Budget for Administrative Expenses is increasing \$319,500 or 11.3% from the current FY 2017-18 fiscal year budget and \$325,000 or 12.6% above the projected expenditures for FY 2017-18.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 7 – Expenditures

		2017-18 Budget	2018-19 Budget	Difference	Percent Change
Educational & Professional Fees		474,866	539,896	65,030	13.7%
Travel & Reimbursed Expense		308,338	321,082	12,744	4.1%
Recruitment		4,700	5,400	700	14.9%
Air Service Development		405,500	574,200	168,700	41.6%
Economic Development		50,000	25,000	(25,000)	-50.0%
Conference Sponsorship		10,000	40,000	30,000	300.0%
Community Outreach		168,208	166,200	(2,008)	-1.2%
Publications / Advertising		132,960	180,610	47,650	35.8%
Airport Insurance		970,700	1,003,300	32,600	3.4%
Credit Card Fees		308,870	298,000	(10,870)	-3.5%
Fines and Settlements		-	-	-	
	Total	\$ 2,834,142	\$ 3,153,688	\$ 319,546	11.3%

Each department specifically budgets for training to attain the goal of 20 hours of training for each employee. The Human Resources budget includes RTAA-wide general training.

In addition, the FY 2018-19 Budget continues to support professional employee training and development (conference registration, travel and reimbursed expenses). Travel for staff that serves as a Board or steering committee member of a trade association or as deemed essential by the President/CEO has been retained at current year levels. All trips have to be approved by either the President/CEO or the Executive Vice-President/COO.

The RTAA does extensive air service development through a variety of channels, from advertising campaigns, new air service announcements and inaugural events to signage to promote air service partners and routes. The budget allocated to this effort is increasing by \$168,700 in FY 2018-19.

In addition, conference sponsorship is increasing by \$30,000 due to the RTAA's one-time hosting of the Executive Women in Airports Conference and the Airports Council International-North America (ACI-NA) Legal Conference in our community.

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Section 7 – Expenditures

Publications and Advertising is increasing due to the promotional partnership with the Nevada Museum of Art for \$26,000 and KNPB (a Public Broadcasting System (PBS) television station) for \$5,000. Under the RTAA Community Partner Sponsorship Program, the RTAA and Clear Channel, the RTAA's advertising concessionaire, created a program to permit non-profit community partners to have messaging and displays in the RNO terminal building at non-rate card locations. The RTAA in return will receive both a percentage of purchased advertising through the advertising contract and "in-kind" advertising of equal value from in-kind services and/or products.

To reflect proper accounting, the value of in-kind services provided by the community partners is reflected as advertising costs and the value to partners from advertising in the RNO terminal building is shown as RTAA revenue. This approach ensures full disclosure and transparency of these marketing agreements.

Airport liability insurance is projected to increase by \$32,600 or 3.4% from the FY 2017-18 Budget and increase approximately \$84,900 or 9.2% as compared to updated forecast. The primary contributor to the increase is the purchase of cyber insurance by the RTAA effective on January 1, 2018, which was not included in the FY 2017-18 Budget as well as an anticipated increase in auto insurance coverage. This estimate is based on information provided by the RTAA's broker of record, Arthur J. Gallagher & Company.

The last item in this section reflects a proposed decrease of approximately \$10,900 in credit card transaction fees as a direct result of lower credit card fees per transaction based on actual results during FY 2017-18.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Summary of Budgeted Expenditures

Account Group	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Personnel Services	\$ 26,672,373	\$ 28,843,415	\$ 30,478,615	5.7%
Utilities and Communications	2,337,577	2,741,145	2,582,230	-5.8%
Purchased Services	4,600,720	5,731,568	5,907,323	3.1%
Materials and Supplies	1,753,352	1,949,869	2,022,373	3.7%
Administrative Expenses	2,579,040	2,834,142	3,153,688	11.3%
 Total Operating Expenses	 \$ 37,943,061	 \$ 42,100,139	 \$ 44,144,229	 4.9%
 Property, Plant and Equipment	 421,337	 1,091,876	 1,007,671	 -7.7%
 TOTAL	 \$ 38,364,399	 \$ 43,192,015	 \$ 45,151,900	 4.5%

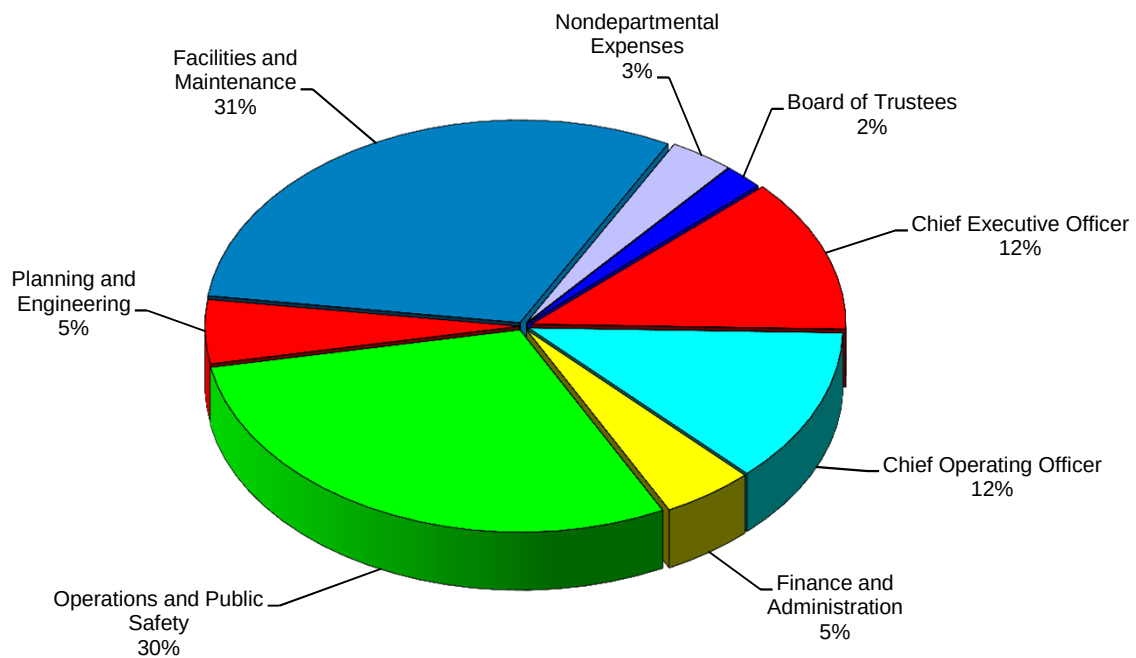
Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Resources Applied by Organizational Unit

	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	CHANGE
Board of Trustees Department				
Board of Trustees	\$ 122,507	\$ 172,330	\$ 179,480	4.1%
Internal Audit	239,541	261,275	270,195	3.4%
Legal Counsel	425,639	444,350	444,650	0.1%
TOTAL	787,687	877,955	894,325	1.9%
President/CEO Department				
President/CEO	751,849	841,500	818,166	-2.8%
Air Service Development	606,680	565,074	526,620	-6.8%
Marketing and Public Affairs	1,294,386	1,478,551	1,681,011	13.7%
Economic Development	1,059,893	1,270,850	1,284,550	1.1%
Outside Properties	942,078	1,183,196	1,098,247	-7.2%
TOTAL	4,654,886	5,339,171	5,408,594	1.3%
Executive Vice-President/COO Department				
Executive Vice-President/COO	381,709	346,730	462,745	33.5%
Technology and Information Systems	2,134,008	2,204,856	2,804,129	27.2%
Reno-Stead Airport	970,580	1,067,590	1,068,170	0.1%
Unmanned Aircraft Systems	137,139	258,870	49,570	-80.9%
Human Resources	932,697	1,043,656	1,086,155	4.1%
TOTAL	4,556,134	4,921,702	5,470,769	11.2%
Finance and Administration Department				
Accounting and Administration	974,930	1,098,275	1,120,365	2.0%
Finance and Budgeting	294,032	326,550	338,280	3.6%
Purchasing and Materials Management	490,524	658,230	626,833	-4.8%
TOTAL	1,759,486	2,083,055	2,085,478	0.1%
Operations and Public Safety Department				
Vice-President of Operations and Public Safety	248,095	362,545	311,100	-14.2%
Airside Operations	1,902,247	2,348,046	2,391,263	1.8%
Landside Operations	1,480,307	1,701,873	1,757,344	3.3%
Airport Rescue and Fire	2,720,033	2,974,237	3,315,982	11.5%
Airport Police	3,225,270	3,446,371	3,649,241	5.9%
Airport Security	1,352,468	1,545,625	1,609,875	0.0%
TOTAL	10,928,421	12,378,697	13,034,805	5.3%
Planning and Engineering Department				
Planning and Environmental Services	1,027,506	1,133,730	1,348,491	18.9%
Engineering and Construction	718,172	747,300	895,600	19.8%
TOTAL	1,745,678	1,881,030	2,244,091	19.3%
Facilities and Maintenance Department				
Director of Facilities and Maintenance	610,640	672,130	717,665	6.8%
Airfield Maintenance	3,298,002	3,643,264	3,800,014	4.3%
Building Maintenance and Services	6,770,881	7,499,650	7,613,590	1.5%
Baggage Handling System	1,382,315	1,488,485	1,414,448	-5.0%
TOTAL	12,061,837	13,303,529	13,545,717	1.8%
Nondepartmental Operation and Maintenance Expenses	1,143,257	1,030,200	1,460,450	41.8%
Nondepartmental Non Rate Base Expenses	305,675	284,800	-	-100.0%
Total Operations and Maintenance Expense	37,943,061	42,100,139	44,144,229	4.9%
Property, Plant & Equipment	421,337	1,091,876	1,007,671	-7.7%
TOTAL	\$ 38,364,399	\$ 43,192,015	\$ 45,151,900	4.5%

Reno-Tahoe Airport Authority
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Departmental Operation & Maintenance Expenditures

FY 2018-19 O&M by Department



DEPARTMENT	
Board of Trustees	\$ 894,325
Chief Executive Officer	5,408,594
Chief Operating Officer	5,470,769
Finance and Administration	2,085,478
Operations and Public Safety	13,034,805
Planning and Engineering	2,244,091
Facilities and Maintenance	13,545,717
Nondepartmental Expenses	1,460,450
Total	\$ 44,144,229

Note: Fixed Assets and Capital Projects not included

Reno-Tahoe Airport Authority
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Board of Trustees

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

Key Duties and Responsibilities:

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

General Counsel

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

Key Duties and Responsibilities:

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

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

11. Airline and Tenant Bankruptcy
12. Noise abatement and/or mitigation
13. Open Records Law

- Prepare, review, consult, and approve contracts.
- Advise on government grant and contract issues.
- Review and approve legislative documents.
- Advise on responses to subpoenas, court orders, and requests for information from third parties.
- Attend Board of Trustee and Committee meetings, as necessary.
- Attend work sessions and meetings with staff as required.
- Coordinate the services of outside legal firms and review all outside counsel invoices.

Internal Audit

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

Key Duties and Responsibilities:

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

**Reno-Tahoe Airport Authority
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BOARD OF TRUSTEES

Section 101

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$28,635	\$31,100	\$33,300	7%
Trustee Stipend	41190	61,040	60,480	60,480	0%
Group Insurance	41340	5,910	6,700	7,100	6%
Retirement	41360	7,940	8,700	9,300	7%
Accrued PERS Expense	41365	450	0	0	0%
TOTAL PERSONNEL SERVICES		103,975	106,980	110,180	3%
PURCHASED SERVICES					
Consultants - General	43140	0	35,000	40,000	14%
Office Equipment Rental	43210	3,587	4,000	0	-100%
Maintenance Agreement-Copier	43345	0	0	2,000	%
Freight Expense	43430	8	100	0	-100%
Other Purchased Services	43490	225	350	350	0%
TOTAL PURCHASED SERVICES		3,821	39,450	42,350	7%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,217	1,500	2,000	33%
Paper	44110	72	100	100	0%
Postage	44120	20	100	50	-50%
Printing & Forms	44130	300	100	100	0%
Office Small Equipment	44410	141	0	0	0%
TOTAL MATERIALS & SUPPLIES		1,750	1,800	2,250	25%
ADMINISTRATIVE EXPENSE					
Conference Registration Fees	45130	615	5,000	5,000	0%
Training Expense	45140	0	700	700	0%
Meeting Expense	45150	9,124	8,400	9,000	7%
Travel & Reimbursed Expense	45210	2,848	10,000	10,000	0%
Community Outreach	45398	375	0	0	0%
TOTAL ADMINISTRATIVE EXPENSES		12,961	24,100	24,700	2%
TOTAL EXPENSES BEFORE FIXED ASSETS		122,507	172,330	179,480	4%
FIXED ASSET ACQUISITION					
Fixed Asset Acquisition	48150	0	19,450	0	-100%
TOTAL DEPARTMENT EXPENSES		<u>\$122,507</u>	<u>191,780</u>	<u>179,480</u>	<u>-6%</u>

Reno-Tahoe Airport Authority
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INTERNAL AUDIT

Section 204

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$131,308	176,800	181,600	3%
Vacation Pay	41130	14,665	3,100	4,200	35%
Sick Leave	41140	10,415	2,000	3,000	50%
Holiday Pay	41150	8,172	0	0	0%
Payroll Accrual	41195	2,272	0	0	0%
Medicare	41320	2,446	2,600	2,600	0%
FICA	41321	0	0	0	0%
Group Insurance	41340	14,170	16,200	17,200	6%
Disability Insurance	41342	1,294	1,300	1,400	8%
Vision Insurance	41344	172	200	200	0%
Dental Insurance	41347	1,378	1,500	1,700	13%
Workers Comp	41350	178	200	200	0%
Retirement	41360	45,802	49,500	50,900	3%
Accrued PERS Expense	41365	670	0	0	0%
TOTAL PERSONNEL SERVICES		232,942	253,400	263,000	4%
PURCHASED SERVICES					
Office Equipment Rental	43210	624	550	0	-100%
Maintenance Agreement-Copie	43345	0	0	500	%
TOTAL PURCHASED SERVICES		624	550	500	-9%
MATERIALS & SUPPLIES					
Office Supplies	44100	344	250	250	0%
Paper	44110	0	25	25	0%
Postage	44120	0	25	25	0%
Printing & Forms	44130	60	0	0	0%
Office Small Equipment	44410	0	50	50	0%
TOTAL MATERIALS & SUPPLIES		404	350	350	0%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	730	750	995	33%
Books & Subscriptions	45120	0	460	350	-24%
Conference Registration Fees	45130	1,400	1,400	1,700	21%
Training Expense	45140	20	100	200	100%
Meeting Expense	45150	0	50	0	-100%
Travel & Reimbursed Expense	45210	3,421	4,215	3,100	-26%
TOTAL ADMINISTRATIVE EXPENSES		5,571	6,975	6,345	-9%
TOTAL SECTION EXPENSES		<u>\$239,541</u>	<u>261,275</u>	<u>270,195</u>	<u>3%</u>

**Reno-Tahoe Airport Authority
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GENERAL COUNSEL

Section 102

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PURCHASED SERVICES					
Legal Contracted Service	43110	414,692	425,000	425,000	0%
Other Professional Services	43190	5,933	15,000	15,000	0%
Other Purchased Services	43490	619	250	250	0%
TOTAL PURCHASED SERVICES		421,244	440,250	440,250	0%
ADMINISTRATIVE EXPENSE					
Books & Subscriptions	45120	0	600	0	-100%
Conference Registration Fees	45130	850	1,800	2,700	50%
Travel & Reimbursed Expense	45210	3,545	1,700	1,700	0%
TOTAL ADMINISTRATIVE EXPENSES		4,395	4,100	4,400	7%
TOTAL SECTION EXPENSES		<u>\$425,639</u>	<u>\$444,350</u>	<u>\$444,650</u>	<u>0%</u>

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

President/CEO

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

Key Duties and Responsibilities:

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

President/CEO - Initiatives:

FY 2017-18 Current Initiatives

1. **Assist the Board of Trustees in updating and adopting a five-year Strategic Plan for the period of FY 2018-19 through FY 2022-2023.**

Strategic Initiative / Guiding Principle: All apply.

Description: At the June 13, 2013 Board of Trustees meeting, the first strategic plan for the RTAA was adopted. The plan was a five-year guide, established with flexibility and forethought to the ever-changing aviation industry, to establish a vision for the future. The priorities were focused on the five strategic initiatives outlined in Section 3. The plan was created through a public process that invited participants from airport committees, user groups, the Board, staff and the public.

Reno-Tahoe Airport Authority
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This plan is set to expire of June 30, 2018 and this initiative is to update and modify the plan to reflect the Board’s updated vision for the future with the focus on the long-term viability of the RTAA and its ability to maintain and attract air service to our community.

Performance Measure: Update and obtain Board approval of the updated Strategic Plan by June 30, 2018.

Progress: 100% Completed. The Board adopted the FY 2019 to 2023 RTAA Strategic Plan at the June 14, 2018 meeting. This adoption was the culmination of nine months of focused effort by the Senior Leadership Team and extensive input and guidance from the Board of Trustees, key stakeholders and staff.

2. Enhance the Community Outreach Program and maintain an effective and positive working relationship with appointing governmental entities.

Strategic Initiative / Guiding Principle: Increase Air Service and the Guiding Principle of Professionalism and Ethics

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

One facet of this initiative is represented by the Community Outreach Committee (COC), a group of local business and community leaders, who provide valuable input and support to the RTAA’s air service development efforts and operations. RTAA staff and the Trustees appointed to this committee will hold regular meetings to update and solicit input from the COC.

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

This initiative provides for on-going communication and coordination with the appointing entities to enhance a positive working relationship.

Performance Measure: The President/CEO is to meet annually with all four (4) appointing governmental entities by June 30, 2018.

Progress: 100% Completed. The President/CEO provided a formal presentation updating all of the appointing entities on air service, economic development, the Master Plan, runway

Reno-Tahoe Airport Authority
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constraints and the potential impact of the highway improvements proposed by the Nevada Department of Transportation (NDOT) as follows:

April 24, 2018	Washoe County Commission
April 26, 2018	RSCVA Board of Directors
May 2, 2018	Reno City Council
May 14, 2018	Sparks City Council

The RTAA maintained positive relations through on-going communication and outreach efforts during FY 2017-18.

FY 2018-19 New Initiatives

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

Strategic Initiative: Customer Experience.

Long-Term Goal: Maintain and enhance the RTAA's brand and community leadership.

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

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

This initiative provides for on-going communication and coordination with the appointing entities to enhance a positive working relationship.

Performance Measure: The President/CEO is to meet annually with all four (4) appointing governmental entities by June 30, 2019.

2. Issue a RFP and hire federal, state and local lobbying representation.

Strategic Initiative: Customer Experience, Financial Diversification and Growth, and Facilities for Future

Long Term Goals: Ease of Access to Airport Facilities, Land Development at both Airports, and Facility Infrastructure for the Future

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Description: The RTAA has a host of critical relationships with other federal, state, and local government agencies, which includes the FAA, TSA, CBP, the State of Nevada, and the four appointing entities to the RTAA Board of Trustees. Each jurisdiction either decision making duties that impact the RTAA operations, customer experience, and ability to obtain permitting and funding of critical infrastructure needs.

With all existing contracts expiring, this initiative will issue an RFP and select firms to represent the RTAA during this important period as the State of Nevada is improving the interstate highway system and the RTAA is focused on land development efforts and implementation of capital improvement identified in the RNO Master Plan.

Performance Measure: Issue one RFP for local and state representation and one RFP for federal representation and select firms to represent the RTAA by June 30, 2019.

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PRESIDENT/CEO

Section 201

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$303,300	\$388,500	\$372,300	-4%
Vacation Pay	41130	32,542	5,500	7,800	42%
Sick Leave	41140	7,108	4,000	5,700	43%
Holiday Pay	41150	15,360	0	0	0%
Payroll Accrual	41195	4,647	0	0	0%
Overtime Pay	41210	742	0	0	0%
Automobile Allowance	41250	7,477	7,200	7,200	0%
Premium Payroll Accrual	41285	99	0	0	0%
Medicare	41320	5,375	5,200	5,400	4%
Group Insurance	41340	11,943	13,800	14,700	7%
Disability Insurance	41342	3,476	3,600	3,500	-3%
Vision Insurance	41344	172	200	200	0%
Dental Insurance	41347	919	1,000	900	-10%
Workers Comp	41350	356	400	400	0%
Retirement	41360	82,428	93,700	90,100	-4%
Accrued PERS Expense	41365	1,269	0	0	0%
TOTAL PERSONNEL SERVICES		477,212	523,100	508,200	-3%
PURCHASED SERVICES					
Other Professional Services	43190	163,158	170,000	170,000	0%
Office Equipment Rental	43210	1,142	1,500	0	-100%
Maintenance Agreement-Copier	43345	0	0	800	%
Freight Expense	43430	525	200	200	0%
TOTAL PURCHASED SERVICES		164,825	171,700	171,000	0%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,051	2,200	2,200	0%
Paper	44110	0	200	200	0%
Postage	44120	8	100	100	0%
Printing & Forms	44130	174	300	300	0%
TOTAL MATERIALS & SUPPLIES		2,234	2,800	2,800	0%
ADMINISTRATION EXPENSES					
Educational & Professional Fees	45100	149	400	0	-100%
Membership Dues	45110	80,134	112,000	103,516	-8%
Books & Subscriptions	45120	75	500	250	-50%
Conference Registration Fees	45130	2,730	3,500	3,900	11%
Meeting Expense	45150	7,168	8,000	8,000	0%
Travel & Reimbursed Expense	45210	14,241	17,000	17,000	0%
Miscellaneous Expense	45370	2,955	2,000	2,500	25%
Community Outreach	45398	126	500	1,000	100%
TOTAL ADMINISTRATIVE EXPENSES		107,578	143,900	136,166	-5%
TOTAL DEPARTMENT EXPENSES		\$751,849	\$841,500	\$818,166	-3%

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Air Service Development

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

Key Duties and Responsibilities:

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

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

Air Service Development - Initiatives:

FY 2017-18 Current Initiatives

1. Schedule and hold air service development meetings with new and incumbent air carriers including route analyses and market opportunities.

Strategic Initiative / Guiding Principle: Increase Air Service.

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

Performance Measure: Hold meetings with the eight (8) incumbent carriers and present thirty-five (35) route analyses to incumbent and new carriers by June 30, 2018.

Progress: 100% Achieved. Staff far exceeded the goal by holding thirty-two (32) meetings with incumbent carriers and presenting forty-eight (48) route analyses. During FY 2017-18, RNO achieved additional service from incumbent carriers and added a new carrier, Frontier Airlines to the market. See the Air Service Market Update in Section 1 Introduction.

2. Conduct education sessions on the RTAA’s air service development program to local community and business stakeholders.

Strategic Initiative / Guiding Principle: Increase Air Service.

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

Performance Measure: Hold at least four (4) community and business stakeholders sessions to educate and promote RTAA air service development by June 30, 2018.

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Progress: 100% Achieved. Staff held seventeen (17) community and stakeholder sessions during FY 2017-18.

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

Strategic Initiative/Guiding Principle: Increase Air Service.

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

Performance Measure: Twenty-two (22) airline representative visits to Reno-Tahoe region by June 30, 2018.

Progress: 100% Achieved. Staff facilitated thirty-two (32) airline representative visits to our region. Over 50% of these visits were in conjunction with the National Championship Air Races held in September 2017 at RTS. This week long event and the RTAA sponsored chalet provide an outstanding incentive for airline representatives to enjoy their passion for aviation and learn what our region has to offer.

4. Closely cooperate with the Regional Air Service Corporation (RASC) in its efforts to encourage new air service through risk mitigation and new route marketing.

Strategic Initiative / Guiding Principle: Increase Air Service.

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

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

Performance Measure: Maintain membership during FY 2017-18 in RASC at twenty-one (21) members or greater.

Progress: 100% Achieved. RASC membership increased to twenty-four (24) members with the addition of Ski Lake Tahoe and Reno-Tahoe Territory in October 2017 and the Reno-Sparks Chamber of Commerce in December 2017.

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5. Identify, develop and present air cargo business opportunities to cargo stakeholders (airlines, freight forwarders shippers, and end users).

Strategic Initiative / Guiding Principle: Expand Cargo Development and Service.

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

Performance Measure: Hold at least one meeting each with DHL, FedEx and United Parcel Service (UPS) by June 30, 2018. Retain all air cargo carriers at RNO and use best, commercially reasonable efforts to maintain and increase annual cargo pounds and cargo aircraft capacity, as measured by landed weight.

Progress: 100% Achieved. Staff held fourteen (14) meetings with air cargo stakeholders in FY 2017-18.

FY 2018-19 New Initiatives

1. Schedule and hold air service development meetings with new and incumbent air carriers including route analyses and market opportunities.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Maintain existing air service routes and increase domestic and international destinations.

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

Performance Measure: The following goals have been established to monitor and report the marketing efforts and levels of air service to be achieved at RNO in FY 2018-19:

- ✓ Number of Passenger Airline Meetings: 25
- ✓ Average Number of Carriers: 8
- ✓ Average Number of Domestic Non-Stop Destinations: 20
- ✓ Number of Average Daily Seats: 7,186
- ✓ Aircraft Landed Weight (Passenger): 2,392,627 (000) Lb. Units

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2. Conduct education sessions on the RTAA’s air service development program to local community and business stakeholders.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Increase community awareness.

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

Performance Measure: Hold at least six (6) community and business stakeholders sessions to educate and promote RTAA air service development by June 30, 2019.

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

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

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Maintain existing air service routes and increase domestic and international destinations.

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

Performance Measure: Twenty-two (22) airline representative visits to Reno-Tahoe region by June 30, 2019.

4. Closely cooperate with the Regional Air Service Corporation (RASC) and other key stakeholders in its efforts to encourage new air service through risk mitigation and new route marketing.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Maintain existing air service routes and increase domestic and international destinations.

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

The RASC is a corporation formed for the purpose of supporting air service to the RNO catchment area. By retaining and expanding membership by local businesses, the available funding and marketing support of new air service through airline risk mitigation is expanded. In addition, RTAA staff will attend RASC Marketing Committee and Board meetings.

Performance Measure: In consultation with RASC, develop an annual air service development plan.

5. Identify, develop and present air cargo business opportunities to cargo stakeholders (airlines, freight forwarders shippers, and end users).

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Maintain and grow Air Cargo.

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

Performance Measure: The following goals have been established to monitor and report the marketing efforts and levels of cargo service to be achieved at RNO in FY 2018-19:

- ✓ Number of Cargo Carrier Meetings: 3
- ✓ Landed Weight for Cargo Carriers: 501,202 (000) Lb. Units
- ✓ Pound of Cargo Carried: 148,426,405 Lbs.

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$212,600	268,800	213,100	-21%
Vacation Pay	41130	21,198	2,500	3,300	32%
Sick Leave	41140	7,649	800	3,900	388%
Holiday Pay	41150	12,377	0	0	0%
Comp Time	41160	2,193	775	0	-100%
Payroll Accrual	41195	3,462	0	0	0%
Medicare	41320	3,751	3,900	3,100	-21%
Group Insurance	41340	33,780	39,200	34,400	-12%
Disability Insurance	41342	2,808	3,100	2,500	-19%
Vision Insurance	41344	516	600	400	-33%
Dental Insurance	41347	3,492	3,500	3,300	-6%
Workers Comp	41350	891	700	600	-14%
Retirement	41360	69,650	75,300	59,700	-21%
Accrued PERS Expense	41365	1,017	0	0	0%
TOTAL PERSONNEL SERVICES		375,385	399,175	324,300	-19%
PURCHASED SERVICES					
Other Professional Services	43190	0	0	50,000	%
Office Equipment Renta	43210	608	600	0	-100%
Maintenance Agreement-Copie	43345	0	0	500	%
Freight Expense	43430	1,455	1,000	1,000	0%
Other Purchased Services	43490	179	70	70	0%
TOTAL PURCHASED SERVICES		2,243	1,670	51,570	2988%
MATERIALS & SUPPLIES					
Office Supplies	44100	115	500	500	0%
Paper	44110	35	250	250	0%
Postage	44120	0	50	50	0%
Printing & Forms	44130	174	200	200	0%
TOTAL MATERIALS & SUPPLIES		324	1,000	1,000	0%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	425	850	1,020	20%
Conference Registration Fees	45130	15,090	20,479	10,130	-51%
Meeting Expense	45150	439	4,500	4,000	-11%
Travel & Reimbursed Expense	45210	39,122	66,600	48,100	-28%
Travel&Reimb Exp-Air Svc Tasl	45211	2,955	7,800	7,800	0%
Air Service Developmen	45350	71,665	33,000	48,700	48%
Other Advertising & Promotior	45390	18,299	20,000	20,000	0%
Conference Sponsorship	45391	80,734	10,000	10,000	0%
TOTAL ADMINISTRATIVE EXPENSES		228,728	163,229	149,750	-8%
TOTAL SECTION EXPENSES		\$606,680	\$565,074	526,620	-7%

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Marketing and Public Affairs

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

Key Duties and Responsibilities:

- Provide airport information and community outreach through various forms of media and programs.
- Maintain and enhance customer service and community outreach by hosting staff and community meetings, as well as holding press conferences.
- Enhance service through the customer service feedback program, including answering Ask the Airport and social media questions.
- Work with RTAA staff, airlines, tenants and community partners to create targeted customer service programs that help passengers have a positive travel experience, especially during peak travel times.
- Optimize communication of airport activities, events and services.
- Implement emergency and crisis response programs.
- Provide equipment for the day-to-day operation and documentation of public relations, marketing and customer service programs.
- Utilize social media as a full-fledged marketing, public relations, and customer service tool.
- Use in-house graphic skills to enhance presentations, web site, social media, invitations, economic development promotions and advertisements.
- Maintain membership and attendance at monthly community meetings to extend 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 maintain positive media relations.
- Send alerts for every publicity opportunity to media outlets including press releases, social media, web and phone calls
- Use magazine display advertising to promote convenience of using Reno-Tahoe International Airport (RNO) to potential regional and national passengers.
- Improve organizational communication through newsletters and employee notices.
- Provide for an RTAA Art Plan and program.
- Maintain and update RTAA's Website.
- Communicate airport construction impacts to customers and community.
- Coordinate at least four quarterly Community Outreach Committee (COC) Meetings.
- Continue RNO's music events in the terminal building, including holiday and Artown performances.

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- Design and help maintain land development marketing materials.
- Provide Holiday decorations.
- Coordinate with the Reno-Sparks Convention and Visitors Authority (RSCVA), airlines, Transportation Security Administration (TSA), tenants and staff to provide outstanding service to convention visitors.
- Maintain and enhance partnership marketing opportunities with organizations such as University of Nevada, Reno-Tahoe Open, American Century Celebrity Golf Tournament, Nevada Military Support Alliance, KNPB Public Television, Burning Man, State of Nevada Indian Commission and Nevada Mining Association.
- Provide supplies for showcasing honors, awards and RTAA milestones.

Marketing and Public Affairs - Initiatives:

FY 2017-18 Current Initiatives

- 1. Continue RNO in-terminal customer service survey program as well as electronic surveys on the RTAA website. In FY 2017-18, this program will be enhanced with a full-scale, triennial survey.**

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

Description: Encourage airport passenger/guest feedback through one-on-one survey requests and on-line capability to continually improve customer satisfaction

Performance Measure: Completion of full scale customer satisfaction survey by June 30, 2018.

Progress: 100% Completed. During FY 2017-18, more than 700 people were polled in intercept surveys to complete the triennial “deep dive” survey before June 30, 2018. The results were strongly praised by the Board with a 6.55 overall satisfaction score on a 7-point scale.

- 2. Maintain and enhance positive public relations through media interviews.**

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

Description: Conduct interviews to communicate with the community through local and national media outlets. This initiative is to work cooperatively with media representatives to promote RTAA. In FY 2017-18, this initiative will use New Media Monitoring Service, an

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enhanced media measuring service, to measure and quantify the reach and coverage of the RTAA's public relations and marketing efforts.

Performance Measure: Using this new monitoring service, staff will develop an accurate baseline measurement standard during FY 2017-18. This baseline will be used to establish performance goals in the future.

Progress: 100% Completed. Using a recognized media monitoring service and filtering positive versus negative stories, the RTAA has developed a baseline value for annual media coverage at \$4.9 million per year.

- 3. Provide timely, comprehensive and accurate responses to customer questions or inquiries received through social media or the RTAA website. In addition, on-call customer service teams will continue to support Customs and Border Protection (CBP) passenger processing and RNO in-terminal customer service.**

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

Description: Air travel can sometimes be a frustrating and confusing experience especially with unpredictable weather, flight delays and changing TSA security requirements. This initiative will focus on providing RTAA customers with information and guidance to assist them in making travel plans and associated decisions.

In addition, this program involves hiring and training part-time employees who are bi-lingual in English and Spanish to assist international arriving passengers with information and guidance on clearing customs at RNO. In addition, these employees provide customer service in support of special events and conduct the in-terminal customer satisfaction surveys.

Performance Measure: A response will be provided within 24 business hours of receipt of a question or inquiry. In some cases, the RTAA response may be an acknowledgement of receipt pending a more detailed response if information is required from an airport tenant or technical subject matter. A monthly summary report will be provided to the Board of Trustees by the President/CEO.

Progress: 100% Achieved. Public relations staff has responded to more than 700 inquiries on the "Ask the Airport" section of the web site in FY 17-18 as well as numerous social media and telephone requests for information. These responses have been in compliance with the performance measure standard of 24 hours of receipt unless a more detailed response was required.

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4. Continue Air Service Community Awareness Campaign to promote and educate the community on RNO air service.

Strategic Initiative / Guiding Principle: Increased Air Service.

Description: In FY 2016-17, staff developed and obtained Board approval to kick off a local advertising campaign focused on raising the region’s air service awareness and promotion of local flying to fill the seats of new and existing service. The need for this campaign was the result of a public survey that indicated the community was unaware that RNO had 12 out of the 20 destinations in a “Passenger Wish List” for new non-stop service.

The campaign will be multi-faceted, on various platforms including TV, radio, social media, outdoor billboards, in-terminal advertising and print. In addition, this campaign will outreach to business, travel, and political leaders.

This second phase of the air service education program will focus on further reinforcing and increasing awareness of flights and markets served.

Performance Measure: Tracking of advertising campaign reach (defined by audience numbers and geographical area) and increased awareness of RNO air service as validated through in-person and website survey responses.

Progress: In Progress. With the FY 2016-17 marketing campaign extending three months into FY17-18 and a key employee departure, progress on the second phase was delayed. Going into FY 2018-19, a Request for Qualification (RFQ) process to hire a firm to produce the next campaign started in June 2018 with committee selection and writing of the RFQ. This initiative is being combined into the FY 2018-19 new initiative outlined below.

5. Complete an Economic Impact Study measuring the benefit of the RTAA’s airports on the Northern Nevada region.

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

Description: Conduct an update of the annual economic impact of RNO and RTS and what it means for our region.

Performance Measure: Complete the economic impact study by June 30, 2018.

Progress: 100% Completed. The University of Nevada at Reno (UNR) College of Business completed an economic impact study in late June 2018 that shows RNO and RTS together produce an economic impact of the following:

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- a. Total Output Impact: \$3.1 billion - 5.1% of total regional output (\$61.0 billion)
- b. Total Employment Impact: 24,695 - 7.9% of total regional employment (311,000)
- c. Total Public Sector Revenues from Operations: \$51.2 million - Included: sales tax, modified business tax, and lodging/room tax

6. Conduct RNO Master Plan Community Outreach Program.

Strategic Initiative/Guiding Principle: Provide a Positive Environment & Experience.

Description: Conduct community outreach efforts in support of the RNO Master Plan process.

Performance Measure: Coordinate Master Plan website, surveys and conduct eleven (11) public meetings, which includes the Master Plan working groups by June 30, 2018.

Progress: 100% Achieved. Working closely with the Planning department, staff arranged and conducted key constituent meetings, along with 12 public information meetings. Marketing and Public Affairs also coordinated an innovative Millennial Airport study with the UNR School of Journalism to incorporate this generation's feedback and service needs into the RNO Master Plan.

7. Execute Reno-Stead Airport (RTS) 75th Anniversary Celebration.

Strategic Initiative/Guiding Principle: Optimize General Aviation Operations and Services and Provide a Positive Environment & Experience.

Description: Celebrate the colorful history and promote the economic potential of RTS with a commemorative event.

Performance Measure: Execute a successful event by December 31, 2017.

Progress: 100% Completed. Working closely with the RTS team, staff commemorated the 75th Anniversary by celebrating Stead's military history with a Ruck March on Saturday, November 4, 2017. The Ruck March involved various participants walking or running with a heavily-loaded back pack on a 10K course around the RTS airfield. Proceeds from the march benefited the Veterans Guest House and Northern Nevada Food Bank. This event kicked off a series of year-long celebrations.

8. Coordinate and host Operation Santa Claus at RNO.

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Strategic Initiative/Guiding Principle: Optimize General Aviation Operations and Services and Provide a Positive Environment & Experience.

Description: This holiday event, held in conjunction with the RNO general aviation community, provides gifts to less fortunate children in our community.

Performance Measure: Execute a successful event by December 31, 2017.

Progress: 100% Completed. Held on December 9, 2017 at Atlantic Aviation, the event generated more than \$30,000 in gifts and donations presented to the Children’s Cabinet in support of local families. The event also included more than 20 aircraft creating an airplane parade for Santa’s arrival.

10. Continue to grow social media reach by expanding the number of Facebook likes and Twitter followers.

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

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

Performance Measure: Increase social media usage by 5%, as measured by Facebook likes and Twitter followers, over levels achieved as of June 30, 2017.

Progress: 100% Achieved. Social media followers for the RTAA continue to grow with more than 6 percent growth in FY 17-18. As of June 30, 2018, the RTAA had approximately 14,500 Facebook friends and 8,100 Twitter followers.

FY 2018-19 New Initiatives

1. Conduct RNO Air Service Community Awareness Campaign.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Maintenance of Existing Air Service Routes and Community Awareness.

Description: An increase in passenger traffic is dependent upon ongoing partnerships, communication and marketing to the entire catchment area. The RTAA will continue its community awareness program through local advertising to inform the general public of the

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air service available at RNO and the numerous non-stop destinations and easy connections to the world. Unlike the tourism industry focused on visitors, this campaign is focused on originating traffic located in the local RTAA's service area.

This campaign will be multi-faceted on a variety of platforms including TV, radio, social media, outdoor billboards, in-terminal advertising and print. In addition, this campaign will outreach to business, travel and political leaders.

Performance Measure: The goal is to complete 100% percent of the FY 2018-19 Marketing Program by June 30, 2019. The effectiveness will be monitored by the audience numbers and geographic area reached and the increased awareness of RNO air service as validated through in-person and website survey responses.

2. Develop and implement a communication campaign around the RTAA Mission Statement of “We Move You” with a focus on the recently adopted RNO Master Plan and the RTAA Strategic Plan.

Strategic Initiative: Customer Experience

Long-Term Goal: RTAA brand awareness and community leadership.

Description: On June 14, 2018, the Board of Trustees approved two significant planning efforts that have been under development for the past two years.

The first planning effort was the RNO Master Plan project, which began in October 2016. The Plan was developed to create a road-map that is achievable, flexible, fiscally sound, and environmentally responsible, while ensuring that RNO can accommodate future activity levels, further its position as a domestic and international gateway, and support regional economic development initiatives. Recognizing the ever-changing aviation landscape, the RNO Master Plan project team gave ample attention to the future flexibility of all recommendations. RTAA staff will begin implementation in FY 2018-19 and this initiative is to communicate the Master Plan and initial implementation steps.

The second planning effort was the update of the RTAA Strategic Plan for the period of FY 2019 to 2023. This effort was focused on developing a strategic vision and mission, long-term organizations goals, the actions needed to achieve those goals including performance measures. The FY 2019-2023 Strategic Plan process was initiated in October 2017 with the Senior Leadership Team (SLT) responsible for developing the plan with extensive input and guidance from stakeholders, staff and the Board of Trustees.

With the adoption of both these plans, this initiative will create a multifaceted campaign to raise community awareness of the RTAA's strategic direction to key stakeholders and the action plan to implement the first critical steps.

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Performance Measure: The goal is to prepare a brochure and other communication materials and implement an outreach program to inform the community of the updated strategic direction of the RTAA by June 30, 2019.

3. Maintain RNO’s ease of access through direct highway connections to Interstate 580 and future facility planning.

Strategic Initiative: Customer Experience

Long-Term Goal: Maintain ease of access to airport facilities.

Description: The central location of RNO is a competitive advantage to the airport itself and the region overall. Under the adopted 20-year Master Plan, the RNO’s location will be maintained in the center of the Reno-Sparks region. Strategies and collaboration with community partners will be important to retain the ease of access to and from I-580 as future highway improvements are constructed in the future.

Ease of access also includes customer flow. Surveys highlight customer appreciation for the convenient facilities that make travel quick and easy. Proximity of the public parking and rental car facilities to the ticket lobby, checkpoint and bag claim must be maintained to continue to meet and exceed customer expectations.

Performance Measure: Draft and implement an Interstate 580 public relations plan that strongly supports improvements to the highway system and educates state and local governments and key stakeholders on the importance of maintaining direct access to RNO.

4. Empower RNO passenger’s ability to control of their travel experience.

Strategic Initiative: Customer Experience

Long-Term Goal: Increase passenger empowerment of the travel experience.

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

Technology enhancements and connectivity will continue to empower passengers to control and influence their own experience. Future improvements will focus on reducing passenger anxiety while making the current processes more efficient.

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To monitor this effort, the RTAA will continue its on-going customer surveys, either through one-on-one surveys or on-line, to obtain airport passenger/guest feedback. Only by continually monitoring customer satisfaction can RTAA staff continually learn ways to provide future amenities and adjust to changing preferences.

Performance Measure: The following goals have been established to monitor and report the progress of this initiative in FY 2018-19:

- ✓ Customer Satisfaction Score of 6.55 or above (7 point scale)
- ✓ Grow Social Media Followers by 5 percent

5. Continue to provide a positive and memorable travel experience.

Strategic Initiative: Customer Experience

Long-Term Goal: Use passenger empathy to reduce stress and create an above-and-beyond welcome to our community.

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

One specific example is the Kindness Takes Flight (KTF) program made up of 23 people, all from different departments. The KTF team on average completes one activity per month depending on the event schedule. The KTF team has participated in events like: Amelia Earhart Day, National Aviation Day, National Compliment day, Scrabble Day, Tourist Appreciation Day, Rodeo Day, and Random Acts of Kindness Day. Through our social media pages, passengers have expressed how much they loved this program and have even reminded others to pay it forward.

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

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

Performance Measure: The following goals have been established to monitor and report the progress of this initiative in FY 2018-19:

- ✓ P4P Number of Volunteer Hours: 500
- ✓ Kindness Takes Flight activities: 12

6. Maintain and enhance RTAA's brand and community leadership position through positive public relations.

Strategic Initiative: Customer Experience

Long-Term Goal: Maintain and enhance RTAA brand and community leadership.

Description: Conduct interviews to communicate with the community through local and national media outlets. This initiative is to work cooperatively with media representatives to promote RTAA. In FY 2018-19, this initiative will use an enhanced media measuring service to quantify the reach and coverage of the RTAA's public relations and marketing efforts.

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

Performance Measure: The following goals have been established to monitor and report the progress of this initiative in FY 2018-19:

- ✓ Dollar value of RTAA marketing and public relations of \$4.9 million
- ✓ Number of presentations to local community groups: 12
- ✓ Community Outreach Committee (COC) Meetings: 4

7. Engage proactively with the RNO General Aviation (GA) community.

Strategic Initiative: General Aviation

Long-Term Goal: GA Community Relations

Description: General Aviation (GA) includes all civil and military operations other than scheduled passenger and cargo airline operations. GA flights are conducted for pleasure, private business and public service that require more flexible transportation than scheduled

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commercial airlines offer. To foster and encourage GA services, facilities and operations growth, the RTAA is committed to proactive engagement with the GA community.

Performance Measure: Attend, participate and partner with the RNO GA Community in three activities in FY 2018-19 by hosting or attending/ providing logistical support.

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MARKETING AND PUBLIC AFFAIRS

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$479,819	602,800	689,400	14%
Temporary Employees	41120	35,532	38,000	38,000	0%
Vacation Pay	41130	57,424	4,700	7,900	68%
Sick Leave	41140	21,765	7,500	7,200	-4%
Holiday Pay	41150	27,456	0	0	0%
Comp Time	41160	4,195	0	0	0%
Payroll Accrual	41195	9,020	0	0	0%
Overtime Pay	41210	5,679	0	0	0%
Standby	41220	3,734	7,000	8,000	14%
Automobile Allowance	41250	4,985	4,800	4,800	0%
Premium Payroll Accrual	41285	66	0	0	0%
Medicare	41320	9,259	8,700	10,000	15%
FICA	41321	2,109	0	0	0%
Group Insurance	41340	49,403	55,400	74,900	35%
Disability Insurance	41342	4,445	5,000	5,900	18%
Vision Insurance	41344	861	800	900	13%
Dental Insurance	41347	5,973	5,000	6,800	36%
Workers Comp	41350	624	800	900	13%
Retirement	41360	163,302	168,000	193,000	15%
Accrued PERS Expense	41365	2,341	0	0	0%
Uniform Allowance	41380	1,278	1,000	1,000	0%
TOTAL PERSONNEL SERVICES		889,270	909,500	1,048,700	15%
PURCHASED SERVICES					
Consultants - General	43140	0	5,000	5,000	0%
Other Professional Services	43190	15,582	74,610	29,288	-61%
Office Equipment Rental	43210	5,307	4,000	0	-100%
Maintenance Agreement-Copier	43345	0	0	1,600	%
Freight Expense	43430	(7)	1,000	1,000	0%
Other Purchased Services	43490	238	18,530	600	-97%
TOTAL PURCHASED SERVICES		21,120	103,140	37,488	-64%
MATERIALS & SUPPLIES					
Office Supplies	44100	4,981	10,000	5,200	-48%
Paper	44110	0	500	500	0%
Postage	44120	412	500	500	0%
Printing & Forms	44130	260	600	600	0%
Sign and Sign Maintenance	44430	320	3,000	2,000	-33%
TOTAL MATERIALS & SUPPLIES		5,974	14,600	8,800	-40%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	5,121	12,995	8,720	-33%
Books & Subscriptions	45120	1,939	5,158	11,658	126%

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MARKETING AND PUBLIC AFFAIRS

Section 203

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Conference Registration Fees	45130	0	2,840	2,785	-2%
Training Expense	45140	1,026	2,500	2,500	0%
Meeting Expense	45150	1,155	2,450	7,500	206%
Travel & Reimbursed Expense	45210	3,932	6,000	7,200	20%
Employee Mileage Reimbursemer	45240	90	0	0	0%
Legal Advertisments	45340	27	0	0	0%
Air Service Development	45350	163,276	200,000	292,000	46%
Other Advertising & Promotion	45390	42,835	47,660	61,860	30%
Conference Sponsorship	45391	0	0	30,000	%
Art Program	45393	1,524	4,000	4,000	0%
Community Outreach	45398	157,097	167,708	157,800	-6%
TOTAL ADMINISTRATIVE EXPENSES		<u>378,022</u>	<u>451,311</u>	<u>586,023</u>	<u>30%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		1,294,386	1,478,551	1,681,011	14%
FIXED ASSETS					
Fixed Asset Acquisition	48150	<u>0</u>	<u>45,750</u>	<u>18,800</u>	<u>-59%</u>
TOTAL SECTION EXPENSES		<u>\$1,294,386</u>	<u>\$1,524,301</u>	<u>1,699,811</u>	<u>12%</u>

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Airport Economic Development

Mission Statement:

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

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

Key Duties and Responsibilities:

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

Concessions

- Review the services and products offered to the traveling public with a focus on the following: (1) increasing sales; (2) refreshing services and products; (3) providing excellent value and customer satisfaction; (4) increasing the customer service

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performance of all retail, food and beverage, in-terminal services, and rental car operators; and (5) improving the airport environment and experience.

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

Airlines, Cargo, and Aviation Support Services

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

General Aviation at RNO and RTS

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

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- Encourage private capital investment for new GA facilities on vacant aeronautical land at both airports.
- Originate and manage Operating Agreements for Commercial Aeronautical Operators as defined in the GAMS.
- Originate and manage contracts for aviation fuel providers and related facilities at RNO.

Outside Properties

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

Land and Economic Development at RNO and RTS

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

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- Coordinate and manage existing easements and the granting of new easements to tenants and community partners to help facilitate development of both airports and the surrounding communities.

Airport Economic Development - Initiatives:

FY 2017-18 Current Initiatives

1. Diversify RTAA revenues through Reno-Tahoe International Airport (RNO) Land Development.

Strategic Initiative/Guiding Principle: Economic Development: Maximize all non-airline revenue at both airports.

Description: Attract new tenant and capital investment.

Performance Measure: One new land development deal submitted to the Board of Trustees for approval by June 30, 2018.

Progress: In Progress. Staff met with five (5) prospective tenants, but did not bring a new land development deal to the Board of Trustees in FY17-18. However, development of Home Gardens South, at the southeast corner of McCarran Boulevard and Airway Drive, was under negotiation as of June 2018 and approved at the August 2018 Board of Trustees meeting.

2. Diversify RTAA revenues through Reno-Stead Airport (RTS) Land Development.

Strategic Initiative/Guiding Principle: Economic Development: Maximize all non-airline revenue at both airports.

Description: Working with Master Real Estate Developer to create a strong business environment and attract tenants.

Performance Measure: Participate in four (4) prospective tenant meetings by June 30, 2018.

Progress: 100% Achieved. Staff participated in fourteen (14) prospective tenant meetings as of June 30, 2018.

3. Issue a Request for Proposal (RFP) for retail and/or food/beverage concessions for vacant shell space in the RNO Terminal Building.

Strategic Initiative/Guiding Principle: Non-Airline Revenue: Maximize all non-airline revenue at both airports.

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Description: This initiative is to turn existing shell, vacant space into income producing property.

Performance Measure: Issue RFP and execute new concession agreements, if Board approved, by June 30, 2018.

Progress: 100% Completed. A RFP was issued and completed by June 30, 2018. Two new tenants, Vino Volo and Subway Restaurant, were approved by the Board of Trustees in April and May 2018, respectively. A full description of these new concessions is outlined in Section 6 under the item “Food and Beverage” within the Concession Revenue category.

4. Maintain RNO General Aviation T-Hangars occupancy.

Strategic Initiative/Guiding Principle: Optimize General Aviation & Economic Development: Maximize non-airline revenue at both airports

Description: Maintain facilities to maximize occupancy

Performance Measure: Achieve 85% or better occupancy in FY 2017-18.

Progress: 100% Achieved. Staff achieved a 96% average occupancy in FY2017-18. Throughout the fiscal year, occupancy ranged from 92% to 100%.

5. Promote occupancy and enhance revenue from RNO Outside Commercial Properties.

Strategic Initiative/Guiding Principle: Economic Development: Maximize non-airline revenue at both airports

Description: Market properties and maintain facilities to maximize occupancy.

Performance Measure: Achieve 85% or better hangar occupancy in FY 2017-18.

Progress: 100% Achieved. Staff achieved a 92% average occupancy in FY2017-18.

FY 2018-19 New Initiatives

1. Enhance RTAA revenues through land development.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Land Development at both Airports

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Description: The RTAA owns 2,400 total acres or approximately 37% of the vacant industrial lands in Washoe County and 60% of the City of Reno land zoned for industrial or mixed use. As such, RTAA has been focused on improving the utilization of vacant land at RNO and RTS to attract aeronautical and non-aeronautical companies.

To address growing interest in RTAA land at RTS, the RTAA in early 2016, upon approval of the Board of Trustees, completed a competitive process, executed a Memorandum of Understanding (MOU), negotiated and completed a Master Development Agreement, and executed a ground lease for Phase 1 of 90 acres at RTS with Dermody Properties, doing business as DP RTA Stead, LLC (DP).

The formal award to DP to serve as the exclusive master real estate developer at RTS and a 50-year Phase 1 Ground Lease was approved and adopted by the Board of Trustees on December 8, 2016.

In addition, the RTAA has significant land available at RNO for industrial, cargo and other aviation related development. This initiative will continue to market available land through industry participation and developer relationships and continue to actively engage with prospective tenant, developers and capital investors.

Performance Measure: Six meetings with prospective tenants, developers and/or capital investors by June 30, 2019.

2. Support Airport Gateway Development (Aloft Hotel/ Potential Office Building).

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Land Development at both Airports

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

As the first phase of the Center development, JMA will construct the Aloft Hotel. This hotel will be operated under an agreement with Marriot International, Inc. (formerly Starwood). This firm owns, operates, franchises and manages hotels, resorts, spas, residences, and vacation ownership properties under its 11 owned brands.

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Performance Measure: Developer begins construction of the new Aloft Hotel by June 30, 2019.

3. Encourage and foster new services and product offerings to address evolving market segments and customer expectations.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Competitive Airline Cost per Enplaned Passenger

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

Performance Measure: Non-airline revenues (terminal concession, rental car concession, other rents, and miscellaneous revenue) per enplaned passenger of \$10.18.

4. Increase the Customer Facility Charge (CFC) rate assessed to rental car customers.

Strategic Initiative: Facilities for the Future

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

Description: RNO's growth over the past five years has resulted in congestion in the public parking and rental car ready return lot in the parking structure. To address these issues, the adopted Master Plan recommends the construction of a Consolidated Rental Car (CONRAC) facility to move rental cars out of the public parking structure, which will increase capacity for both operations and improve customer service.

In conjunction with the Planning and Finance departments and close coordination with the rental car companies, the first steps are to begin programmatic design and development of a plan of finance for funding the CONRAC facility.

Based on preliminary estimates, an increase in the customer facility charge (CFC) rate per transaction day access to rental car customers will be needed. Accordingly, a necessary preliminary measure is increasing the CFC rate to levels necessary to fund up-front planning costs and ultimately debt service for a bond issue associated with CONRAC construction.

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Performance Measure: After consultation with the rental car companies, increase the CFC rate by June 30, 2019 to begin funding the new CONRAC facility.

5. Issue a Request for Qualifications (RFQ) for a 2nd Fixed Based Operator (FBO), Maintenance, Repair and Overall (MRO) facility and/or Hangar Development at RNO.

Strategic Initiative: General Aviation

Long-Term Goal: RNO and RTS GA Providers and Private-Sector Investment

Description: The RTAA has several land, general aviation services, hangar, and industrial development opportunities that are “market-driven” and dependent upon private party investment. This initiative is to evaluate current market demand and facilitate this investment.

Performance Measure: Issue a RFQ for RNO general aviation and aeronautical facility development by June 30, 2019.

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

Strategic Initiative: General Aviation

Long-term Goal: GA User Needs and Market Demand

Description: Maintain and market GA facilities to maximize occupancy.

Performance Measure: Achieve 85% or better hangar occupancy in FY 2018-19.

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Section 304

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$541,184	\$773,200	\$754,700	-2%
Vacation Pay	41130	51,134	4,000	2,300	-43%
Sick Leave	41140	25,965	7,800	5,300	-32%
Holiday Pay	41150	32,875	0	0	0%
Comp Time	41160	1,409	0	0	0%
Payroll Accrual	41195	9,282	0	0	0%
Car Allowance	41250	4,985	4,800	4,800	0%
Premium Payroll Accrual	41285	66	0	0	0%
Medicare	41320	9,653	11,200	10,900	-3%
Group Insurance	41340	50,832	79,900	99,300	24%
Disability Insurance	41342	5,829	7,600	7,700	1%
Vision Insurance	41344	775	1,100	1,100	0%
Dental Insurance	41347	5,422	6,500	7,600	17%
Workers Comp	41350	713	800	800	0%
Retirement	41360	177,256	216,500	211,300	-2%
Accrued PERS Expense	41365	2,585	0	0	0%
TOTAL PERSONNEL SERVICES		919,965	1,113,400	1,105,800	-1%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	683	1,300	700	-46%
Water	42130	8,601	9,300	9,300	0%
Sewer	42140	960	800	12,800	1500%
TOTAL UTILITIES & COMMUNICATIONS		10,244	11,400	22,800	100%
PURCHASED SERVICES					
Consultants - General	43140	9,600	30,000	10,000	-67%
Real Estate Appraising & Neg.	43170	35,119	13,000	23,000	77%
Other Professional Services	43190	1,750	10,000	23,000	130%
Office Equipment Rental	43210	8,057	7,500	0	-100%
Land Rental	43240	4,488	4,500	4,500	0%
Contracted Services	43340	3,167	4,300	3,500	-19%
Other Repair/Maintenance Svc	43390	344	0	0	0%
Freight Expense	43430	908	800	400	-50%
Maintenance Agreement-Copie	43345	0	0	5,000	%
Permits & Records Fees	43460	50	150	50	-67%
Airport Advertising	43470	0	0	2,000	%
Other Purchased Services	43490	10,564	2,700	3,000	11%
TOTAL PURCHASED SERVICES		74,048	72,950	74,450	2%
MATERIALS & SUPPLIES					
Office Supplies	44100	3,772	3,400	2,000	-41%
Paper	44110	516	700	700	0%
Postage	44120	212	400	200	-50%

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ECONOMIC DEVELOPMENT

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Printing & Forms	44130	1,384	900	900	0%
Small Office Furniture	44415	1,940	0	0	0%
Sign and Sign Maintenance	44430	175	0	0	0%
TOTAL MATERIALS & SUPPLIES		7,999	5,400	3,800	-30%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	2,785	4,000	7,000	75%
Books & Subscriptions	45120	1,198	1,100	1,250	14%
Conference Registration Fees	45130	5,678	2,100	5,300	152%
Training Expense	45140	199	0	500	%
Meeting Expense	45150	1,697	2,000	2,000	0%
Travel & Reimbursed Expense	45210	12,065	7,900	10,300	30%
Employee reimbursed mileage	45240	337	0	350	%
Legal Ads	45340	1,179	600	0	-100%
Economic Development	45360	22,500	50,000	25,000	-50%
Other Advertising & Promotion	45390	0	0	26,000	%
TOTAL ADMINISTRATIVE EXPENSES		47,637	67,700	77,700	15%
TOTAL SECTION EXPENSES		<u>\$1,059,893</u>	<u>\$1,270,850</u>	<u>1,284,550</u>	<u>1%</u>

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OUTSIDE PROPERTIES

Section 306

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	88,597	105,700	112,600	7%
Temporary Employees	41120	549	0	0	0%
Vacation Pay	41130	7,288	0	0	0%
Sick Leave	41140	3,994	1,000	1,100	10%
Holiday Pay	41150	5,198	0	0	0%
Workers Comp Pay	41170	346	0	0	0%
Payroll Accrual	41195	1,484	0	0	0%
Overtime Pay	41210	1,656	0	1,000	%
Shift Differential	41230	975	0	0	0%
Medicare	41320	1,560	1,500	1,600	7%
Group Insurance	41340	23,601	26,900	28,600	6%
Disability Insurance	41342	731	800	800	0%
Vision Insurance	41344	344	400	300	-25%
Dental Insurance	41347	2,573	2,500	2,700	8%
Workers Comp	41350	267	300	200	-33%
Retirement	41360	29,607	29,600	31,500	6%
Accrued PERS Expense	41365	420	0	0	0%
Uniform Allowance	41380	65	0	0	0%
TOTAL PERSONNEL SERVICES		169,255	168,700	180,400	7%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	69,969	68,000	67,500	-1%
Natural Gas	42120	15,068	12,300	13,000	6%
Water	42130	16,064	19,230	18,500	-4%
Sewer	42140	20,591	20,000	22,400	12%
Solid Waste Disposal	42150	8,785	11,500	11,500	0%
TOTAL UTILITIES & COMMUNICATIONS		130,477	131,030	132,900	1%
PURCHASED SERVICES					
Consultants - Engineering	43150	0	50,000	30,000	-40%
Other Professional Services	43190	0	30,000	0	-100%
Contracted Services	43340	400,219	526,820	493,231	-6%
Other Repair/Maintenance Svc	43390	212,971	237,700	229,400	-3%
Freight Expense	43430	9	0	0	0%
Permits & Records Fees	43460	830	605	825	36%
Other Purchased Services	43490	5,867	8,413	8,441	0%
TOTAL PURCHASED SERVICES		619,896	853,538	761,897	-11%
MATERIALS & SUPPLIES					
Office Supplies	44100	625	400	400	0%
Paper	44110	71	150	150	0%
Postage	44120	885	550	500	-9%
Printing & Forms	44130	39	150	150	0%

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OUTSIDE PROPERTIES

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Herbicides	44221	638	0	200	%
Janitorial Supplies	44260	1,256	1,600	1,300	-19%
Repair & Maint. Supplies	44300	147	1,500	150	-90%
Locks & Hardware	44333	3,584	2,700	2,350	-13%
Sign and Sign Maintenance	44430	905	400	200	-50%
TOTAL MATERIALS & SUPPLIES		8,235	7,450	5,400	-28%
ADMINISTRATIVE EXPENSE					
Legal Ads	45340	85	150	150	0%
Credit Card Fees	45500	14,130	22,328	17,500	-22%
TOTAL ADMINISTRATIVE EXPENSES		14,215	22,478	17,650	-21%
TOTAL SECTION EXPENSES		<u>\$942,078</u>	<u>\$1,183,196</u>	<u>1,098,247</u>	<u>-7%</u>

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Executive Vice-President/Chief Operating Officer (COO)

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

Key Duties and Responsibilities:

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

Executive Vice-President/COO - Initiatives:

FY 2017-18 Current Initiatives

1. Continue to develop Unmanned Aircraft System (UAS) Research and Development Opportunities at RTS.

Strategic Initiative/Guiding Principle: Facilitate Economic Development at Both Airports /Financial Integrity

Description: Work with the Governor's Office for Economic Development (GOED) and the Nevada Institute for Autonomous Systems (NIAS) to support contracts with NASA for UAS traffic management research and development at RTS and in Northern Nevada.

In addition, RTAA staff will continue to solicit and respond to other government and business requests to perform UAS testing at RTS including providing test range use information and site tours.

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Performance Measure: Meet all milestones in NASA/NIAS agreements and all requirements in association with the five year Cooperative Research and Development Agreement Grant.

Progress: 100% Achieved. During FY 2017-18, NASA/NIAS conducted six days of UAS testing at RTS. In addition, the RTAA partnered with the NIAS to submit an application for the White House UAS pilot program. For additional information, please see the “Unmanned Aircraft Systems” discussion in the National and Regional Economic Update of Section 1 Introduction.

FY 2018-19 New Initiatives

1. Initiate and complete a rent study for non-commercial general aviation hangars.

Strategic Initiative: General Aviation

Long Term Goals: GA Community Relations

Description: In July 2010, the RTAA obtained ownership of hangars on both the west and east side of the Reno-Tahoe International Airport (RTIA) airfield through revision of long-term leases with two Fixed Based Operators (FBO). Based on the concept of an “arm's length transaction” between the two FBOs and the existing hangar tenants, the RTAA started its evaluation of hangar rental rates with the assumption that current rents represented market value. Upon the expiration of the first two years of RTAA ownership, the rents have been adjusted annually by the Consumer Price Index- Urban (CPI-U). Based the public comment received from GA tenants at the Reno-Tahoe International Airport Users Committee, as well as the request by several Committee members, funding for a study to review the methodology for establishing non-commercial aeronautical hangar rents and make possible adjustments was approved in the FY 2018-19 Budget.

The study shall provide a written recommendation of the “best practice” methodology or methodologies for deriving hangar rental rates and the frequency and approach for adjusting hangar rates in the future. In addition, the study shall research what options, if any, may be available to the RTAA to provide reduced rental rates to non-profit organizations under Federal Aviation Administration (FAA) guidelines.

Performance Measure: Issue a RFP to select a consultant and complete the rent study by June 30, 2019.

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EXECUTIVE VICE-PRESIDENT/COO

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$198,226	\$260,600	\$271,900	4%
Vacation Pay	41130	26,878	4,100	6,100	49%
Sick Leave	41140	15,139	10,800	13,400	24%
Holiday Pay	41150	13,524	0	0	0%
Comp Time	41160	2,477	1,500	0	-100%
Payroll Accrual	41195	3,748	0	0	0%
Automobile Allowance	41250	4,985	4,800	4,800	0%
Premium Payroll Accrual	41285	66	0	0	0%
Medicare	41320	4,274	4,200	4,400	5%
Group Insurance	41340	20,221	22,400	23,700	6%
Disability Insurance	41342	2,993	3,100	3,100	0%
Vision Insurance	41344	344	400	400	0%
Dental Insurance	41347	2,205	2,400	2,400	0%
Workers Comp	41350	178	200	200	0%
Retirement	41360	67,623	7,300	76,100	942%
Accrued PERS Expense	41365	1,105	0	0	0%
TOTAL PERSONNEL SERVICES		363,985	321,800	406,500	26%
PURCHASED SERVICES					
Data Processing	43130	2,388	2,400	2,400	0%
Consultants - General	43140	2,774	2,600	32,600	1154%
Office Equipment Rental	43210	2,657	2,700	0	-100%
Maintenance Agreement-Copie	43345	0	0	1,500	%
Freight Expense	43430	0	50	0	-100%
Other Purchased Services	43490	113	0	0	0%
TOTAL PURCHASED SERVICES		7,932	7,750	36,500	371%
MATERIALS & SUPPLIES					
Office Supplies	44100	477	300	300	0%
Paper	44110	0	50	100	100%
Postage	44120	0	50	50	0%
Printing & Forms	44130	72	150	150	0%
Medical Supplies	44270	130	150	150	0%
TOTAL MATERIALS & SUPPLIES		679	700	750	7%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,125	1,125	1,125	0%
Conference Registration Fees	45130	2,045	4,480	4,695	5%
Meeting Expense	45150	51	500	500	0%
Travel & Reimbursed Expense	45210	5,893	10,375	12,675	22%
TOTAL ADMINISTRATIVE EXPENSES		9,113	16,480	18,995	15%
TOTAL DEPARTMENT EXPENSES		\$381,709	\$346,730	\$462,745	33%

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Human Resources

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

Key Duties and Responsibilities:

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

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

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Human Resources - Initiatives:

FY 2017-18 Current Initiatives

1. Maintain 20 hours per employee of training to include on-boarding and succession planning.

Strategic Initiative/Guiding Principle: Positive Environment: Organization/Staff Environment

Description: Support employees in the attainment of an average of 20 training hours by providing relevant, timely, up-to-date, and quality training opportunities with a focus on the Pillars of Learning: Safety/Security, Business Skills, Customer Service, Job/Career Development and Organizational.

Performance Measure: Average of 20 hours of training attained by full time employees by June 30, 2018.

Progress: 100% Achieved. The average number of training hours in FY 2017-18 was 63 hours. In total, RTAA staff that exceeded the minimum goal of 20 hours of training was 98.9% (all but three employees). Overall, the organization logged 16,707 hours of training for the fiscal year. In addition, 152 employees attained “5-Star Status,” meaning they obtained training hours in all five of our designated categories (Safety/Security, Customer Service, Business Skills, Job/Career Development, and Organization/Industry). This represents a 52% increase over last year.

2. Maintain Management turnover rate of bad attrition at or below 7% (excluding retirements).

Strategic Initiative/Guiding Principle: Positive Environment: Organization/Staff Environment

Description: Ensure that the bad attrition turnover rate of all management employees stays at or below 7% for the fiscal year. Bad attrition is voluntary separations where a solid performing employee leaves the organization for reasons not related to retirement.

Performance Measure: Management bad attrition turnover rate of at or below 7% as of June 30, 2018.

Progress: 100% Achieved. The RTAA had a 3.6% bad turnover percentage in FY 2017-18, which reflects the loss of two employees out of 55 management positions.

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3. Develop/implement action plans to improve employee satisfaction based on identified needs from the Employee Satisfaction survey.

Strategic Initiative/Guiding Principle: Positive Environment: Organization/Staff Environment

Description: Based on feedback from the Employee Satisfaction survey completed in the spring of 2017, identify improvement needs and develop and implement improvement action plans.

Performance Measure: Develop and implement action plan to improve employee satisfaction by June 30, 2018.

Progress: In Progress. Meetings were conducted with each member of the Senior Leadership team in order to share results obtained from the survey and to identify action items specific to their areas of responsibility. In addition, the Senior Leadership team selected one specific area to work on collaboratively to help move the positive environment forward. This year “Making Employees Feel Valued” was selected as the focus. Each Senior Leader then held meetings with their respective teams to identify what feeling valued meant to them and to clarify what objectives or steps are needed. Several departments developed action plans and implemented them during FY 2017-18; however, full implementation will continue in the next fiscal year.

4. Conduct Best Places to Work employee satisfaction survey.

Strategic Initiative/Guiding Principle: Positive Environment: Organization/Staff Environment

Description: Conduct an employee satisfaction survey which will allow the organization to continue gathering feedback from employees on ways to maintain and improve the work environment at the RTAA.

Performance Measure: Employee participation of a least 75%.

Progress: Unfortunately, the employee response rate of 64% was below target. The senior leadership team elected to not provide any form of incentives to encourage greater participation in order to avoid influencing the quality of the responses. Of the employees who participated, the RTAA did receive 85% or greater response in the Strongly Agree/Agree categories associated with the RTAA being a positive place to work.

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5. Provide on-going support of the THRIVE organizational values

Strategic Initiative/Guiding Principle: Positive Environment: Organization/Staff Environment

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

Performance Measure: Ensure that a minimum of 4 organizational values activities are conducted by June 30, 2018.

Progress: 100% Completed. The THRIVE Values committee provided employee lunches in order to bring teams from various departments together to share in fun activities (i.e. chili contests, basketball contest, visit to the Reno-Stead Airport along with a BBQ etc.). In addition, the committee recognized employees that best exemplified the THRIVE values at the annual holiday party and created a “SMILE” wall with informal pictures of each employee organized by longevity at the RTAA.

FY 2018-19 New Initiatives

1. Conduct employee satisfaction survey and implement improvement opportunities

Strategic Initiative: People

Long-Term Goal: Employee Satisfaction

Description: Conduct an annual employee satisfaction survey that will allow the organization to continue gathering feedback from employees on ways to maintain and improve the work environment at the RTAA.

Performance Measure: Complete survey by June 30, 2019.

2. Develop framework for annual morale building activities.

Strategic Initiative: People

Long-Term Goal: Employee Engagement

Description: The RTAA is committed to a forward-focused framework to ensure the workforce is appropriately aligned to efficiently and effectively support the needs of the organization. This initiative is to create a program that will enable each department to

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engage in an activity that celebrates success and shows recognition of each team's contribution to the overall success of the Authority.

Performance Measure: Complete program design and obtain President/CEO approval by June 30, 2019.

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

Strategic Initiative: People

Long-Term Goal: THRIVE Organizational Values

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

Performance Measure: Conduct four (4) organizational values activities by June 30, 2019.

4. Establish a structure for a 360 degree performance review process.

Strategic Initiative: People

Long-Term Goal: RTAA Leadership Development

Description: The development of strong leaders who constantly pursue personal growth, hold themselves accountable and are willing to be self-critical are vital to the success of any organization. This initiative is to develop a program and phased implementation process to allow management personnel to receive increased feedback from peers and direct reports on their performance.

Performance Measure: Complete program design and obtain President/CEO approval by June 30, 2019.

5. Conduct an employee salary survey and develop the parameters of an employment branding program.

Strategic Initiative: People

Long-Term Goal: Employer of Choice

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Description: With the strong employment growth and low unemployment rates in the RTAA’s catchment area, the ability to attract new and retain existing employees has become of critical importance to our operation. This initiative is focused on ensuring the RTAA is paying a competitive wage for all pay classifications and the development of additional programs that will retain and attract good employees.

Performance Measure: Complete salary survey and report recommendations to the President/CEO on programs to enhance the RTAA brand to attract and retain employees by June 30, 2019.

6. Complete talent profiles for identified employees, incorporate development goals in performance evaluations and create a job shadowing program to prepare employees for career advancement.

Strategic Initiative: People

Long-Term Goal: Succession Planning

Description: With the “baby boomer” generation reaching retirement age, the RTAA faces the retirement of a significant portion of its most experienced workforce. To address this challenge, the RTAA established a succession planning program to identify motivated and skilled employees for job and supervisory training to succeed in positions as retirement takes place. This initiative is the next step in the evolution of this program by formalizing the skills and talents required to advance to the next level, establishing formal goals in performance plans and provide employees an opportunity to learn more about potential positions through a job shadowing program.

Performance Measure: The following goals have been established to be completed by June 30, 2019 to advance the RTAA’s succession planning program:

- ✓ Develop talent profiles for 20% of employees on succession slates. Each year for the remainder of the five year strategic plan, an additional 20% will be added each year to achieve 100% by the end of the five year period.
- ✓ Identify specific development goals in performance evaluations.
- ✓ Implement an RTAA job shadowing program.

7. Develop a program focused on enhancing workforce diversity

Strategic Initiative: People

Long-Term Goal: Workforce Diversity

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Description: Diversity in the workplace occurs when a company hires employees from a variety of backgrounds, race, gender, age, or religion. A diverse culture in the workforce benefits an organization in countless ways, contributing to an organization's efficiency and creating a competitive advantage. Some benefits of a workplace that hires teams with diversity in mind includes: (1) higher morale from employees feeling validated and considered important no matter their differences; (2) different perspectives will bring a wide variety of solutions to problems; (3) increased global impact that will allow the RTAA to evaluate its operations and services with consideration to international passengers; and (4) enhance community relations by having a workforce that is reflective of the community we serve. This initiative is to develop a program that will enhance the recruitment outreach to a wider pool of potential employees and to provide training to hiring managers on the benefits of hiring individuals with diverse backgrounds and perspectives.

Performance Measure: Complete program design and obtain President/CEO approval by June 30, 2019.

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HUMAN RESOURCES

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$332,862	\$452,200	\$477,700	6%
Vacation Pay	41130	36,901	2,600	5,900	127%
Sick Leave	41140	12,945	7,600	9,700	28%
Holiday Pay	41150	19,640	0	0	0%
Comp Time	41160	673	0	0	0%
Payroll Accrual	41195	6,058	0	0	0%
Incentive Awards	41260	28,094	29,900	44,300	48%
Service Awards	41270	4,783	6,810	5,580	-18%
Physical Exam Expense	41310	14,369	18,300	18,420	1%
Medicare	41320	5,947	6,600	6,900	5%
FICA	41321	0	0	0	0%
Wellness Program	41330	1,442	3,650	3,650	0%
Group Insurance	41340	32,208	52,700	48,900	-7%
PEBP Subsidy	41341	116,858	126,800	126,800	0%
Disability Insurance	41342	3,012	3,800	4,000	5%
Vision Insurance	41344	430	700	600	-14%
Dental Insurance	41347	3,216	4,400	4,200	-5%
Section 125 Flex Plan	41349	8,180	6,500	6,000	-8%
Workers Comp	41350	446	500	500	0%
Retirement	41360	110,214	126,600	133,800	6%
Accrued PERS Expense	41365	1,717	0	0	0%
Unemployment	41370	16,385	30,000	20,000	-33%
TOTAL PERSONNEL SERVICES		756,382	879,660	916,950	4%
PURCHASED SERVICES					
Other Professional Services	43190	28,170	15,350	18,400	20%
Office Equipment Rental	43210	5,008	6,378	0	-100%
Maintenance Agreement-Copier	43345	0	0	2,600	%
Freight Expense	43430	85	200	200	0%
Permits and Records Fees	43460	1,708	1,725	1,750	1%
Other Purchased Services	43490	7,569	5,480	9,850	80%
TOTAL PURCHASED SERVICES		42,540	29,133	32,800	13%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,259	1,700	1,700	0%
Paper	44110	484	425	425	0%
Postage	44120	192	480	380	-21%
Printing & Forms	44130	478	800	800	0%
Small Office Furniture	44415	0	0	950	%
Sign and sign maintenance	44430	0	0	100	%
TOTAL MATERIALS & SUPPLIES		3,413	3,405	4,355	28%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	2,824	4,920	420	-91%
Books & Subscriptions	45120	278	318	630	98%

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HUMAN RESOURCES

Section 252

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Conference Registration Fees	45130	10,447	13,050	13,870	6%
Training Expense	45140	684	1,000	1,595	60%
Organizational Training	45141	60,507	35,775	37,425	5%
Meeting Expense	45150	2,115	845	1,260	49%
Tuition Reimbursement	45160	33,435	35,000	35,000	0%
Accreditation Incentive Program	45180	1,300	1,500	1,500	0%
Travel & Reimbursed Expense	45210	14,633	32,350	31,600	-2%
Interview Expense	45230	2,591	4,700	5,400	15%
Legal Ads	45340	1,548	2,000	3,350	68%
TOTAL ADMINISTRATIVE EXPENSES		130,362	131,458	132,050	0%
TOTAL EXPENSES BEFORE FIXED ASSETS		932,697	1,043,656	1,086,155	4%
FIXED ASSETS					
Fixed Asset Acquisition	48150	0	9,650	0	-100%
TOTAL SECTION EXPENSES		\$932,697	\$1,053,306	\$1,086,155	3%

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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:

- Maintain and repair the following information technology areas:
 - Computer workstations and printers
 - Data communications network infrastructure
 - Application and database servers
 - System backup and security
 - Safety and security systems
 - Passenger information systems
 - Business information systems
 - Customs and Border Protection (CBP) Passport kiosks
 - Policy and legal compliance
- Implement new Technology and Information Systems in support of passenger information, cyber security, financial systems, and emergency communication and security/safety systems.
- Limit access to RTAA information technology resources to authorized users. This includes email, data storage areas, and internet access.
- Manage and maintain software and hardware for airport security system equipment (Access Control and Alarm Monitoring Systems (ACAMS), incident management software (WebEOC), and closed circuit televisions (CCTV)) including project management for upgrades.
- Comply with Purchasing Card Industry (PCI) security and privacy standards, as well as Nevada Revised Statute (NRS) 597.970 Electronic Data Privacy requirements.
- Implement and audit policies and procedures designed to further protect the RTAA's systems and data.

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Technology and Information Systems - Initiatives:

FY 2017-18 Current Initiatives

1. Continue the development of the Information Systems Security Plan.

Strategic Initiative / Guiding Principle: Safety and Security.

Description: RTAA employs several technologies that acquire, manipulate, and retain information that is both private and sensitive. Such information is subject to commercial requirements and NRS statutes. An Information Systems Security plan is required to ensure compliance.

Performance Measure: Complete and implement the Information Systems Security Plan before July 1, 2018.

Progress: In Progress. The Information Systems Security Plan was completed in May 2018. The necessary steps to fully implement the plan are underway including enhanced monitoring and prevention of data loss and staff training scheduled to be implemented by the end of Calendar Year 2018.

2. Expand Video Surveillance Storage.

Strategic Initiative/Guiding Principle: Safety and Security

Description: Expand video surveillance storage system to accommodate new and replaced cameras.

Performance Measure: Expand video storage system by June 30, 2018.

Progress: 100% Completed. The ability to store and retrieve information is critical. If video is unavailable for viewing, it could result in a concourse/terminal being evacuated and the negative impact on customer service. This system allows the TSA to use recorded video several times each day to resolve irregularities in their screening process or other potential security issues.

3. Implement a rotation program for critical infrastructure hardware.

Strategic Initiative/Guiding Principle: Financial Stability

Description: Implement a rotation program to replace critical hardware systems every six (6) years. This initiative will provide for the timely and efficient replacement of outdated systems.

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Performance Measure: Replace one-third of our critical infrastructure by June 30, 2018.

Progress: 100% Completed. The successful project in FY 2017-18 has allowed the RTAA to migrate our mission-critical servers onto new hardware in accordance with a seamless and continual rotating upgrade program. This program will eliminate a costly and disruptive total systems replacement every 6 years.

4. Replace Biometric Access Control Readers.

Strategic Initiative/Guiding Principle: Safety and Security

Description: Replace all biometric access control readers with available and secure equivalents. The current readers are approaching the end of their useful life and replacement units are no longer manufactured.

Performance Measure: Replace all readers by June 30, 2018.

Progress: 100% Completed. With the replaced keypads being 10 years old, this project eliminated a potential vulnerability due to an outdated communication protocol.

5. Upgrade the Interactive Employee Training (IET) System.

Strategic Initiative/Guiding Principle: Safety and Security

Description: RTAA uses interactive computer-aided instruction technology to conduct mandatory SIDA security training. This technology will be unsupported in 18 months and should be replaced.

Performance Measure: Complete training system upgrade project by June 30, 2018.

Progress: 100% Completed. With the TSA requirement to train badge holders with access to secure areas, the new system will provide a web-based training system. With this upgrade, the RTAA will be able to provide updated course content more cost effectively, streamline the renewal training process and create an interactive training experience that goes beyond selecting a letter for a multiple choice response.

FY 2018-19 New Initiatives

1. Complete replacement and install upgrades to safety and security systems.

Strategic Initiative: Safety and Security

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Long-Term Goal: Safety/Security Systems Compliance / Enhancements

Description: New technologies are continually being developed to increase safety and security, as well as provide an enhanced customer experience and continuity of operations during an emergency. As such, the RTAA is evaluating the benefits of those new tools and incorporating them as appropriate.

Performance Measure: The following goals have been established to be completed by June 30, 2019 to advance the RTAA's safety and security systems program:

- ✓ Implement Data Loss Prevention System
- ✓ Complete Data Security Standard (DSS) Requirements Assessment
- ✓ Implement Analog Security Camera Replacement
- ✓ Implement ACAMS and CCTV Remote Connectivity Upgrade
- ✓ Implement Baggage Handling System Camera Replacement
- ✓ Issue a request for proposal and complete vendor selection for an upgrade to the police records management system

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TECHNOLOGY AND INFORMATION SYSTEMS

Section 253

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$520,952	\$670,700	\$812,000	21%
Vacation Pay	41130	50,452	7,600	13,900	83%
Sick Leave	41140	30,546	8,200	10,200	24%
Holiday Pay	41150	32,868	0	0	0%
Comp Time	41160	148	0	0	0%
Workers Comp Pay	41170	1,227	700	0	-100%
Payroll Accrual	41195	8,951	0	0	0%
Overtime Pay	41210	2,237	0	0	0%
Shift Differential	41230	37	0	0	0%
Medicare	41320	9,308	9,700	11,800	22%
Group Insurance	41340	66,939	88,600	104,500	18%
Disability Insurance	41342	5,967	6,600	7,900	20%
Vision Insurance	41344	947	1,200	1,200	0%
Dental Insurance	41347	5,973	7,400	9,000	22%
Workers Comp	41350	2,228	700	800	14%
Retirement	41360	171,606	187,800	227,400	21%
Accrued PERS Expense	41365	2,539	0	0	0%
TOTAL PERSONNEL SERVICES		912,924	989,200	1,198,700	21%
UTILITIES AND COMMUNICATIONS					
Communications	42210	296,665	303,280	326,800	8%
TOTAL UTILITIES & COMMUNICATIONS		296,665	303,280	326,800	8%
PURCHASED SERVICES					
Data Processing	43130	619,346	743,646	792,040	7%
Office Equipment Rental	43210	644	600	0	-100%
Contracted Services	43340	3,549	0	125,000	%
Maintenance Agreement-Copier	43345	0	0	600	%
Other Repair/Maintenance Svcs	43390	133,841	106,120	185,000	74%
Freight Expense	43430	847	1,000	1,000	0%
TOTAL PURCHASED SERVICES		758,226	851,366	1,103,640	30%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,949	500	3,000	500%
Paper	44110	71	300	0	-100%
Postage	44120	10	100	100	0%
Printing & Forms	44130	214	50	50	0%
Small Tools - Minor Equipment	44400	201	0	0	0%
Office Small Equipment	44410	127,483	49,035	107,500	119%
Small Office Furniture	44415	1,929	0	8,000	%
Employee Safety Equipment	44450	61	0	0	0%
Telephone Equipment and Labor	44460	16,014	6,000	17,000	183%
TOTAL MATERIALS & SUPPLIES		147,933	55,985	135,650	142%
Books & Subscriptions	45120	404	880	1,800	105%
Conference Registration Fees	45130	795	795	2,789	251%
Training Expense	45140	14,451	0	25,200	%

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TECHNOLOGY AND INFORMATION SYSTEMS

Section 253

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Meeting Expense	45150	437	250	450	80%
Travel & Reimbursed Expense	45210	2,173	3,100	9,100	194%
TOTAL ADMINISTRATIVE EXPENSES		18,260	5,025	39,339	683%
TOTAL EXPENSES BEFORE FIXED ASSETS		2,134,008	2,204,856	2,804,129	27%
FIXED ASSETS					
Fixed Asset Acquisition	48150	81,438	141,767	42,500	-70%
TOTAL SECTION EXPENSES		<u>\$2,215,446</u>	<u>\$2,346,623</u>	<u>\$2,846,629</u>	<u>21%</u>

Reno-Tahoe Airport Authority
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Reno – Stead Airport

Mission Statement: The Reno-Stead Airport (RTS) staff will provide a safe, well-maintained, and efficiently run general aviation airport by maintaining facilities to RTAA’s high standards and promoting common rules and regulation that enables the quiet enjoyment by all users and visitors.

Key Duties and Responsibilities:

- Maintain and preserve:
 - Airfield and roadway pavements and markings
 - Airfield lighting systems
 - RTS vehicle and equipment fleet
 - RTAA owned facilities
 - RTS landscapes
 - Unmanned Aircraft System (UAS) Range safety and operational support and management
 - Airport security fence and systems
 - Fire break system on 5,000 + acre facility to protect airport and neighbor properties
- Provide support for the National Championship Air Races.
- Support neighborhood relations by hosting the North Valleys Citizen Advisory Board, the North Valleys Neighborhood Advisory Board, and other community aviation meetings/ events.
- Represent the President/CEO at RTS on routine and emergency matters during non-business hours.
- Facilitate the safe, secure, and effective operations of RTS.
- In cooperation with other RTAA departments; ensure leases, tenant information and safety inspections are managed in a timely, cooperative manner.
- Work with Airport Economic Development to increase revenue opportunities at RTS.
- Provide required Occupational Safety Health Administration (OSHA) safety training.
- Ensure RTS representation during planning and execution of construction activities.
- Review and manage the RTS snow removal plan and operation.
- Provide RTAA liaison for FAA approved safety programs and training opportunities at RTS.
- Sustain readiness to execute the Airport Emergency Plan.
- Provide outstanding customer service to staff, tenants, aviation users, and the public.
- Provide logistical, operational and management support to UAS operations on and around RTS.

FY 2017-18 Current Initiatives

- 1. Host and support an Experimental Aircraft Association (EAA) Young Eagles event at RTS.**

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Strategic Initiative/Guiding Principle: Optimize General Aviation Operations and Services and Provide a Positive Environment & Experience.

Description: Founded in 1992, the Young Eagles program has dedicated nearly 25 years to giving youth ages 8–17 their first free ride in an airplane. It’s the only program of its kind, with the sole mission to introduce and inspire kids in the world of aviation. Today, the Young Eagles program has flown over 2 million kids with the help of EAA’s network of volunteer pilots and ground volunteers.

This event will support and assist the local Northern Nevada chapter in its efforts to encourage interest in aviation in our community.

Performance Measure: Execute a successful event by June 30, 2018.

Progress: 100% Completed. RTS partnered with EAA Young Eagles for two successful events this year. Over 160 local kids experienced their “first” flight at RTS through the Young Eagles. Staff provided the terminal space, refreshments and concurrent, aviation-related activities during the events. These activities directly supported our mission of connecting with our community to position RTS as a valued neighbor and partner.

FY 2018-19 New Initiatives

1. Engage proactively with the RTS General Aviation (GA) community.

Strategic Initiative: General Aviation

Long-Term Goal: GA Community Relations

Description: General Aviation (GA) includes all civil and military operations other than scheduled passenger and cargo airline operations. GA flights are conducted for pleasure, private business and public service that require more flexible transportation than scheduled commercial airlines offer. To foster and encourage GA services, facilities and operations growth, the RTAA is committed to proactively engage with all facets of the GA community. This initiative is to promote and support GA operations at RTS.

Performance Measure: Attend, participate and partner with the GA Community in three activities in FY 2018-19 by hosting events or attending/ providing logistical support.

In addition, RTS will accommodate 85% of all aeronautical requests for airfield use by the GA and Military Communities during FY 2018-19.

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2. Engage proactively with the military community at RTS.

Strategic Initiative: General Aviation

Long-Term Goal: Military Community Relations

Description: General Aviation (GA) includes all civil and military operations other than scheduled passenger and cargo airline operations. GA flights are conducted for pleasure, private business and public service that require more flexible transportation than scheduled commercial airlines offer. To foster and encourage GA services, facilities and operations growth, the RTAA is committed to proactively engage with all facets of the GA community.

Performance Measure: Attend, participate and partner with the military community in three activities in FY 2018-19 by hosting or attending/ providing logistical support.

In addition, RTS will accommodate 85% of all aeronautical requests for airfield use by the GA and Military Communities during FY 2018-19.

3. Maintain existing facilities at RTS and support third party private development.

Strategic Initiative: General Aviation

Long-Term Goal: GA User Needs and Market Demand

Description: The RTAA has a significant investment in existing airfield infrastructure at RTS. To optimize and extend the useful life of these assets, staff will continue its on-going program of preventive maintenance and major rehabilitation projects. This effort also includes obtaining input from GA users and RTS tenants on needs and preferences on an annual basis.

In addition, the RTAA has several land, GA services, hangar and industrial development opportunities that are “market driven” and dependent upon private party investment. The RTAA will provide support and assistance to facilitate this investment at RTS.

Performance Measure: The following goals have been established to be completed by June 30, 2019 to advance GA User Needs at RTS:

- ✓ Annual support for RTAA Engineering’s assessment of GA pavement conditions at RTS (1/3 of total)
- ✓ Annually assess GA facility conditions at RTS
- ✓ Communicate RTS capital projects and potential impacts on GA tenants and visitors

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RENO STEAD AIRPORT

Section 254

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$368,841	\$457,200	\$435,000	-5%
Vacation Pay	41130	22,814	2,300	3,000	30%
Sick Leave	41140	25,295	6,500	5,600	-14%
Holiday Pay	41150	20,972	2,100	2,100	0%
Comp Time	41160	1,537	0	1,500	%
Workers Comp Pay	41170	1,457	0	1,500	%
Payroll Accrual	41195	6,844	0	0	0%
Overtime Pay	41210	14,220	16,000	16,000	0%
Overtime Call Back	41213	3,336	300	0	-100%
Standby	41220	1,573	1,200	0	-100%
Shift Differential	41230	1,969	2,200	2,200	0%
Service Awards	41270	108	0	0	0%
Holiday worked Pay	41280	4,825	4,200	3,700	-12%
Premium Payroll Accrual	41285	65	0	0	0%
Medicare	41320	6,800	6,600	6,300	-5%
Group Insurance	41340	56,952	71,300	79,400	11%
Disability Insurance	41342	3,808	4,100	4,000	-2%
Vision Insurance	41344	689	1,000	900	-10%
Dental Insurance	41347	4,687	6,100	6,900	13%
Workers Comp	41350	9,803	11,200	8,400	-25%
Retirement	41360	120,453	127,800	121,800	-5%
Accrued PERS Expense	41365	1,827	0	0	0%
Uniform Allowance	41380	3,459	2,500	2,500	0%
TOTAL PERSONNEL SERVICES		682,332	722,600	700,800	-3%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	48,640	61,000	62,000	2%
Natural Gas	42120	9,087	8,000	8,000	0%
Water	42130	13,830	17,110	17,000	-1%
Sewer	42140	20,852	24,500	24,500	0%
Solid Waste Disposal	42150	4,043	6,400	6,400	0%
Hazardous Waste Disposal	42180	0	600	600	0%
TOTAL UTILITIES & COMMUNICATIONS		96,453	117,610	118,500	1%
PURCHASED SERVICES					
Other Professional Services	43190	0	1,500	1,000	-33%
Office Equipment Rental	43210	2,602	3,200	0	-100%
Equipment Rental	43211	5,600	1,000	1,000	0%
Contracted Services	43340	35,994	36,410	47,500	30%
Maintenance Agreement-Copie	43345	0	0	1,500	%
Other Repair/Maintenance Svc:	43390	2,959	10,000	15,000	50%
Freight Expense	43430	1,201	275	275	0%
Permits & Recorders Fees	43460	1,641	2,550	2,550	0%
TOTAL PURCHASED SERVICES		49,996	54,935	68,825	25%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,970	1,450	1,500	3%
Paper	44110	0	0	200	%
Postage	44120	136	120	120	0%
Printing & Forms	44130	233	150	300	100%
Oil and Lubricants	44210	4,013	4,000	3,000	-25%
Herbicides	44221	10,436	12,500	12,500	0%
Fertilizer	44222	0	150	150	0%

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RENO STEAD AIRPORT

Section 254

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Auto Fuel	44230	3,260	5,500	5,500	0%
Diesel Fuel	44240	8,124	9,000	9,000	0%
Janitorial Paper Supplies	44250	238		0	0%
Janitorial Supplies	44260	2,567	2,500	2,500	0%
Medical Supplies	44270	729	600	500	-17%
Other Operating Supplies	44290	158		0	0%
Repair & Maintenance Supply	44300	4,131	5,000	5,000	0%
Vehicles	44310	5,837	6,000	6,000	0%
Heating & Air Conditioning	44320	78	475	400	-16%
Machinery	44330	31,772	32,000	25,000	-22%
Locks & Hardware	44333	1,215	500	500	0%
Irrigation Supplies	44341	185	500	500	0%
Seeds, Plants & Trees	44340	133	500	1,000	100%
Landscape Materials	44342	0	0	6,000	%
Plumbing Supplies	44350	346	600	500	-17%
Electrical Supplies	44360	2,159	1,000	2,000	100%
Runway/Taxiway	44361	1,617	2,000	2,000	0%
Ramp Lighting	44362	0	2,000	2,000	0%
Lumber & Building Supplies	44370	1,000	800	2,500	213%
Paint Supplies	44380	1,389	2,600	2,600	0%
Small Tools - Minor Equipment	44400	4,539	4,000	4,000	0%
Sign and Sign Maintenance	44430	442	1,000	1,000	0%
Employee Safety Equipment	44450	1,350	1,200	3,000	150%
Patch Material	44513	648	0	0	0%
Runways/taxiway Repair	44530	42,439	70,000	60,000	-14%
Fence and Gate Repair Parts	44540	2,570	2,000	2,000	0%
TOTAL MATERIALS & SUPPLIES		134,714	168,145	161,270	-4%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	572	325	325	0%
Conference Registration Fees	45130	920	425	650	53%
Training Expense	45140	600	750	7,000	833%
Meeting Expense	45150	922	0	900	%
Travel & Reimbursed Expense	45210	2,339	1,600	2,000	25%
Other Advertising & Promotion	45390	622	1,200	500	-58%
Community Outreach	45398	1,111	0	7,400	%
TOTAL ADMINISTRATIVE EXPENSES		7,085	4,300	18,775	337%
TOTAL EXPENSES BEFORE FIXED ASSETS		970,580	1,067,590	1,068,170	0%
FIXED ASSETS					
Fixed Asset Acquisition	48150	81,349	105,659	0	-100%
TOTAL SECTION EXPENSES		\$1,051,929	\$1,173,249	\$1,068,170	-9%

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UNMANNED AIRCRAFT SYSTEMS

Section 255

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$38,206	\$0	\$0	0%
Temporary Employees	41120	0	6,300	0	-100%
Overtime Pay	41210	7,077	0	0	0%
TOTAL PERSONNEL SERVICES		45,283	6,300	0	-100%
PURCHASED SERVICES					
Equipment Rental	43211	33,389	26,600	8,750	-67%
Contracted Services	43340	14,655	195,300	16,250	-92%
Freight Expense	43430	1,425	0	0	0%
TOTAL PURCHASED SERVICES		49,469	221,900	25,000	-89%
MATERIALS & SUPPLIES					
Office Supplies	44100	794	1,700	1,700	0%
Diesel Fuel	44240	386	0	0	0%
Other Operating Supplies	44290	31	0	0	0%
Repair & Maintenance Supply	44300	3,501	500	500	0%
Employee Safety Equipment	44450	669	0	0	0%
Runways/taxiway Repair	44530	2,250	0	0	0%
TOTAL MATERIALS & SUPPLIES		7,631	2,200	2,200	0%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	0	1,100	600	-45%
Conference Registration Fees	45130	495	4,000	3,000	-25%
Meeting Expense	45150	1,212	2,000	2,000	0%
Travel & Reimbursed Expense	45210	7,957	21,370	16,770	-22%
Other Advertising & Promotion	45390	197	0	0	0%
Conference Sponsorship	45391	24,895	0	0	0%
TOTAL ADMINISTRATIVE EXPENSES		34,756	28,470	22,370	-21%
TOTAL SECTION EXPENSES		<u>\$137,139</u>	<u>\$258,870</u>	<u>\$49,570</u>	<u>-81%</u>

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Accounting

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

Key Duties and Responsibilities:

- Prepare the Comprehensive Annual Financial Report (CAFR) including an introduction, management's discussion and analysis, footnotes, statistical section, and compliance.
- Process accounts payable biweekly including check issuance and wire transfer to ensure vendors are paid timely and accurately.
- Process purchasing cards payments on a timely basis and review reporting online.
- Prepare accounts receivable invoices twice monthly. Conduct monthly meetings to review outstanding accounts receivable and report to Senior Leadership all outstanding receivables over 60 days.
- Complete Payrolls bi-weekly. Assure compliance with all Internal Revenue System (IRS) wage and reporting regulations.
- Compile financial and statistical reports monthly and review for accuracy. Perform analytical reviews and reports for Senior Leadership.
- Develop and issue monthly financial statements and management reports.
- Record and track fixed assets including construction in progress and recognition of depreciation expenses.
- Record and report all FAA Airport Improvement Program grants and Passenger Facility Charge revenue activity.
- Administer Transportation Security Administration (TSA) grants associated with the canine explosive detection teams and law enforcement officer coverage of the security checkpoints.
- Account for Customer Facility Charge (CFC) revenue and expenditures associated with fees collection to maintain and repair rental car facilities.
- Coordinate staff member work with independent auditors to compile the annual financial statements.
- Invests all RTAA funds in accordance with the investment policy with a focus on safety, liquidity and yield.
- Reconcile all bank balances and resolve outstanding issues.
- Attend industry seminars and keep current on official pronouncements of accounting practice.
- Participate and provide financial support to ad-hoc and standing RTAA committees, which may include employee relations and strategic planning.

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- Obtain the Government Finance Officers Association (GFOA) Award of Certificate of Achievement for Excellence in Financial Reporting.
- Complete and update annually the financial portion of the RTAA's Fraud Risk Assessment.
- Obtain and update annually the RTAA's Conflict of Interest Statements.
- Administer and manage RTAA debt pursuant to bond resolutions including principal and interest payments.

Accounting - Initiatives:

FY 2018-19 New Initiatives

1. Prepare a Request for Proposal (RFP) and select a vendor for an updated Payroll/ Human Resources System.

Strategic Initiative: Sustainability and People

Long-Term Goal: Operational Efficiency and Employee Satisfaction

Description: In conjunction with both the Human Resources and Information Technology departments, this initiative will replace various software packages with one integrated system that will provide staff with enhance functionality including automated time and attendance, leave/absence tracking, and scheduling. This system will also consolidate or integrate employee recruiting, performance management, benefits and succession planning into one system.

In addition, the current payroll system is ten (10) years old and many component elements are at the end of life. The RTAA is at risk of having software that is no longer supported by the product vendor and uses a FoxPro database, which is no longer supported by Microsoft.

Performance Measure: Issue the RFP and select a vendor by June 30, 2019.

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ACCOUNTING AND ADMINISTRATION

Section 302

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$484,936	\$622,800	\$632,100	1%
Vacation Pay	41130	49,188	8,400	10,400	24%
Sick Leave	41140	33,348	12,200	13,400	10%
Holiday Pay	41150	28,719	0	0	0%
Comp Time	41160	606	0	0	0%
Payroll Accrual	41195	7,494	0	0	0%
Overtime Pay	41210	0	0	200	%
Medicare	41320	8,346	9,000	9,200	2%
Group Insurance	41340	61,476	70,700	76,400	8%
Disability Insurance	41342	6,139	6,700	6,700	0%
Vision Insurance	41344	947	1,000	900	-10%
Dental Insurance	41347	6,524	6,100	6,100	0%
Workers Comp	41350	624	700	700	0%
Retirement	41360	159,688	174,400	177,000	1%
Accrued PERS Expense	41365	2,063	0	0	0%
TOTAL PERSONNEL SERVICES		850,097	912,000	933,100	2%
PURCHASED SERVICES					
Accounting and Auditing	43120	53,310	53,710	54,000	1%
Data Processing	43130	591	0	250	%
Trustee & Paying Agent Fees	43180	4,196	5,000	40,800	716%
Other Professional Services	43190	2,000	56,000	57,400	3%
Office Equipment Rental	43210	5,385	5,700	0	-100%
Maintenance Agreement-Copier	43345	0	0	2,500	%
Freight Expense	43430	56	200	200	0%
Other Purchased Services	43490	45,677	39,900	5,500	-86%
TOTAL PURCHASED SERVICES		111,215	160,510	160,650	0%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,719	3,700	3,800	3%
Paper	44110	439	700	800	14%
Postage	44120	3,519	3,650	3,750	3%
Printing & Forms	44130	144	1,000	1,100	10%
Small Office Furniture	44415	991	1,000	1,000	0%
TOTAL MATERIALS & SUPPLIES		7,811	10,050	10,450	4%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	1,314	1,520	1,520	0%
Books & Subscriptions	45120	430	700	800	14%
Conference Registration Fees	45130	995	2,070	2,170	5%
Training Expense	45140	2,637	3,300	3,550	8%
Meeting Expense	45150	89	400	400	0%
Travel & Reimbursed Expense	45210	341	7,725	7,725	0%
TOTAL ADMINISTRATIVE EXPENSES		5,806	15,715	16,165	3%
TOTAL SECTION EXPENSES		\$974,930	\$1,098,275	\$1,120,365	2%

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Purchasing and Materials Management

Mission Statement: To ensure that all materials, supplies, equipment, and services required to operate Reno-Tahoe International Airport (RNO) and Reno Stead Airport (RTS) are acquired in a timely manner, at the lowest possible cost, consistent with the quality required, and in compliance with all applicable procurement legislation.

Key Duties and Responsibilities:

- Purchase materials, supplies, equipment and services needed for day-to-day operation in a timely, cost effective manner in compliance with applicable laws.
- Comply with the requirements for competitive bidding contained in NRS 332 and 338 and the Airport Improvement Project Handbook by preparing bids and proposal requests.
- Inventory stored property and assist Departments/Divisions in identifying property for continued storage, addition to stock, or disposal.
- Review items in warehouse inventory to establish appropriate items and stock levels.
- Conduct bi-annual inventory of RTAA fixed assets, as statutorily mandated, utilizing barcoding equipment.
- Continue monitoring usage of and updates to the procurement card system and its interface with the RTAA's accounting system.
- Receive and issue materials and supplies for work order-based purchases.
- Order and receive stock inventory to support RTAA maintenance and operation.
- Maintain and operate storeroom, stock locations and bins on a daily on-going basis.
- Prepare and dispose of surplus property in bi-annual public auctions in accordance with statutory requirements.
- Evaluate Purchasing and Materials Management processes and procedures with a focus on continual improvement.
- Cross train employees on customizing Professional Service Agreements and managing Request for Proposal processes.
- Coordinate and administer the RTAA's use of the Nevada Government eMarketplace (NGEM) procurement system including issuing new solicitations and encouraging vendor registration.
- Coordinate and administer the RTAA's use of the Contracts Management database in the NGEM system to update current and input new contracts.
- Administer succession planning for Purchasing and Material Management positions.
- Serve as the Resource Group Leader/ Logistics Section Chief in RTAA emergency situations. This includes acquisition and delivery of supplies, food and other support to responders.

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PURCHASING AND MATERIALS MANAGEMENT

Section 303

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$254,259	\$426,700	\$400,900	-6%
Vacation Pay	41130	34,854	4,700	4,200	-11%
Sick Leave	41140	21,318	5,200	2,500	-52%
Holiday Pay	41150	16,074	0	0	0%
Payroll Accrual	41195	5,404	0	0	0%
Overtime Pay	41210	0	500	500	0%
Medicare	41320	2,392	3,800	5,100	34%
Group Insurance	41340	40,748	61,000	55,000	-10%
Disability Insurance	41342	3,231	4,400	4,000	-9%
Vision Insurance	41344	516	700	600	-14%
Dental Insurance	41347	3,216	4,400	3,900	-11%
Workers Comp	41350	3,565	4,100	3,100	-24%
Retirement	41360	85,712	119,200	112,000	-6%
Accrued PERS Expense	41365	1,516	0	0	0%
Uniform Allowance	41380	267	750	750	0%
TOTAL PERSONNEL SERVICES		473,072	635,450	592,550	-7%
PURCHASED SERVICES					
Other Professional Services	43190	0	1,500	1,500	0%
Office Equipment Rental	43210	4,240	4,500	1,000	-78%
Contracted Services	43340	0	500	1,000	100%
Maintenance Agreement-Copier	43345	0	0	300	%
Other Repair/Maintenance Svcs	43390	0	500	500	0%
Freight Expense	43430	1,434	2,300	2,300	0%
Permits & Records Fees	43460	73	150	150	0%
Other Purchased Services	43490	435	0	500	%
TOTAL PURCHASED SERVICES		6,181	9,450	7,250	-23%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,154	2,000	3,000	50%
Paper	44110	182	250	200	-20%
Postage	44120	74	100	100	0%
Printing & Forms	44130	319	400	1,500	275%
Medical Supplies	44270	88	400	400	0%
Other Operating Supplies	44290	407	450	650	44%
Machinery	44330	0	200	0	-100%
Small Tools - Minor Equipment	44400	15	800	800	0%
Office Small Equipment	44410	71	500	3,250	550%
Employee Safety Equipment	44450	474	600	800	33%
TOTAL MATERIALS & SUPPLIES		3,784	5,700	10,700	88%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	895	1,530	1,999	31%
Books & Subscriptions	45120	0	0	354	%
Conference Registration Fees	45130	0	500	2,400	380%

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PURCHASING AND MATERIALS MANAGEMENT

Section 303

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Training Expense	45140	825	500	4,000	700%
Meeting Expense	45150	0	0	400	%
Travel & Reimbursed Expense	45210	1,840	2,000	3,180	59%
Legal Advertisements	45340	3,926	3,100	4,000	29%
TOTAL ADMINISTRATIVE EXPENSES		7,486	7,630	16,333	114%
TOTAL EXPENSES BEFORE FIXED ASSETS		490,524	658,230	626,833	-5%
FIXED ASSETS					
Fixed Asset Acquisition	48150	38,838	0	0	0%
TOTAL SECTION EXPENSES		\$529,362	\$658,230	\$626,833	-5%

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Finance and Budgeting

Mission Statement: To provide financial analysis and budgeting services with a focus on effective resource utilization, asset protection, long-term strategic planning, and financial stability. This department is responsible for (1) budgeting and forecasting revenue and expense outcomes, (2) calculating airline rates, fees, and charges, (3) funding capital improvement project needs, and (4) providing risk management services through coordination with insurance brokers and securing insurance coverage at reasonable costs.

Key Duties and Responsibilities:

- Coordinate the RTAA’s annual operating budget including the forecast of revenues to assist in the establishment of expenditure targets.
- Obtain the Governmental Finance Officer Association “Distinguished Budget Presentation” award.
- Prepare the monthly financial package at the Finance and Business Development Committee meetings.
- Calculate airline rates and charges and perform the mid-year review and year end settlement analysis.
- Provide cost estimates to airlines considering air service to the RNO.
- Prepare financial feasibility analysis to evaluate the ability of the RTAA to afford future capital improvement programs and maintain prudent cash and liquidity reserves.
- Update and maintain the extensive financial models used to prepare the annual budget, calculate airline rates and charges, and forecast financial results under various scenarios.
- Administer the Passenger Facility Charge (PFC) program including development of new applications and quarterly reporting.
- Review Board memo fiscal impacts and other analyses as requested.
- Complete insurance applications, provide insurance company tours, administer RTAA liability claims, and review RTAA contract insurance requirements.
- Perform analytical reviews and reports for Senior Leadership.
- Each staff member, in conjunction with Accounting, will work with independent auditors to compile the annual financial statements.
- Set training goals and encourage all staff to take advantage of all appropriate RTAA in-house training opportunities.
- Attend industry seminars and keep current on developing finance trends including public-private partnerships (P3s).
- Continue to aggressively apply for federal grants and maximize use of PFC fees to fund capital improvement projects.

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Finance and Budgeting - Initiatives:

FY 2017-18 Current Initiatives

- 1. Oversee the Financial Feasibility Analysis to be completed as a part of the RNO Master Plan.**

Strategic Initiative/Guiding Principle: Financial Integrity

Description: This component of the Master Plan answers the questions: (1) How will the RTAA pay for proposed improvements; and (2) What are the affordability and the financial impacts on airlines serving RNO. This analysis is to be completed to evaluate the financial impact and feasibility of proposed capital projects. This task will assist, review, evaluate and confirm the recommendations of the consultant.

Performance Measure Update: Completion of the Financial Feasibility Analysis by June 30, 2018.

Progress: 100% Completed. The Board of Trustees on June 14, 2018 approved the ultimate development concept and supporting financial analysis for the RNO Master Plan.

The development of the Financial Feasibility Analysis and Facilities Implementation Plan underwent extensive review and analysis and included an overview of the RTAA's current financial structure and framework, rough order of magnitude cost estimates for each project in the preferred alternative, analysis of the potential funding sources, identification of key affordability assumptions, and evaluation of the impacts of the recommended projects on RTAA finances over the 20-year master plan period.

FY 2018-19 New Initiatives

- 1. Prepare and issue a Request for Qualifications (RFQs) for financial advisory and airport consulting services.**

Strategic Initiative: Facilities for the Future

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

Description: With the adoption of the RNO Master Plan, the next step on the financial side is to building a professional team of financial and legal advisors to assist in the funding of short-term, priority capital improvement projects. This initiative will begin by obtaining the services a financial advisor to assist in the development of a plan of finance for each project, in issuing debt and proving estimated debt service costs, in evaluating and reviewing

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underwriter submissions, in developing credit rating agency and bond insurer presentations, and in oversight of the official statement development.

In addition, the RTAA will require the services of an airport consultant who will prepare financial feasibility reports to support the RTAA's issuance of revenue bonds including material for the official statements. This consultant will also participate in any required rating agency/bond insurer presentations and assist the RTAA in negotiations with the airlines and other tenants as required.

Both consultants may also assist in obtaining FAA airport improvement grants and in preparing of future passenger facility charge applications

Performance Measure: Issue the RFQs and select vendors by June 30, 2019.

2. Prepare and obtain approval of Passenger Facility Charge (PFC) Application #14.

Strategic Initiative: Facilities for the Future

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

Description: With the adoption of the RNO Master Plan, various improvements to modernize the RNO terminal building were identified. PFC eligible projects in the short-term phase of the Master Plan include improvements to the ticketing hall, replacement of terminal concourses, and construction of a new Customs and Border Protection facility. With the existing concourses being 40 years old, the RTAA needs to replace RNO terminal concourses with new and larger concourses to address existing constraints, such as limited space for new amenities and concessions, and allow for future growth and expansion for both domestic and international travel. The PFC application will request funding for programmatic design for the first phases of this effort.

Performance Measure: Prepare the application and obtain FAA approval by June 30, 2019.

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FINANCE AND BUDGETING

Section 305

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$157,292	\$215,700	\$222,100	3%
Vacation Pay	41130	19,514	3,600	5,000	39%
Sick Leave	41140	14,642	3,200	3,300	3%
Holiday Pay	41150	10,056	0	0	0%
Comp Time	41160	174	0	0	0%
Payroll Accrual	41195	2,896	0	0	0%
Medicare	41320	2,845	3,100	3,200	3%
Group Insurance	41340	18,862	21,400	22,800	7%
Disability Insurance	41342	2,146	2,300	2,300	0%
Vision Insurance	41344	258	300	300	0%
Dental Insurance	41347	1,930	2,100	2,100	0%
Workers Comp	41350	178	200	200	0%
Retirement	41360	55,881	60,400	62,200	3%
Accrued PERS Expense	41365	816	0	0	0%
TOTAL PERSONNEL SERVICES		287,491	312,300	323,500	4%
PURCHASED SERVICES					
Consultants - General	43140	0	5,000	5,000	0%
Office Equipment Rental	43210	1,097	1,000	540	-46%
Maintenance Agreement-Copie	43345	0	0	500	%
Freight Expense	43430	196	100	100	0%
TOTAL PURCHASED SERVICES		1,293	6,100	6,140	1%
MATERIALS & SUPPLIES					
Office Supplies	44100	412	400	500	25%
Paper	44110	286	50	50	0%
Postage	44120	7	200	100	-50%
Printing & Forms	44130	248	0	0	0%
TOTAL MATERIALS & SUPPLIES		953	650	650	0%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	2,180	1,700	2,100	24%
Books & Subscriptions	45120	348	350	440	26%
Conference Registration Fees	45130	0	1,000	1,000	0%
Training Expense	45140	320	300	300	0%
Meeting Expense	45150	22	0	0	0%
Travel & Reimbursed Expense	45210	0	3,700	3,700	0%
Legal Ads	45340	1,425	450	450	0%
TOTAL ADMINISTRATIVE EXPENSES		4,295	7,500	7,990	7%
TOTAL SECTION EXPENSES		\$294,032	\$326,550	\$338,280	4%

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NONDEPARTMENTAL

Section 900

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	213,075	\$240,000	\$285,000	19%
Temporary Employees	41120	0	(450,000)	(450,000)	0%
PEBP Subsidy	41341	(12,550)	0	0	0%
Self Funded Rx	41343	(92)	0	0	0%
Vision Service Plan	41344	(92)	0	0	0%
Dental Insurance	41347	(92)	0	0	0%
Retiremebt (PERS)	41360	(11,109)	0	0	0%
Pension Expense	41361	(166,396)	0	0	0%
TOTAL PERSONNEL SERVICES		22,744	(210,000)	(165,000)	0%
PURCHASED SERVICES					
Consultants - Engineering	43150	17,507	0	0	0%
Other Professional Services	43190	30,665	30,000	0	-100%
Air Service Studies	43193	72,328	100,000	50,000	-50%
Contracted Services	43340	104,976	200,000	286,500	43%
Freight Expense	43430	535	300	650	117%
TOTAL PURCHASED SERVICES		226,011	330,300	337,150	2%
MATERIALS & SUPPLIES					
Paper	44110	1,719	1,500	1,500	0%
Inventory Adjustments	44292	39,369	0		0%
TOTAL MATERIALS & SUPPLIES		41,088	1,500	1,500	0%
ADMINISTRATIVE EXPENSE					
Air Service Development	45350	174,429	172,500	\$233,500	35%
Miscellaneous Expense	45370	44	0	0	0%
Other Advertising & Promotion	45390	50,000	50,000	50,000	0%
Airport Liability	45410	94,500	97,300	138,400	42%
Vehicle Liability	45420	35,330	37,400	75,000	101%
Bonds Employees/Officers	45440	9,502	9,700	12,300	27%
Buildings & Contents	45450	657,380	669,700	628,500	-6%
Public Officials Liability	45460	69,421	71,500	64,300	-10%
Public Safety Liability	45470	58,316	60,100	59,800	0%
Other Insurance	45490	5,254	25,000	25,000	0%
TOTAL ADMINISTRATIVE EXPENSES		1,154,175	1,193,200	1,286,800	8%
FIXED CHARGES					
Int Exp 2015 Bonds	71125	0	487,300	438,900	-10%
Int Exp 2011A Subordinate Note	71150	73,425	0	0	0%
Int Exp 2011B Subordinate Note	71160	8,967	0	0	0%
TOTAL FIXED CHARGES		82,392	487,300	438,900	-10%
TOTAL SECTION EXPENSES		<u>\$1,526,410</u>	<u>\$1,802,300</u>	<u>\$1,899,350</u>	<u>5%</u>

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Operations and Public Safety Administration

Mission Statement: Ensure leadership and direction in managing, coordinating and integrating all aspects of airfield rescue and firefighting (ARFF), airside and terminal operations, landside operations, police, and security in compliance with regulations for an efficient, safe and seamless experience for all users.

Key Duties and Responsibilities:

- Provide direction and establish and maintain cohesive relationships and interoperability across all Operations Departments: ARFF, Airside Operations and Communications, Landside Operations, Police, and Security.
- Ensure RNO is continually in compliance with 14 CFR 139 Certification of Airports and 14 CFR 1542 Airport Security.
- Successfully complete a Part 1542 annual security exercise.
- Successfully complete required Part 139 annual mass casualty emergency and table-top exercises.
- Represent the President/CEO on routine and emergency matters during non-business hours.
- Ensure the safe, secure, and effective operation of the airport during non-business hours.
- Sustain parking and ground transportation net revenues.
- Convey indications and warnings to RTAA staff and tenants on a timely basis about situations that may negatively impact safe, secure, efficient airport operations.
- Sustain decision-grade information/situation reporting.
- Train for and expand emergency response capabilities.
- Ensure operational readiness of the Airfield Rescue and Firefighting (ARFF) department.
- Manage the Emergency Operations Center (EOC) during emergencies.
- Activate EOC as required and ensure staff is trained to the National Incident Management System (NIMS) standards.
- Ensure operational readiness of the RNO Police department including participation in the Transportation Security Administration (TSA) National Explosive Detection Canine Team Program.
- Maintain Police affiliation and certification with the Commission on Accreditation for Law Enforcement (CALEA).
- Conduct security and disaster training as required by the Federal Aviation Administration (FAA).
- Provide required Occupational Safety Health Administration (OSHA) safety training.
- Ensure Operations representation during planning and execution of construction activities.
- Review snow season activities and manage the update of Snow and Ice Control Plan including coordination of pre-season meetings.
- Posture RTAA Operations staff for FAA proposed Safety Management System implementation.
- Publish and train staff on the Airport Emergency Plan.

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- Effectively orient and train new organizational leaders on Operational Division missions, constraints, restrictions, and opportunities.
- Provide outstanding customer service to staff, tenants, aviation users, and the public from parking to the runways and back again.

Operations and Public Safety Administration – Initiatives:

FY 2017-18 Current Initiatives

1. Pass FAA 139 Inspection.

Strategic Initiative / Guiding Principle: Safety and Security.

Description: Public safety and security is always the top priority of the RTAA. The FAA issues operating certificates to airports to ensure safety in air transportation. To obtain a certificate, an airport must agree to certain operational and safety standards and provide for such things as firefighting and rescue equipment.

Performance Measure: Pass the Part 139 Annual Airport Certification Inspection with no more than ten (10) discrepancies noted by the FAA.

Progress: 100% Achieved. The FAA inspection was conducted from August 23 to 25, 2017. It identified one small discrepancy with fuel farm signage that was corrected and documented prior to completion of the inspection.

2. Conduct a FAA Part 139 Tabletop Disaster exercise.

Strategic Initiative/Guiding Principle: Safety and Security.

Description: FAA Part 139, Certification of Airports requires this annual event to maintain a Commercial Operating Certificate for RNO.

Performance Measure: Complete and receive verification of acceptance of the exercise by the FAA Certification Inspector by June 30, 2018.

Progress: 100% Completed. The Tabletop exercise was completed over two days. The first responder phase was held on Thursday, April 19, 2018 and coordination of all other affected parties was held on Thursday, April 26, 2018. A total of 26 outside agencies participated in exercise.

3. Pass TSA 1542 Inspections.

Strategic Initiative / Guiding Principle: Safety and Security.

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Description: The RTAA is not allowed to operate RNO unless it adopts and carries out a security program as approved by the TSA. The Part 1542 Airport Security Inspection process is to ensure the RTAA provides for the safety and security of persons and property on an aircraft against an act of criminal violence, aircraft piracy, and/or the introduction of an unauthorized weapon, explosive, or incendiary device onto an aircraft.

Performance Measure: Pass the Part 1542 Airport Security Inspection with no more than ten (10) discrepancies noted by the TSA.

Progress: 100% Achieved. The comprehensive inspection was completed by June 6, 2018 with no recorded discrepancies. One improper escort was conducted by one of our Airport Tenants. A violation was issued and the item was closed with counseling. Other than the one minor issue, the RTAA successfully passed this inspection with flying colors.

4. Conduct a TSA 1542 Security exercise.

Strategic Initiative/Guiding Principle: Safety and Security.

Description: TSA Part 1542 requires these annual events to maintain compliance at a commercial service airport.

Performance Measure: Complete and receive verification of the acceptance of the exercise by the TSA Reno Assistant Federal Security Director by June 30, 2018.

Progress: 100% Completed. Two drills in preparation for the security tabletop were conducted. The Tabletop Exercise was held on November 1, 2017 with 13 outside agencies participating. The scenario involved an explosion in the TSA checkpoint.

5. Publish General Aviation (GA) newsletters to share information and enhance communications with RNO GA tenants.

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

Description: Plan, write and distribute GA newsletters to the tenant base.

Performance Measure: Publish four (4) GA quarterly issues by June 30, 2018.

Progress: 100% Completed. The first issue was distributed in November 2017; the second issue was distributed in February 2018; the third issue was distributed in April 2018; and the fourth issue was distributed in June 2018.

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FY 2018-19 New Initiatives

1. Establish a Working Group and develop a RNO business continuity plan.

Strategic Initiative: Safety and Security

Long-Term Goal: Risk Management and Business Continuity

Description: The RTAA has a very successful record of managing and implementing RNO safety and security measures required of commercial service airport as well as those required of a 24/7 facility operation without negatively impacting the customer experience. This initiative is to further enhance and continually improve methods and systems to respond to emergency situations and natural disasters. In addition to the appropriate response to the initial emergency situation, this initiative is focused on maintaining the continuity of operations for situations that may have a longer lasting duration and impact.

Performance Measure: Complete formation of a working group and hold the initial coordination meeting by June 30, 2019.

2. Develop and implement a cross-functional Operations and Public Safety Division training / familiarization program.

Strategic Initiative: Safety and Security

Long-Term Goal: Emergency Response Preparedness

Description: Develop additional expertise within the Operations and Public Safety division and increase the understanding of the roles, challenges and perspective between the members of the division. This initiative is designed to educate employees in the requirements of other public safety and operational areas to enhance emergency and business continuity plans.

Performance Measure: All new hires and 50% of existing staff will receive training in other operational department areas with the Operations and Public Safety Division by June 30, 2019.

3. Develop a plan and stage emergency preparedness drills with RNO tenants.

Strategic Initiative: Safety and Security

Long-Term Goal: Emergency Response Preparedness

Description: As emergency and security risks evolve and expand beyond the traditional events, it is imperative that the RTAA and RNO tenants work together to prepare for ever

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changing emergency scenarios. This initiative is to expand the RTAA's training and coordination with RNO tenants to enhance communication and facilitate a coordinated and flexible response to an emergency situation.

Performance Measure: Hold three (3) emergency drills or training sessions with RNO tenants with participation of no less than 50% of tenants by June 30, 2019.

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OPERATIONS AND PUBLIC SAFETY ADMINISTRATION

Section 401

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$127,721	\$235,100	\$197,500	-16%
Vacation Pay	41130	6,633	2,700	3,300	22%
Sick Leave	41140	2,769	4,700	5,800	23%
Holiday Pay	41150	9,510	0	0	0%
Comp Time	41160	1,334	0	0	0%
Payroll Accrual	41195	638	0	0	0%
Overtime Pay	41210	285	0	300	%
Medicare	41320	2,311	3,400	2,900	-15%
Group Insurance	41340	22,169	29,600	25,500	-14%
Disability Insurance	41342	1,963	2,700	2,200	-19%
Vision Insurance	41344	344	400	300	-25%
Dental Insurance	41347	2,205	2,400	2,000	-17%
Workers Comp	41350	1,961	2,200	1,500	-32%
Retirement	41360	47,846	65,800	55,300	-16%
Accrued PERS Expense	41365	188	0	0	0%
TOTAL PERSONNEL SERVICES		227,877	349,000	296,600	-15%
PURCHASED SERVICES					
Office Equipment Rental	43210	2,009	2,200	0	-100%
TOTAL PURCHASED SERVICES		2,009	2,200	0	-100%
MATERIALS & SUPPLIES					
Office Supplies	44100	208	250	520	108%
Paper	44110	36	200	150	-25%
Postage	44120	0	20	20	0%
Printing & Forms	44130	0	0	100	%
TOTAL MATERIALS & SUPPLIES		245	470	790	68%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	275	275	275	0%
Conference Registration Fees	45130	0	700	935	34%
Training Expense	45140	2,990	6,000	7,500	25%
Meeting Expense	45150	418	1,400	600	-57%
Disaster Exercise Expense	45170	14,282	0	0	0%
Travel & Reimbursed Expense	45210	0	2,500	4,400	76%
TOTAL ADMINISTRATIVE EXPENSES		17,965	10,875	13,710	26%
TOTAL EXPENSES BEFORE FIXED ASSETS		248,095	362,545	311,100	-14%
FIXED ASSET ACQUISITION					
Fixed Asset Acquisition	48150	0	0	47,776	%
TOTAL DEPARTMENT EXPENSES		\$248,095	\$362,545	\$358,876	-1%

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Airside Operations and Communications

Mission Statement: Ensure a safe and efficient means of integrated transportation for the public within the Reno-Tahoe Airport Authority (RTAA) system; ensure compliance with 14 CFR Part 139 of the Federal Aviation Regulations; provide effective communications support to staff, tenants, customers, and supporting entities; prepare to act decisively to protect life and property by organizing appropriate responses to public safety and emergency events.

Key Duties and Responsibilities:

- Ensure RNO is continually in compliance with 14 CFR 139 FAA Certification of Airports and the annual FAA Certification Inspection is passed.
- Represent the President/CEO on routine and emergency matters during non-business hours to ensure continuing operation.
- Successfully complete Airside Operations duties as part of the Federal Aviation Administration (FAA) required annual table-top and triennial exercises.
- Mitigate the risk of bird strikes and animal strikes in accordance with the Wildlife Hazard Mitigation Plan (WHMP).
- Develop and administer airfield driving regulations and airport rules and regulations.
- Conduct training on Safety Management System (SMS) and Operational Risk Management. Assess and mitigate hazards.
- Manage Emergency Operations Center (EOC) during emergencies.
- Provide staff and tenant training on the revised Airport Emergency Plan (AEP).
- Effectively manage ramp space to meet air carrier, cargo, general aviation, and Customs/Immigration operations.
- Ensure all team members are capable of managing communications for the first 45 minutes of an Alert III response and capable of operating communications in the Mobile Command Vehicle.
- Dispatch all routine and emergency calls for ARFF, maintenance, police, operations, and security.
- Prepare and perform Snow Desk duties and update the Snow and Ice Control Plan.
- Activate emergency alert notifications, recall essential personnel, and open the Emergency Operations Center (EOC).
- Administer and provide user training on the Authority's 800 MHz radio system and participation in the Washoe County Radio Communications System Joint Operating Committee.
- Monitor door alarms and access control points, verify badge access and print access point reports upon request; dispatch police and/or security to access control point violations.
- Operate airport telephone paging system, answer questions from the public, direct operational phone inquiries, and operate direct phone lines with the FAA Tower and Airport Fire and Rescue division.

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- Monitor Fire Alarm System for the terminal building, parking structures, U.S. Customs building and airfield maintenance.
- Monitor and operate the National Crime Information Center computer for incoming information from outside police agencies and for the Department of Homeland Security bulletins.
- Maintain software and hardware for communications.
- Coordinate Airport Communications rehabilitation project efforts.
- Coordinate new handheld, vehicle and workstation console radio equipment and accessories.
- Maintain Commission on Accreditation for Law Enforcement (CALEA) accreditation.

Airside Operations and Communications – Initiatives:

FY 2017-18 New Initiatives

1. Conduct a Wildlife Hazard Assessment.

Strategic Initiative/Guiding Principle: Safety and Security.

Description: The assessment provides wildlife management recommendations to minimize wildlife hazards to aircraft operations at RNO.

Performance Measure: Complete and submit assessment to the FAA by June 30, 2018.

Progress: In Progress. The assessment is approximately 70% complete with the scheduled completion date at the end of October 2018.

FY 2018-19 New Initiatives

1. Pass FAA 139 Inspection.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: Public safety and security is always the top priority of the RTAA. The FAA issues operating certificates to airports to ensure safety in air transportation. To obtain a certificate, an airport must agree to certain operational and safety standards and provide for such things as firefighting and rescue equipment.

Performance Measure: Pass the Part 139 Annual Airport Certification Inspection with less than eight (8) discrepancies noted by the FAA.

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2. Conduct a FAA Part 139 Table Top Disaster exercise.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: FAA Part 139, Certification of Airports requires this annual event to maintain a Commercial Operating Certificate for RNO.

Performance Measure: Complete an exercise with twenty-five (25) participating outside agencies and receive verification of acceptance of the exercise by the FAA Certification Inspector by June 30, 2019.

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$902,475	\$1,340,400	\$1,370,100	2%
Vacation Pay	41130	98,909	6,700	13,200	97%
Sick Leave	41140	70,640	13,700	17,200	26%
Holiday Pay	41150	56,603	10,500	15,000	43%
Comp time	41160	377	0	0	0%
Payroll Accrual	41195	16,940	0	0	0%
Overtime Pay	41210	34,232	15,000	20,000	33%
Overtime Call Back	41213	1,169	6,000	1,500	-75%
Standby	41220	33	0	0	0%
Shift Differential	41230	18,659	16,000	23,000	44%
Holiday worked Pay	41280	18,068	21,000	23,000	10%
Premium Payroll Accrual	41285	648	0	0	0%
Medicare	41320	17,554	19,400	19,900	3%
FICA	41321	60	0	0	0%
Group Insurance	41340	157,691	224,200	224,700	0%
Disability Insurance	41342	11,460	13,900	14,400	4%
Vision Insurance	41344	2,410	3,000	2,600	-13%
Dental Insurance	41347	15,806	19,100	18,700	-2%
Workers Comp	41350	14,170	16,100	12,200	-24%
Retirement	41360	312,382	375,300	383,600	2%
Accrued PERS Expense	41365	4,654	0	0	0%
Uniform Allowance	41380	2,138	2,500	3,000	20%
TOTAL PERSONNEL SERVICES		1,757,077	2,102,800	2,162,100	3%
PURCHASED SERVICES					
Other Professional Services	43190	35,424	120,445	84,265	-30%
Office Equipment Rental	43210	1,965	2,400	0	-100%
Maintenance Agreement-Copier	43345	0	0	1,200	%
Other Repair/Maintenance Svcs	43390	73,607	85,677	92,748	8%
Freight Expense	43430	161	400	400	0%
Other Purchased Services	43490	368	0	100	%
TOTAL PURCHASED SERVICES		111,525	208,922	178,713	-14%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,710	3,000	3,500	17%
Paper	44110	255	400	400	0%
Postage	44120	36	50	150	200%
Printing & Forms	44130	188	300	700	133%
Medical Supplies	44270	0	100	100	0%
Other Operating Supplies	44290	559	7,500	7,500	0%
Office Small Equipment	44410	4,459	2,000	2,000	0%
Communications Equipment	44465	10,682	0	0	0%
TOTAL MATERIALS & SUPPLIES		18,888	13,350	14,350	7%

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AIRSIDE OPERATIONS

Section 402

	<u>ACCOUNT NO.</u>	<u>2016-17 ACTUAL</u>	<u>2017-18 BUDGET</u>	<u>2018-19 BUDGET</u>	<u>PERCENT CHANGE</u>
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,474	1,325	1,950	47%
Books & Subscriptions	45120	3,188	250	1,950	680%
Conference Registration Fees	45130	2,430	5,684	5,100	-10%
Training Expense	45140	1,506	4,500	12,000	167%
Meeting Expense	45150	525	600	600	0%
Travel & Reimbursed Expense	45210	5,634	10,615	14,500	37%
TOTAL ADMINISTRATIVE EXPENSES		<u>14,757</u>	<u>22,974</u>	<u>36,100</u>	<u>57%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		1,902,247	2,348,046	2,391,263	2%
FIXED ASSETS					
Fixed Asset Acquisition	48150	<u>0</u>	<u>0</u>	<u>45,515</u>	<u>%</u>
TOTAL SECTION EXPENSES		<u>\$1,902,247</u>	<u>\$2,348,046</u>	<u>\$2,436,778</u>	<u>4%</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 RTAA regulations.
- Maximize revenue by continued personnel training, exploration of potential new sources, and utilization of proven advanced technologies.
- Provide the highest quality of parking services, while maintaining safe and secure facilities.
- Communicate with ground transportation (GT) providers and staff to ensure high quality customer service and compliance with RTAA regulations and guidelines.
- Maintain and review landside operations policies and procedures to ensure continuity of staff processes such as cash handling, customer service and minor system maintenance and repairs.
- With the recent introduction of Transportation Network Companies (TNCs) such as Uber and Lyft, closely monitor and adjust operating guidelines and technology to ensure their successful integration into RNO operations.

Landside Operations – Initiatives:

FY 2018-19 New Initiatives

1. Maintain and enhance parking and ground transportation revenue

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Public Parking / Rental Car / Ground Transportation Revenues

Description: Public parking and rental car concession and facility leases are the main source of RTAA non-airline revenues. With the introduction of TNCs and the potential future for autonomous vehicles, the uses of these services may decrease the use of these RTAA services. In this new emerging environment, the RTAA will need to evaluate market segmentation and other parking/price options. This initiative is to monitor the impact of these new trends on RTAA's public parking revenues.

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Performance Measure: Achieve total public parking and ground transportation revenue of \$12,182,500 during FY 2018-19.

2. Upgrade the parking revenue control system.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Public Parking / Rental Car / Ground Transportation Revenues

Description: The existing system hardware is over ten years old and has been in operation for its expected lifespan. It has become more difficult to find replacement parts as the parking system vendor has introduced newer hardware. Furthermore, the request also includes an upgrade to the system software. The new software will be integral in achieving modernizations to the parking program that are not feasible with the current system. Also, this initiative will upgrade License Plate Recognition (LPR) hardware and software, which will help streamline operations as well as protect RTAA from potential revenue loss. The new system will also open up new payment options that may lead to additional revenue; however further investigation is needed before any implementation.

Performance Measure: Complete system implementation by June 30, 2019.

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LANDSIDE OPERATIONS

Section 403

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$451,497	\$625,300	\$624,300	0%
Temporary Employees	41120	(349)	0	0	0%
Vacation Pay	41130	36,568	2,200	1,000	-55%
Sick Leave	41140	19,059	5,900	1,300	-78%
Holiday Pay	41150	26,040	5,000	5,000	0%
Comp Time	41160	896	0	0	0%
Workers Comp Pay	41170	796	0	0	0%
Payroll Accrual	41195	6,927	0	0	0%
Overtime Pay	41210	27,715	21,000	24,972	19%
Shift Differential	41230	20,821	21,500	28,094	31%
Holiday worked Pay	41280	16,889	17,500	23,723	36%
Premium Payroll Accrual	41285	738	0	0	0%
Medicare	41320	8,530	9,100	9,100	0%
FICA	41321	(59)	0	0	0%
Group Insurance	41340	104,942	129,300	177,600	37%
Disability Insurance	41342	4,991	6,000	6,100	2%
Vision Insurance	41344	1,636	1,800	2,100	17%
Dental Insurance	41347	10,752	10,700	14,600	36%
Workers Comp	41350	17,378	21,600	16,100	-25%
Retirement	41360	151,281	175,100	174,800	0%
Accrued PERS Expense	41365	2,065	0	0	0%
Uniform Allowance	41380	700	800	1,400	75%
TOTAL PERSONNEL SERVICES		909,813	1,052,800	1,110,189	5%
PURCHASED SERVICES					
Other Professional Services	43190	273,475	0	0	0%
Office Equipment Rental	43210	2,758	2,580	0	-100%
Equipment Rental	43211	15,229	13,788	33,036	140%
Contracted Services	43340	6,944	287,143	282,440	-2%
Maintenance Agreement-Copier	43345	0	0	1,500	%
Other Repair/Maintenance Svcs	43390	1,016	2,200	2,200	0%
Freight Expense	43430	1,223	1,100	1,210	10%
Contracted Services - Towing	43450	168	200	600	200%
Other Purchased Services	43490	352	3,880	2,115	-45%
TOTAL PURCHASED SERVICES		301,165	310,891	323,101	4%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,683	1,800	2,000	11%
Paper	44110	184	250	250	0%
Postage	44120	46	200	200	0%
Printing & Forms	44130	10,765	12,700	13,330	5%
Medical Supplies	44270	0	50	80	60%
Other Operating Supplies	44290	514	2,190	3,384	55%
Machinery	44330	1,176	18,800	12,600	-33%
Office Small Equipment	44410	0	850	850	0%
Small Office Furniture	44415	68	0	0	0%

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LANDSIDE OPERATIONS

Section 403

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Sign and Sign Maintenance	44430	5,633	10,000	6,000	-40%
Employee Safety Equipment	44450	0	200	200	0%
TOTAL MATERIALS & SUPPLIES		21,068	47,040	38,894	-17%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,465	1,500	1,590	6%
Conference Registration Fees	45130	699	1,000	1,050	5%
Meeting Expense	45150	0	100	100	0%
Travel & Reimbursed Expense	45210	1,613	2,000	1,920	-4%
Credit Card Fees	45500	244,484	286,542	280,500	-2%
TOTAL ADMINISTRATIVE EXPENSES		248,261	291,142	285,160	-2%
TOTAL SECTION EXPENSES		<u>\$1,480,307</u>	<u>\$1,701,873</u>	<u>\$1,757,344</u>	<u>3%</u>

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Airport Fire

Mission Statement: Respond to emergencies including aircraft rescue and firefighting (ARFF) services, structural fire protection, hazardous materials spill response, and emergency first aid services. In addition, Airport Fire conducts fire and safety inspections, provides fire prevention activities, and trains RTAA employees and tenants in various environmental, health and safety programs.

Key Duties and Responsibilities:

- Maintain emergency response capabilities by ensuring equipment and staffing is kept at an appropriate level.
- Validate effectiveness of Driver/Operator and Acting Captain certification training programs.
- Provide aircraft refueling vehicle inspection training for all Airport Fire Division employees due to rotation of inspection program.
- Encourage participation in external training to maintain current fire and emergency services certifications.
- Participate in training employees in fire prevention practices, confined space, fire extinguisher and hazardous materials subjects.
- Maintain ARFF facilities and vehicles in operational readiness.
- Ensure operational status of all department vehicles, tools and equipment. Ensure a safe, clean and operational station. Order supplies and equipment as needed.
- Provide supervisory training for Fire Captains to include administrative duties and Incident Commander organizational responsibilities.
- Respond to emergencies on RTAA property to provide protection of life, property and the environment.
- Provide specified inspections of all buildings, hangars, aircraft refueling vehicles, and other equipment. Provide hazardous operations standbys as required.
- Conduct scheduled fire and safety inspections on airport property at RNO including tenants and annually at Reno Stead Airport (RTS).
- Enhance fire prevention inspection program for RNO and RTS.
- Maintain high priority focus on safety during firefighting operations and for RNO employees during their daily assigned duties.
- Conduct disaster training as required by the FAA and provide required OSHA safety training and familiarize with new Airport Emergency Plan procedures.
- Prepare all firefighters for bi-annual Emergency Medical Technician recertification.
- Train with local mutual aid agencies focusing on equipment capabilities, communications, incident command procedures and ARFF firefighting techniques.

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AIRPORT RESCUE AND FIRE

Section 404

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$1,150,006	\$1,470,600	\$1,669,986	14%
Vacation Pay	41130	106,665	2,200	4,800	118%
Sick Leave	41140	55,756	4,300	5,600	30%
Holiday Pay	41150	37,668	71,400	50,000	-30%
Comp time	41160	157,395	115,000	155,000	35%
Workers Comp Pay	41170	751	0	0	0%
Payroll Accrual	41195	34,018	0	0	0%
Overtime Pay	41210	93,580	135,000	111,990	-17%
FLSA Overtime Pay	41211	64,600	60,000	60,000	0%
Overtime Call Back	41213	1,037	8,000	4,000	-50%
Premium Payroll Accrual	41285	3,481	0	0	0%
Medicare	41320	24,249	21,000	24,400	16%
Group Insurance	41340	274,828	269,200	281,200	4%
Disability Insurance	41342	1,506	6,900	7,300	6%
Vision Insurance	41344	172	200	300	50%
Dental Insurance	41347	1,378	1,500	2,500	67%
Workers Comp	41350	48,658	35,200	27,000	-23%
Retirement	41360	548,834	569,300	639,400	12%
Accrued PERS Expense	41365	7,862	0	0	0%
Uniform Allowance	41380	8,921	13,000	13,000	0%
Post Employment Health Plan	41410	0	0	43,400	%
TOTAL PERSONNEL SERVICES		2,621,365	2,782,800	3,099,876	11%
PURCHASED SERVICES					
Office Equipment Rental	43210	1,740	2,200	0	-100%
Contracted Services	43340	6,554	10,011	11,408	14%
Maintenance Agreement-Copier	43345	0	0	1,000	%
Other Repair/Maintenance Svcs	43390	5,690	2,200	9,550	334%
Freight Expense	43430	2,441	2,000	3,300	65%
Other Purchased Services	43490	980	1,875	1,375	-27%
TOTAL PURCHASED SERVICES		17,404	18,286	26,633	46%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,178	2,100	2,100	0%
Paper	44110	107	300	300	0%
Postage	44120	19	25	25	0%
Printing & Forms	44130	327	650	650	0%
Chemicals	44220	4,411	5,270	7,970	51%
Firefighting Agent AFFF	44225	0	15,750	10,360	-34%
Janitorial Paper Supplies	44250	162	550	550	0%
Janitorial Supplies	44260	1,822	2,000	2,100	5%
Medical Supplies	44270	4,259	19,368	8,804	-55%
Other Operating Supplies	44290	4,230	5,820	4,206	-28%
Turn Outs	44291	375	5,570	5,468	-2%
Repair & Maintenance Supply	44300	365	0	0	0%
Other Repairs-Maint Supplies	44390	320	800	800	0%
Small Tools - Minor Equipment	44400	6,131	12,400	11,701	-6%

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AIRPORT RESCUE AND FIRE

Section 404

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Office Small Equipment	44410	964	400	2,000	400%
Small Office Furniture	44415	0	0	8,000	%
Employee Safety Equipment	44450	6,682	19,608	15,953	-19%
Hazardeous Materials Response	44451	2,126	3,718	3,630	-2%
Emg. Preparedness Stations	44453	360	7,580	9,292	23%
Communications Equipment	44465	437	0	0	0%
TOTAL MATERIALS & SUPPLIES		35,274	101,909	93,909	-8%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	989	1,280	2,970	132%
Books & Subscriptions	45120	3,305	2,068	8,172	295%
Conference Registration Fees	45130	1,800	11,560	13,600	18%
Training Expense	45140	17,785	30,296	35,250	16%
Meeting Expense	45150	138	300	300	0%
Travel & Reimbursed Expense	45210	21,973	25,628	35,272	38%
Employee Mileage Reimbursement	45240	0	110	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		45,989	71,242	95,564	34%
TOTAL EXPENSES BEFORE FIXED ASSETS		2,720,033	2,974,237	3,315,982	11%
FIXED ASSETS					
Fixed Asset Acquisition	48150	9,365	19,500	8,520	-56%
TOTAL SECTION EXPENSES		<u>\$2,729,398</u>	<u>\$2,993,737</u>	<u>\$3,324,502</u>	<u>11%</u>

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Airport Police

Mission Statement: Provided law enforcement services to ensure Reno-Tahoe International Airport (RNO) provides a safe and secure facility in accordance with Transportation Security Regulation (TSR), Part 1542 and Nevada Revised Statutes.

Key Duties and Responsibilities:

- Provide Airport Police Officer vehicle and foot patrols for the safety of the traveling public.
- Meet the requirements of Transportation Security Regulation (TSR) Part 1542 and assist air carriers with requirements for TSR Part 1542 and 1544.
- Provide Field Training Officer Program for new officer(s) and continue professional development training and annual training requirements in accordance with Nevada Peace Officer Standards and Training (P.O.S.T.).
- Supply and maintain uniforms and equipment.
- Document criminal activity and conduct investigations occurring on airport property. Conduct investigations of criminal incidents occurring on airport property.
- Participate and comply in the Transportation Security Administration (TSA) National Explosive Detection Canine Team Program.
- Maintain affiliation and certification with the Commission on Accreditation for Law Enforcement (CALEA).
- Provide law enforcement support for Customs and Border Protection during arriving international flights.

Airport Police - Initiatives:

FY 2018-19 New Initiatives

1. Maintain and enhance communication and cooperation with Customs and Border Protection (CPB).

Strategic Initiative: Safety and Security

Long-Term Goal: Emergency Response Preparedness

Description: As security risks associated with visitors from foreign countries evolves and expands beyond the traditional screening and verification, it is imperative that the RTAA and CPB work together to prepare for ever changing scenarios, while making the customer experience as efficient and pleasant as possible. This initiative is to expand the RTAA's cooperation with the CPB to efficiently deploy resources, enhance communication,

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coordinate law enforcement support and work toward enforcing the laws at the same time improving the experience of visitors to our region from across the globe.

Performance Measure: Meet quarterly with the RNO CPB Port Director and/or key CPB staff during FY 2018-19 to coordinate operations and situational responses.

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AIRPORT POLICE

Section 405

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$1,454,576	\$1,892,200	\$2,044,500	8%
Vacation Pay	41130	132,412	7,800	14,600	87%
Sick Leave	41140	97,302	10,800	13,800	28%
Holiday Pay	41150	81,340	14,000	15,000	7%
Comp time	41160	28,462	30,000	30,000	0%
Payroll Accrual	41195	25,843	0	0	0%
Overtime Pay	41210	111,950	100,000	100,000	0%
FLSA Overtime	41211	4,000	5,000	5,000	0%
Overtime Call Back	41213	2,662	1,500	1,500	0%
Shift Differential	41230	55,969	57,000	60,000	5%
Holiday worked Pay	41280	45,061	42,000	42,000	0%
Premium Payroll Accrual	41285	2,500	0	0	0%
Medicare	41320	28,500	27,200	29,400	8%
Group Insurance	41340	244,446	300,700	302,600	1%
Disability Insurance	41342	15,224	16,500	17,600	7%
Vision Insurance	41344	3,701	4,100	3,500	-15%
Dental Insurance	41347	24,719	26,000	24,900	-4%
Workers Comp	41350	45,449	51,000	33,300	-35%
Retirement	41360	703,070	733,500	793,900	8%
Accrued PERS Expense	41365	10,493	0	0	0%
Uniform Allowance	41380	17,019	18,000	18,000	0%
Post Employment Health Plan	41410	0	1,000	1,000	0%
TOTAL PERSONNEL SERVICES		3,134,698	3,338,300	3,550,600	6%
PURCHASED SERVICES					
Data Processing	43130	3,191	3,466	3,466	0%
Office Equipment Rental	43210	5,783	5,100	0	-100%
Contracted Services	43340	4,459	6,000	7,000	17%
Maintenance Agreement-Copier	43345	0	0	2,500	%
Freight Expense	43430	408	1,000	700	-30%
Other Purchased Services	43490	3,301	4,000	3,000	-25%
TOTAL PURCHASED SERVICES		17,142	19,566	16,666	-15%
MATERIALS & SUPPLIES					
Office Supplies	44100	3,908	4,000	4,000	0%
Paper	44110	109	250	250	0%
Postage	44120	93	100	100	0%
Printing & Forms	44130	696	500	500	0%
Janitorial Supplies	44260	415	0	0	0%
Medical Supplies	44270	130	250	200	-20%
Other Operating Supplies	44290	376	0	0	0%
Firearms	44293	6,089	15,100	7,000	-54%
Canine	44294	6,707	7,000	7,000	0%
Small Tools - Minor Equipment	44400	7,823	15,000	10,000	-33%
Office Small Equipment	44410	932	500	500	0%
Small Office Furniture	44415	352	0	0	0%

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AIRPORT POLICE

Section 405

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Employee Safety Equipment	44450	17,926	7,500	7,540	1%
Communications Equipment	44465	12,913	0	0	0%
TOTAL MATERIALS & SUPPLIES		58,470	50,200	37,090	-26%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	7,175	5,920	6,300	6%
Books & Subscriptions	45120	149	0	0	0%
Conference Registration Fees	45130	1,380	5,385	6,235	16%
Training Expense	45140	3,201	7,500	12,300	64%
Travel & Reimbursed Expense	45210	3,054	19,500	20,050	3%
TOTAL ADMINISTRATIVE EXPENSES		14,960	38,305	44,885	17%
TOTAL EXPENSES BEFORE FIXED ASSETS		3,225,270	3,446,371	3,649,241	6%
FIXED ASSETS					
Fixed Asset Acquisition	48150	0	58,925	127,004	116%
TOTAL SECTION EXPENSES		<u>\$3,225,270</u>	<u>\$3,505,296</u>	<u>\$3,776,245</u>	<u>8%</u>

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Airport Security

Mission Statement: Provide airport security services to ensure Reno-Tahoe International Airport (RNO) provides a secure facility in accordance with U.S. Code of Federal Regulations, Part 1542 and other Transportation Security Administration (TSA) security directives.

Key Duties and Responsibilities:

- Write, maintain and ensure compliance with the TSA approved Airport Security Program.
- Provide 24/7/365 patrols and staffing to ensure security of terminal, ground transportation areas and airfield access gates.
- Develop security plans to serve as guidelines to employees, tenants and contractors to meet the applicable standards of 49 CFR 1542 and the RTAA rules and regulations.
- Ensure all RNO security access badge applicants meet TSA requirements with regard to Criminal History Records Checks and Security Threat Assessments.
- Provide input and review construction plans of RNO projects to ensure that the physical security and TSA requirements for protecting facilities are met.
- Attend industry seminars and keep current on security related news and trends.
- Provide security training to all security badge holders and ensure the relevance and accuracy of Interactive Employee Training.
- Attend necessary meetings both within and outside RTAA to provide input and gather information on security related matters.
- Ensure general maintenance and safe operation of all Security Division vehicles and bicycles.
- Provide for the professional growth of Security Specialists through training, staff meetings, and feedback on work performance.
- Meet requirements of 14 CFR Part 1542 and other Transportation Security Administration (TSA) security directives.
- Facilitate the annual aviation security tabletop exercise.
- Provide for the security of the traveling public through responses to door alarms, inspections of badges, badge holders and deliveries.

Airport Security - Initiatives:

FY 2018-19 New Initiatives

1. Pass TSA 1542 Inspections.

Strategic Initiative: Safety and Security

Long-Term Goal: TSA Part 1542 Compliance

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Description: The RTAA is not allowed to operate RNO unless it adopts and carries out a security program as approved by the TSA. The Part 1542 Airport Security Inspection process is to ensure the RTAA provides for the safety and security of persons and property on an aircraft against an act of criminal violence, aircraft piracy, and/or the introduction of an unauthorized weapon, explosive, or incendiary device onto an aircraft.

Performance Measure: Pass the Part 1542 Airport Security Inspection with less than eight (8) discrepancies noted by the TSA.

2. Conduct a TSA 1542 Security exercise

Strategic Initiative: Safety and Security

Long-Term Goal: TSA Part 1542 Compliance

Description: TSA Part 1542 requires these annual events to maintain compliance at a commercial service airport.

Performance Measure: Complete the exercise with ten (10) participating outside agencies and receive verification of the acceptance of the exercise by the TSA Reno Assistant Federal Security Director by June 30, 2019.

3. Maintain and enhance communication and cooperation with the TSA.

Strategic Initiative: Safety and Security

Long-Term Goal: Emergency Response Preparedness

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

Performance Measure: The President/CEO and other key RTAA staff will meet monthly with the TSA Reno Assistant Security Director and/or key TSA staff during FY 2018-19 to coordinate operations and situational responses.

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$616,585	\$850,100	\$882,000	4%
Vacation Pay	41130	56,252	3,500	5,800	66%
Sick Leave	41140	32,265	5,700	6,900	21%
Holiday Pay	41150	37,898	11,000	15,000	36%
Payroll Accrual	41195	10,215	0	0	0%
Overtime Pay	41210	24,195	25,000	25,000	0%
Overtime Call Back	41213	181	0	0	0%
Shift Differential	41230	31,968	31,000	31,000	0%
Holiday worked Pay	41280	25,161	25,000	25,000	0%
Premium Payroll Accrual	41285	742	0	0	0%
Medicare	41320	11,696	12,300	12,800	4%
Group Insurance	41340	158,512	198,000	217,300	10%
Disability Insurance	41342	6,924	7,900	7,900	0%
Vision Insurance	41344	2,152	2,700	2,500	-7%
Dental Insurance	41347	13,968	16,600	18,400	11%
Workers Comp	41350	25,309	30,700	23,000	-25%
Retirement	41360	217,674	238,000	246,900	4%
Accrued PERS Expense	41365	2,979	0	0	0%
Uniform Allowance	41380	7,638	8,000	10,000	25%
TOTAL PERSONNEL SERVICES		1,282,314	1,465,500	1,529,500	4%
PURCHASED SERVICES					
Other Professional Services	43190	40,000	40,000	40,000	0%
Office Equipment Rental	43210	1,670	2,000	0	-100%
Contracted Services	43340	931	1,000	1,000	0%
Maintenance Agreement-Copier	43345	0	0	1,500	%
Other Repair/Maintenance Svcs	43390	0	750	450	-40%
Freight Expense	43430	255	350	350	0%
TOTAL PURCHASED SERVICES		42,855	44,100	43,300	-2%
MATERIALS & SUPPLIES					
Office Supplies	44100	20,220	25,000	25,000	0%
Paper	44110	71	100	100	0%
Postage	44120	8	25	25	0%
Printing & Forms	44130	1,019	1,000	1,000	0%
Medical Supplies	44270	130	75	150	100%
Small Tools - Minor Equipment	44400	410	1,000	500	-50%
Office Small Equipment	44410	0	300	300	0%
Employee Safety Equipment	44450	408	500	600	20%
TOTAL MATERIALS & SUPPLIES		22,267	28,000	27,675	-1%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	275	275	550	100%
Conference Registration Fees	45130	2,250	2,150	2,300	7%

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AIRPORT SECURITY

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Training Expense	45140	96	500	1,400	180%
Meeting Expense	45150	0	0	50	%
Travel & Reimbursed Expense	45210	2,312	4,500	4,500	0%
Other Advertising & Promotion	45390	99	600	600	0%
TOTAL ADMINISTRATIVE EXPENSES		5,032	8,025	9,400	17%
TOTAL EXPENSES BEFORE FIXED ASSETS		1,352,468	1,545,625	1,609,875	4%
FIXED ASSETS					
Fixed Asset Acquisition	48150	0	205,570	5,825	-97%
TOTAL SECTION EXPENSES		<u>\$1,352,468</u>	<u>\$1,751,195</u>	<u>\$1,615,700</u>	<u>-8%</u>

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Planning and Environmental Services

Mission Statement: Develop, maintain and update the programs for the future orderly development of Reno-Tahoe International Airport (RNO) and Reno-Stead Airport (RTS), which satisfies aviation demand and yields safe, efficient, economical and environmentally acceptable air transportation facilities.

Key Duties and Responsibilities:

Planning

- Prepare planning studies for RNO and RTS.
- Operate and maintain an enterprise Geographical Information System (GIS) at RNO.
- Coordinate with FAA on various capital improvement projects.
- Coordinate with outside agencies and internal stakeholders regarding aviation development planning.
- Coordinate with outside agencies and internal stakeholders regarding land development and land use planning.
- Submit to the FAA the annual Airport Capital Improvement Programs (ACIP) for both RNO and RTS.
- Assist with conversion of under-utilized vacant land into revenue producing uses and the disposal of land not needed for airport purposes.
- Maintain and update the Airport Layout Plans for RNO and RTS.
- Review development proposals and regulation and code changes from each of the three impacted jurisdictions, which impact the safe operations at both airports as a result of noise, height, and safety issues.

Environmental

- Coordinate environmental planning programs including the Environmental Management System.
- Maintain and expand the RNO recycling program.
- Track, monitor, and evaluate annual sustainability initiatives and update the Annual Sustainability Report.
- Fulfill environmental compliance and regulatory programs.
- Complete annual storm water pollution prevention inspections of airport and tenant facilities.
- Complete annual update of water rights recognition.
- Oversee the RTS Solvent Site consent decree remediation program.

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- Complete annual regulated garbage compliance agreement and oversee quarterly inspections pursuant to United States Department of Agricultural (USDA), Animal and Plant Health Inspection Services (APHIS), and US Customs Border Protection (CBP).
- Identify and monitor underground and aboveground storage tanks for RTAA and tenants with tanks on RTAA property.
- Evaluate and coordinate the proposed use of solar power for electrical generation at both RNO and RTS airports.

Noise

- Track and monitor new flight procedures.
- Operate and maintain a permanent noise and operations monitoring system.
- Prepare RNO annual noise contours.
- Receive, review and respond to all noise complaint calls and sound insulation program warranty calls.
- Facilitate Airport Noise Advisory Panel.
- Address miscellaneous noise issues.

Planning and Environmental Services - Initiatives:

FY 2017-18 Current Initiatives

1. Update the U.S. Army Corps of Engineers Waters of the US Jurisdictional Determination for RNO.

Strategic Initiative/Guiding Principle: Environmental Responsibility

Description: The current Jurisdictional Determination (JD) expires on January 1, 2019. All RNO projects that request approval or funding from the FAA require verification of the JD status and an evaluation of the project's potential direct and indirect impacts on the Waters of the U.S.

Performance Measure: Receipt of updated RNO JD prior to June 30, 2018.

Progress: 100% Achieved. The updated RNO jurisdiction determination was received on December 14, 2017. During the reevaluation, approximately 3.37 acres of aquatic resources and approximately 3.77 acres of wetlands subject to US Army Corps of Engineers' regulations under Section 404 of the Clean Water Act were identified. The approved determination is valid for five years or until December 14, 2022.

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2. Roll out the Geographical Information Systems (GIS) applications and develop an employee training program.

Strategic Initiative/Guiding Principle: Increase Air Service, Optimize General Aviation Operations & Services, Expand Cargo Development & Service, and Facilitate Economic Development at RNO

Description: As of July 1, 2018, there will be five (5) GIS applications ready for use by employees upon formal training. The consultant's data maintenance policies and recommendations will form the framework for the GIS training program.

Performance Measure: Train initial group of employees on new GIS applications by June 30, 2018.

Progress: 100% Achieved. Staff developed six (6) new GIS web applications and conducted twelve (12) training sessions open to all employees.

3. Conduct an employee/tenant needs assessment for electric vehicle charging stations and identify associated resource requirements.

Strategic Initiative/Guiding Principle: Environmental Responsibility.

Description: With the forecasted growth and improved affordability of electric cars, this initiative will evaluate the current and future need of charging stations by RTAA employees and tenants.

Performance Measure: Complete the assessment and submit a capital project request for additional charging stations, if needed, by June 30, 2018.

Progress: 100% Completed. On February 14, 2018, Planning and Environmental staff completed the employee/tenant needs assessment for plug-in electric vehicles (PEV) charging stations at RNO. The findings concluded that, although there are many environmental and social reasons to support the installation of workplace PEV charging stations, Planning & Environmental staff do not recommend pursuing workplace PEV charging stations at this time due to the low level of current interest and/or usage anticipated. As PEVs become more popular in the future, the RTAA can and should re-evaluate this position.

4. Enhance the RTAA's recycling program to further encourage and support the collection of recyclable materials.

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Strategic Initiative/Guiding Principle: Environmental Responsibility.

Description: The recycling program’s primary focus is to collect commingled (single-stream) recyclables at select terminal and concourse locations. The single-stream collection includes all plastics, aluminum cans, glass, mixed paper, and cardboard. This recycling initiative helps improve the RTAA’s recycling and waste diversion efforts, assists the airlines with its single-stream recycling programs, and reduces hauling and recycling costs. Other recyclable materials such as batteries continue to be collected separately.

Performance Measure: Collect and recycle 15% or more of RNO’s total waste volume.

Progress: 100% Achieved. The RTAA completed FY 2017-18 by recycling 15.3% of its total waste volume. Although the RTAA continues to experience the impacts of an on-going reduction in the market for recycled paper that commenced during the 1st quarter of 2018, an increase in other recyclables (aluminum, plastics, and batteries) during the 2nd quarter of 2018 helped bridge this gap. In addition, a continued campaign to employees and tenants helped to increase the amount of marketable recyclable materials diverted to make up for the downtrend in the paper recyclable market.

FY 2018-19 New Initiatives

1. Hire a program consultant and develop a Master Plan implementation schedule.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: With the adoption of the RNO Master Plan in June 2018, the next step is to begin implementation of the capital projects in the short-term development plan. A comprehensive approach was identified to address the following priority projects:

- ✓ Relieve congestion in RNO Public Parking and rental car facilities
- ✓ Replace RNO terminal concourses and provide a new Customs and Border Protection facility
- ✓ Modernize the RNO Terminal Building to accommodate future technologies and enhance customer experience and wayfinding

To establish priorities, schedule and critical path actions, the RTAA will hire a program management consultant to assist staff in the development of an implementation plan and to review this plan with the Board of Trustees.

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Performance Measure: Select consultant and complete the RNO Master Plan implementation schedule by June 30, 2019.

2. Initiate a Consolidated Rental Car (CONRAC) facility programming study and hold consultation meetings with the rental car companies.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: RNO's growth over the past five years has resulted in congestion in the public parking and rental car ready return lot in the parking structure. To address these issues, the adopted Master Plan recommends the construction of a CONRAC facility to move rental cars out of the public parking structure, which will increase capacity for both operations and improve customer service.

The initial steps are to begin programmatic design to better understand the scope of the project and funding needs of the CONRAC facility. In consultation with the rental car industry, this initiative will focus on facility requirements, site challenges and opportunities, developing of an operations plan that best supports efficient rental car operations, traffic engineering and initial cost estimates.

Performance Measure: Select consultant and begin the CONRAC programmatic study by June 30, 2019.

3. Develop and submit alternatives to preserve I-580 highway access.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Attractiveness and Functional Advancement

Description: The central location of RNO is a competitive advantage to the airport itself and the region overall. Under the adopted 20-year Master Plan, the RNO's location will be maintained in the center of the Reno-Sparks region. Strategies and collaboration with community partners will be important to increase the ease of access from I-580 as significant improvements are constructed in the future.

Ease of access also includes customer flow. Surveys highlight customer appreciation for the convenient facilities that make travel quick and easy. Proximity of the parking garage and rental cars to ticket lobby, checkpoint and bag claim must be maintained, in accordance with the Master Plan, to continue to meet and exceed customer expectations.

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This initiative will work with the Nevada Department of Transportation (NDOT) to develop alternatives to existing plans that maintain direct highway access to RNO, while remaining very supportive of their efforts to improve congestion and safety issues with I-580.

Performance Measure: Hire a traffic engineer, draft an alternative to the current I-580 preliminary concept, and work with NDOT to reach a mutually acceptable solution by June 30, 2019. In addition, this effort will work to have the RTAA's alternative considered in the environmental impact statement for this project.

4. Outreach to tenants to promote increased use the RTAA Recycling Program.

Strategic Initiative: Sustainability

Long-Term Goal: Environmental Responsibility and Awareness

Description: The recycling program's primary focus is to collect commingled (single-stream) recyclables at select terminal and concourse locations. The single-stream collection includes all plastics, aluminum cans, glass, mixed paper, and cardboard. This recycling initiative helps improve the RTAA's recycling and waste diversion efforts, assists the airlines with its single-stream recycling programs, and reduces hauling and recycling costs. Other recyclable materials such as batteries continue to be collected separately.

This initiative will involve outreaching to RNO tenants to encourage and facilitate enhanced use of the RTAA's recycling program to increase the overall level of recycling

Performance Measure: Hold four (4) outreach and education meetings with RNO tenants by June 30, 2019.

5. Compile and complete the 2018 Sustainability Report.

Strategic Initiative: Sustainability

Long-Term Goal: Environmental Responsibility and Awareness

Description: The annual Sustainability Report outlines the RTAA's commitment to sharing and promoting the dedicated efforts to integrate sustainability principles and practices into all aspects of airport management and operations at both RNO and RTS. With a holistic focus across the entire organization, the RTAA strives to maintain its reputation for ensuring the economic viability, operational efficiency, natural resource conservation, and social responsibility of our organization.

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This initiative will continue the annual reporting effort started in 2016.

Performance Measure: Complete the 2018 report by June 30, 2019.

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$567,297	\$720,500	\$750,200	4%
Vacation Pay	41130	53,809	5,100	9,100	78%
Sick Leave	41140	27,195	10,900	11,200	3%
Holiday Pay	41150	33,399	0	0	0%
Comp Time	41160	1,487	0	0	0%
Payroll Accrual	41195	9,633	0	0	0%
Overtime Pay	41210	281	200	200	0%
Automobile Allowance	41250	4,985	4,800	4,800	0%
Premium Payroll Accrual	41285	66	0	0	0%
Medicare	41320	9,920	10,400	10,900	5%
Group Insurance	41340	64,590	75,600	80,300	6%
Disability Insurance	41342	6,819	7,400	7,700	4%
Vision Insurance	41344	861	1,100	1,000	-9%
Dental Insurance	41347	5,146	6,500	6,900	6%
Workers Comp	41350	624	700	700	0%
Retirement	41360	186,067	201,700	210,100	4%
Accrued PERS Expense	41365	2,728	0	0	0%
TOTAL PERSONNEL SERVICES		974,906	1,044,900	1,093,100	5%
PURCHASED SERVICES					
Data Processing	43130	0	0	7,626	%
Consultants - Engineering	43150	0	0	100,000	%
Other Professional Services	43190	9,117	32,500	99,000	205%
Office Equipment Rental	43210	3,212	3,900	0	-100%
Maintenance Agreement-Copier	43345	0	0	1,440	%
Other Repair/Maintenance Svcs	43390	0	5,200	11,320	118%
Freight Expense	43430	996	150	150	0%
Permits & Records Fees	43460	900	1,150	1,150	0%
Other Purchased Services	43490	6,432	9,420	2,120	-77%
TOTAL PURCHASED SERVICES		20,657	52,320	222,806	326%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,817	3,000	3,000	0%
Paper	44110	344	1,000	600	-40%
Postage	44120	133	200	200	0%
Printing & Forms	44130	3,416	800	600	-25%
Small Office Furniture	44415	5,018	0	1,600	%
TOTAL MATERIALS & SUPPLIES		11,727	5,000	6,000	20%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	2,876	2,470	2,565	4%
Books & Subscriptions	45120	1,212	1,600	1,600	0%
Conference Registration Fees	45130	1,380	5,065	5,345	6%
Training Expense	45140	350	1,350	2,435	80%
Meeting Expense	45150	3,126	5,000	750	-85%

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PLANNING AND ENVIRONMENTAL SERVICE:

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	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Travel & Reimbursed Expense	45210	3,943	16,025	13,890	-13%
Conference Sponsorship	45391	7,329	0	0	0%
TOTAL ADMINISTRATIVE EXPENSES		20,216	31,510	26,585	-16%
TOTAL EXPENSES BEFORE FIXED ASSETS		1,027,506	1,133,730	1,348,491	19%
FIXED ASSETS					
Fixed Asset Acquisition	48150	17,820	0	0	0%
TOTAL SECTION EXPENSES		<u>\$1,045,326</u>	<u>\$1,133,730</u>	<u>\$1,348,491</u>	<u>19%</u>

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Engineering

Mission Statement: Provide programming, engineering, and construction management for the development of capital projects and facilities for safe and efficient airport operations for Reno-Tahoe International Airport (RNO) and Reno-Stead Airport (RTS) users and employees.

Key Duties and Responsibilities:

- Define and allocate Engineering Division resources.
- Provide project programming and cost estimating for capital project budgets.
- Manage engineering and construction management services for all RNO and RTS capital improvement projects.
- Provide architecture, computer aided design, and graphics technical support.
- Administer all FAA Airport Improvements Program (AIP) Grants.
- Manage the Qualified Consultants List and Request for Qualification (RFQ) solicitations.
- Provide project management services in support of Airport Economic Development and Maintenance and Facilities sponsored projects.
- Solicit, negotiate, and manage all engineering professional services contracts.
- Procure and administer construction contracts.
- Ensure compliance with all federal and state labor and wage requirements for construction contracts.
- Coordinate and ensure compliance with the Disadvantaged Business Enterprise (DBE) program management and compliance.
- Provide technical support services for RTAA tenant improvements.
- Implement a Small Business Enterprise (SBE) component into the RTAA Disadvantaged Business Enterprise (DBE) program.
- Implement DBE Diversity study initiatives.

Engineering - Initiatives:

FY 2017-18 Current Initiatives

- 1. Update and modify RTAA Disadvantaged Business Enterprise (DBE) program goals to reflect findings of the Inter-Agency DBE Disparity Study.**

Strategic Initiative/Guiding Principle: Financial Integrity

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Description: Update the current RTAA DBE program goals to incorporate applicable information from the 2016 DBE Disparity Study for DBE utilization on federally funded construction projects.

Performance Measure: Completion of DBE goals update by June 30, 2018.

Progress: 100% Completed. Based on Disparity Study survey data and availability determination, the following are the DBE participation rates for RNO and RTS associated with FAA Airport Improvement Program construction projects:

RNO DBE Goals

Goal Classification	Goal
Race Neutral	0.5%
Race Conscious	7.8%
Total RNO DBE Goal	8.3%

RTS DBE Goals

Goal Classification	Goal
Race Neutral	7.4%
Race Conscious	4.2%
Total RTS DBE Goal	11.6%

2. **Reconfigure the Airport Capital Improvement Program (ACIP) airfield capital improvement projects, including program level modifications, to reflect the realignment of identified additional project scope.**

Strategic Initiative/Guiding Principle: Safety and Security and Financial Integrity.

Description: Realignment of project scope and sequence for future airfield construction projects utilizing the RNO Master Plan to inform the ACIP funding request.

Performance Measure: Incorporate program modifications into the FY 2018 ACIP submittal to the FAA in January 2018.

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Progress: 100% Achieved. Initial programming was completed and submitted in the most recent ACIP submittal to the FAA. The RTAA is currently in the design phase of the Rehabilitation of Runway 16R/34L and the recently adopted RNO Master Plan identified additional airfield projects for future ACIP submittals.

FY 2018-19 New Initiatives

1. Complete Phase 1 design of Runway 16R/34L and the East Airfield Light Vault (ALV) Improvements.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: This runway was last rehabilitated in 1993 and the Pavement Condition Index (PCI) indicates that the concrete surface is nearing the end of its useful life. This condition is reflected in an increasing amount of maintenance being required to mitigate breakage resulting in foreign object debris. The runway portion of this project is to preserve the capacity of the airside infrastructure in order to meet existing and forecasted operations in the RNO Master Plan.

Construction of a new ALV building will provide for the replacement and reconfiguration of power distribution and control equipment at a location compatible with overall airport development. In addition, replacement of the current 1970 building and related equipment is required due to the age and lack of capacity of the existing facility. Facility replacement will provide for required additional capacity and ensure reliable operation and maintenance of the airfield lighting system with the installation of new electrical distribution equipment, lighting components, and controls.

Performance Measure: Complete design of this capital improvement project by June 30, 2019.

2. Issue Bid Documents and Select Vendors-Airport Communications Center Remodel

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancements

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,

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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. The core technologies are entering their eleventh 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: planning and 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 significant building modifications/ remodel and HVAC upgrades to accommodate the system upgrades.

Performance Measure: Issue bid documents and select vendor for improvement project by June 30, 2019.

3. Complete an annual condition assessment of one-third of pavement at both RNO and RTS.

Strategic Initiative: General Aviation

Long-Term Goal: GA User Needs and Market Demand

Description: The FAA requires the RTAA to implement an active pavement management program, which includes pavement inspections and required maintenance and repairs. This will ensure that existing airfield pavements remain at a good level of service and achieve the pavement design life. This initiative is focused on the evaluation of pavement used exclusively by GA aircraft to evaluate the condition and program preventive maintenance and repairs that may needed.

Performance Measure: Complete the annual pavement condition assessment at both airports by June 30, 2019.

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ENGINEERING AND CONSTRUCTION

Section 503

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$407,632	\$479,600	\$581,000	21%
Vacation Pay	41130	41,623	8,400	10,400	24%
Sick Leave	41140	23,255	8,600	9,800	14%
Holiday Pay	41150	23,736	0	0	0%
Comp Time	41160	409	0	0	0%
Payroll Accrual	41195	6,865	0	0	0%
Medicare	41320	6,974	6,500	8,400	29%
Group Insurance	41340	50,590	56,400	66,200	17%
Disability Insurance	41342	4,730	5,100	6,000	18%
Vision Insurance	41344	689	800	800	0%
Dental Insurance	41347	4,595	5,000	5,800	16%
Workers Comp	41350	446	500	600	20%
Retirement	41360	131,770	142,500	171,500	20%
Accrued PERS Expense	41365	1,927	0	0	0%
TOTAL PERSONNEL SERVICES		705,238	713,400	860,500	21%
PURCHASED SERVICES					
Other Professional Services	43190	0	10,500	5,000	-52%
Office Equipment Rental	43210	1,970	2,000	0	-100%
Other Repair/Maintenance Svc	43390	900	0	0	0%
Freight Expense	43430	59	200	200	0%
Maintenance Agreement-Copier	43345	0	0	1,200	%
Other Purchased Services	43490	4,092	5,600	5,600	0%
TOTAL PURCHASED SERVICES		7,022	18,300	12,000	-34%
MATERIALS & SUPPLIES					
Office Supplies	44100	479	600	600	0%
Paper	44110	144	400	400	0%
Postage	44120	61	200	200	0%
Printing & Forms	44130	64	200	200	0%
Small Office Furniture	44415	0	0	1,500	%
TOTAL MATERIALS & SUPPLIES		747	1,400	2,900	107%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	978	1,600	1,500	-6%
Books & Subscriptions	45120	563	600	600	0%
Conference Registration Fees	45130	1,100	4,800	4,800	0%
Training Expense	45140	45	200	200	0%
Meeting Expense	45150	191	400	500	25%
Travel & Reimbursed Expense	45210	1,643	5,400	5,400	0%
Legal Advertisements	45340	646	1,200	7,200	500%
TOTAL ADMINISTRATIVE EXPENSE		5,165	14,200	20,200	42%
TOTAL SECTION EXPENSES		\$718,172	\$747,300	\$895,600	20%

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Section 7 – Expenditures

Facilities and Maintenance Administration

Mission Statement: To maintain RTAA facilities and properties in a safe, secure and efficient manner.

Key Duties and Responsibilities:

- Inspect RTAA property regularly to identify maintenance project requirements.
- Ensure a quality passenger experience by monitoring daily and performing maintenance of the terminal building and operating systems and equipment.
- Train and develop a professional staff.
- Provide management and oversight of the Tenant Improvement Permit program.
- Develop and administer various on-going maintenance programs and investigate and implement new programs.
- Participate in bargaining unit negotiations and employee relations.
- Ensure proper management, accurate project scope development, adequate and timely completion of small capital projects.
- Research and pursue energy efficient building controls, lighting and equipment upgrades.
- Manage Rental Car Facility maintenance of all airport owned rental car facilities.
- Manage all systems and equipment for code and regulatory compliance.

Facilities and Maintenance Administration - Initiatives:

FY 2017-18 Current Initiatives

1. Upgrade Building Control Systems, Phase I and II

Strategic Initiative/Guiding Principle: Financial Integrity

Description: Convert and upgrade HVAC controls and software from pneumatic control to the digital control system. Phase 1 of the project is to convert the HVAC Chiller Plant equipment to the digital system and Phase 2 is to continue ancillary equipment connections to the cooling system and pumps along with converting the Air Handling Units (AHU) in the Bag Claim area of the terminal.

Performance Measure: Project to be designed and completed by June 30, 2018.

Progress: In Progress. As of June 30, 2018, the project is 25% complete with the scheduled completion date of October 30, 2018.

2. Replace 3rd floor garage lighting with light-emitting diode (LED) technology.

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Strategic Initiative/Guiding Principle: Environmental Responsibility and Financial Integrity.

Description: This initiative will reduce electricity usage and associated costs associated with the parking garage lighting. LEDs have many advantages over incandescent light sources, including lower energy consumption, longer lifetime, improved physical robustness, and smaller size. They also have fewer environmental concerns linked to their disposal.

Performance Measure: Complete the LED project by June 30, 2018.

Progress: 100% Completed. The retrofit to LED technology has saved 92,415 kWh (kilowatt hours) which equates to \$10,165 annually. In addition, the RTAA received a rebate from the NV Energy Powershift program of \$5,656 to offset the costs of the upgrade. The project also reduced the airport's carbon footprint by 106,754 pounds and eliminated the environmental impact cost of disposing of the burned out lamps and ballasts. The Return on Investment is 4.6 years on energy savings alone and does not include the reduction in the O&M cost of replacing lights and ballasts, or the labor for on-going replacements as the lights and ballasts burned out.

3. Complete the FY 2017-18 Maintenance Capital Improvement Project (CIP) Program.

Strategic Initiative/Guiding Principle: Safety and Security and Financial Integrity.

Description: This initiative will complete high priority capital improvement projects to maintain RTAA assets and promote safety and security.

Performance Measure: Complete design and construction of the following projects by June 30, 2018:

- a. Replace two (2) overhead roll-up doors at Airfield Maintenance Shop.
- b. Replace roof at 485 South Rock.
- c. Replace carpet in sixteen (16) passenger boarding bridges.
- d. Replace select locations of Administration area carpet.
- e. Refurbish Baggage Handling System Matrix 1 Carousel equipment.

Progress: In Progress. The following is the status of each item:

- ✓ For item (a), the replacement of the overhead doors at the airfield maintenance shop is 100% complete.

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- ✓ For Items (b) and (c), a contract has been awarded and work is scheduled to be completed by September 30, 2018.
- ✓ For Item (d), the carpet has been selected, ordered and delivered on July 19, 2018 with installation to be completed by February 28, 2019.
- ✓ For Item (e), the project has been deferred.

4. Conduct a Water Use Audit and develop a Water Use Reduction Plan.

Strategic Initiative/Guiding Principle: Environmental Responsibility and Financial Integrity.

Description: Living in a high-desert climate with an average annual rainfall of seven inches per year and Lake Tahoe serving as our primary water source, water is a precious and limited resource. This initiative will evaluate the RTAA's water usage and make recommendations on ways to reduce its use.

Performance Measure: Complete the audit and plan by June 30, 2018.

Progress: 100% Completed. In FY 2018-19, the initiatives for Building Maintenance include implementation of one of the significant recommendations.

FY 2018-19 New Initiatives

1. Complete Phase III of Terminal Building Control System Upgrade project.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Technology Integration

Description: This initiative is the third phase of converting and upgrading HVAC controls and software from pneumatic control to the digital control system. This phase of the project will be focused on the air handlers that supply heating and cooling to the baggage claim area. This will include all controls, public area temperature monitoring and pneumatic actuators.

The goal of this project will be to replace the current out dated pneumatic control system, thermostats and pneumatic actuators with current DDC (Direct Digital Controls), electronic thermostats and electric actuators. The result will be a faster reacting, more reliable system that will also require less maintenance. All upgraded controls and actuators will be tied into the Delta Building Controls system currently used at the RNO.

Performance Measure: Complete the third phase of this project by June 30, 2019.

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2. Install Chiller #1 adaptive frequency drive.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Attractiveness and Functional Advancement

Description: This initiative is to purchase and have an Adaptive Frequency Drive (AFD) installed on Chiller #1 in the main terminal building HVAC plant. This will reduce energy consumption and will allow the chiller to be run more efficiently by allowing the output of the chiller to match the actual demand load of the terminal building.

Performance Measure: Complete the installation by June 30, 2019.

3. Maintain existing General Aviation (GA) facilities

Strategic Initiative: General Aviation

Long-Term Goal: GA User Needs and Market Demand

Description: The RTAA owns and leases GA Box and T-Hangars at RNO. To optimize and extend the useful life of these assets, staff will continue its on-going program of preventive maintenance and major rehabilitation projects. This effort also includes obtaining input from GA users and RNO tenants on needs and preferences on an annual basis.

Performance Measure: In conjunction with the Airport Economic Development department, complete an annual assessment of RNO GA facility and hangar conditions by June 30, 2019.

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**FACILITIES AND MAINTENANCE ADMINISTRATION
Section 601**

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$331,728	\$413,400	\$435,700	5%
Temporary Employees	41120	0	0	0	0%
Vacation Pay	41130	42,912	3,300	6,800	106%
Sick Leave	41140	14,508	8,700	10,000	15%
Holiday Pay	41150	18,177	0	0	0%
Comp Time	41160	1,737	0	0	0%
Payroll Accrual	41195	5,454	0	0	0%
Medicare	41320	5,702	6,000	6,300	5%
Group Insurance	41340	33,296	40,600	46,100	14%
Disability Insurance	41342	4,260	4,700	5,000	6%
Vision Insurance	41344	430	500	500	0%
Dental Insurance	41347	2,757	3,000	3,000	0%
Workers Comp	41350	356	400	3,000	650%
Retirement	41360	104,164	115,800	122,000	5%
Accrued PERS Expense	41365	1,565	0	0	0%
TOTAL PERSONNEL SERVICES		567,047	596,400	638,400	7%
PURCHASED SERVICES					
Professional Services	43100	3,780	5,000	1,000	-80%
Office Equipment Rental	43210	886	800	0	-100%
Contracted Services	43340	3,981	0	0	0%
Maintenance Agreement-Copier	43345	0	0	1,000	%
Other Repair/Maintenance Svcs	43390	1,724	20,000	20,000	0%
Freight Expense	43430	27	250	1,500	500%
Other Purchased Services	43490	293	0	0	0%
TOTAL PURCHASED SERVICES		10,692	26,050	23,500	-10%
MATERIALS & SUPPLIES					
Office Supplies	44100	11,500	18,000	12,000	-33%
Postage	44120	25	50	50	0%
Printing & Forms	44130	458	150	150	0%
Other Operating Supplies	44290	0	0	0	0%
Vehicles	44310	502	0	0	0%
Other Repairs-Maint Supplies	44390	0	50	50	0%
Office Small Equipment	44410	1,049	500	3,000	500%
Small Office Furniture	44415	6,839	0	3,800	%
Sign and Sign Maintenance	44430	5,281	20,000	20,000	0%
TOTAL MATERIALS & SUPPLIES		25,654	38,750	39,050	1%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	867	880	880	0%
Books & Subscriptions	45120	838	400	1,550	288%
Conference Registration Fees	45130	3,752	2,350	4,025	71%
Training Expense	45140	649	3,395	1,000	-71%
Meeting Expense	45150	264	0	0	0%

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FACILITIES AND MAINTENANCE ADMINISTRATION
Section 601

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Travel & Reimbursed Expense	45210	878	3,905	9,260	137%
TOTAL ADMINISTRATIVE EXPENSES		7,247	10,930	16,715	53%
TOTAL EXPENSES BEFORE FIXED ASSETS		610,640	672,130	717,665	7%
FIXED ASSETS					
Fixed Asset Acquisition	48150	44,433	0	16,040	%
TOTAL DEPARTMENT EXPENSES		\$655,073	\$672,130	\$733,705	9%

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Section 7 – Expenditures

Airfield Maintenance

Mission Statement: To provide operational effectiveness and efficiency for the management and maintenance of airfield pavement, markings and lighting, RNO landscapes and additional airport properties. Through innovation and technology, Airfield Maintenance also maintains RNO's extensive vehicle and equipment fleets and is responsible for the execution of the snow removal work plan.

Key Duties and Responsibilities:

- Maintain all RNO vehicles and equipment to improve fuel efficiency, lower maintenance costs, and enhance overall value.
- Procure new snow removal equipment to upgrade the aging fleet.
- Support other RNO and RTS department maintenance needs.
- Maintain airfield pavements and markings in accordance with FAR Part 139 and other applicable regulations.
- Maintain all airfield lighting equipment.
- Perform all RNO airfield snow removal operations.
- Maintain landside pavement and markings.
- Maintain safe and accurate signage for the traveling public.
- Ensure all areas of RNO are clean and free of all Foreign Object Debris (FOD).
- Support RTAA wide recycling.
- Maintain all RNO landscaping, manage airfield weed abatement program, and maintain all acquired properties for appearance, weed control and dust abatement.
- Assist RTS staff with pavement maintenance and airfield markings.
- Maintain at all times the airfield lighting system to 99% of operational requirements and airfield ramp and landside parking lighting to 95% operational requirements,
- Maintain all airport emergency generators and electrically operated perimeter gates.
- Fog seal twenty (20%) of asphaltic concrete pavement at RNO and RTS annually. Repair cracks and spalls in pavement as required; replace joint sealants in areas of identified failure.
- Maintain Aircraft Operations Area markings to 100% compliance with Part 139.
- Perform rubber removal as needed per FAA Advisory Circulars.
- Patch and seal cracks in five percent (5%) of roadways and parking lots annually.
- Maintain roadway and crosswalk markings as required, including the new long term parking walkway.
- Remove snow and ice as needed from aircraft, vehicle, and passenger movement areas.
- Sweep all landside roads, parking areas, perimeter roads and ramps as needed.
- Maintain the storm drain system free of debris for proper drainage.
- Provide trash pickup from dumpster twice every day and dispose of pallets daily.

**Reno-Tahoe Airport Authority
FY 2018-19
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Section 7 – Expenditures**

Airfield Maintenance - Initiatives:

FY 2018-19 New Initiatives

1. Complete the FY 2018-19 Thermoplastic airfield marking program.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: The Federal Aviation Administration (FAA) Standards for Airport Markings, Advisory Circular (AC) 150/5340-1K establishes the requirement for all airfield surfaces. Traditional airfield paint had a short life and Airfield Maintenance was typically repainting significant portions annually. Starting in 2013, staff began the use of thermoplastic as a cost-effective alternative to annual latex painting. This recommendation is based upon the following considerations:

- The service life of thermoplastic is exponentially longer than traffic paint with an eight to twelve year lifespan.
- Thermoplastic markings provide a higher level of airfield safety. Glass beads are added to surface signs for better durability and improved visibility during nighttime and low-visibility conditions.
- Thermoplastic is resistant to aviation fuels, motor fuels, deicers and lubricants. The performance of these signs has exceeded expectations and demonstrated the viability of using thermoplastic signs in the extreme climate variations experienced at RTIA.
- Paint can only be applied when nighttime temperatures are consistently over 50 degrees, as each layer requires 24 hours to properly dry. Thermoplastic signs may be applied when temperatures are 35 degrees and rising, significantly increasing the number of “painting days” in Reno annually.
- Additionally, with thermoplastic all sign colors are rolled out simultaneously in one layer, and runway intersections may be reopened within 15 minutes of application.

Performance Measure: Complete 1,600 lineal feet of thermoplastic installation by June 30, 2019.

Reno-Tahoe Airport Authority
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2. Implement RNO Light Emitting Diode (LED) lighting projects.

Strategic Initiative: Sustainability

Long-Term Goal: Natural Resource Conservation

Description: As part of the RTAA initiative to replace old, energy inefficient and outdate features with new LED lighting, the FY 2018-19 Budget has nine (9) lighting replacement programs at RNO. LED lighting not only reduces annual electricity costs, but also provides the following benefits: (1) instant restrike after a power failure whereas High Intensity Discharge (HID) fixtures need 15 to 20 minutes to cool down; (2) HID lighting degrades over time and light output is reduced up to 60% as the lamp ages, while LED light output stays very consistent for the life of the fixture; and (3) HID lighting requires more maintenance than LED due to lamp and ballast life. In addition, HID lighting requires costly lamp recycling due to the mercury used in there production. HID lamps also typically require replacement every two years on average and ballasts every five years. The proposed LED fixtures have a five-year warranty and a life expectancy of 100,000 hours.

Performance Measure: Complete the installation of all LED project by June 30, 2019.

**Reno-Tahoe Airport Authority
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**AIRFIELD MAINTENANCE
Section 602**

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employee:	41110	\$1,078,876	\$1,389,400	\$1,495,900	8%
Temporary Employee:	41120	52,884	53,500	55,500	4%
Vacation Pay	41130	110,107	6,800	7,500	10%
Sick Leave	41140	64,556	16,300	15,700	-4%
Holiday Pay	41150	64,930	3,000	3,000	0%
Comp Time	41160	574	0	0	0%
Workers Comp Pay	41170	925	700	700	0%
Payroll Accrual	41195	18,096	0	0	0%
Overtime Pay	41210	65,686	60,000	70,000	17%
Overtime Call Back	41213	51,231	30,000	30,000	0%
Standby	41220	24,231	14,250	14,250	0%
Shift Differential	41230	11,189	11,000	11,000	0%
Holiday worked Pay	41280	16,872	18,000	18,720	4%
Premium Payroll Accrual	41285	1,988	0	0	0%
Medicare	41320	19,846	20,100	21,700	8%
Group Insurance	41340	244,723	286,000	326,900	14%
Disability Insurance	41342	11,671	12,200	13,100	7%
Vision Insurance	41344	3,701	3,900	3,700	-5%
Dental Insurance	41347	24,444	23,600	25,400	8%
Workers Comp	41350	42,241	47,800	37,000	-23%
Retirement	41360	380,446	389,000	418,900	8%
Accrued PERS Expense	41365	5,194	0	0	0%
Uniform Allowance	41380	7,558	13,000	13,500	4%
Meal Allowance	41390	1,873	900	900	0%
TOTAL PERSONNEL SERVICES		2,303,841	2,399,450	2,583,370	8%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	79,151	70,000	70,000	0%
Natural Gas	42120	15,100	22,000	16,000	-27%
Water	42130	856	3,000	3,000	0%
Solid Waste Disposal	42150	38,609	48,000	55,000	15%
Recycleable Disposal	42151	100	2,000	2,000	0%
Dump Fees	42152	7,068	12,000	11,500	-4%
Sumps/Oil-Water Separator	42153	13,045	15,375	15,280	-1%
Propane	42170	959	1,950	1,950	0%
Hazardous Waste Disposal	42180	1,987	3,500	3,500	0%
TOTAL UTILITIES & COMMUNICATIONS		156,875	177,825	178,230	0%
PURCHASED SERVICES					
Office Equipment Rental	43210	1,652	2,500	0	-100%
Equipment Rental	43211	668	2,500	2,500	0%
Contracted Services	43340	45,666	79,906	89,906	13%
Maintenance Agreement-Copies	43345	0	0	500	%
Other Repair/Maintenance Svcs	43390	58,287	36,000	36,000	0%
Freight Expense	43430	4,617	5,500	5,500	0%
Permits & Records Fees	43460	1,071	2,400	2,400	0%
Other Purchased Services	43490	277	0	0	0%
TOTAL PURCHASED SERVICES		112,238	128,806	136,806	6%

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AIRFIELD MAINTENANCE
Section 602

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
MATERIALS & SUPPLIES					
Office Supplies	44100	3,520	4,000	4,000	0%
Paper	44110	72	200	175	-13%
Postage	44120	0	15	15	0%
Printing & Forms	44130	221	400	400	0%
Oil and Lubricants	44210	8,721	15,500	12,500	-19%
Chemicals	44220	966	0	0	0%
Herbicides	44221	67,327	71,000	71,000	0%
Ice Control	44223	53,552	56,000	56,000	0%
Rubber Remova	44224	0	13,000	8,000	-38%
Auto Fuel	44230	61,022	82,000	65,000	-21%
Diesel Fuel	44240	59,956	70,000	64,000	-9%
Janitorial Paper Supplie:	44250	228	0	0	0%
Janitorial Supplies:	44260	428	300	300	0%
Medical Supplies	44270	1,010	1,000	1,100	10%
Trash Can Liners	44280	4,142	3,600	4,000	11%
Other Operating Supplie:	44290	9,725	11,500	11,500	0%
Repair & Maintenance Suppl	44300	9,662	20,500	20,000	-2%
Vehicle Maintenance Supplie:	44310	40,757	55,000	45,000	-18%
Machinery	44330	122,879	140,000	125,000	-11%
Steel and Sheet Meta	44332	8,407	3,000	3,500	17%
Locks & Hardware	44333	8,148	7,500	7,500	0%
Seeds, Plants & Trees	44340	4,292	5,000	6,500	30%
Irrigation Supplies	44341	5,677	6,500	7,000	8%
Landscape Materials	44342	2,965	5,500	7,000	27%
Electrical Supplies:	44360	4,891	14,000	14,000	0%
Runway/Taxiway Lightin	44361	35,937	30,000	30,000	0%
Ramp Lighting	44362	11,150	10,000	12,000	20%
Lumber & Building Supplie:	44370	1,929	800	800	0%
Paint Supplies	44380	69,941	70,000	72,000	3%
Thermoplastic Markings	44381	20,272	80,000	80,000	0%
Other Repairs-Maint Supplie:	44390	5,112	0	0	0%
Small Tools - Minor Equipmen	44400	16,691	16,000	25,000	56%
Office Small Equipmen	44410	1,450	5,800	5,500	-5%
Small Office Furniture	44415	6,232	0	0	0%
Sign and Sign Maintenance	44430	6,663	6,000	6,000	0%
Employee Safety Equipmen	44450	13,757	23,000	28,000	22%
Asphalt & Cemen	44510	8,045	20,000	20,000	0%
Back Fill/Crusher Run, Etc.	44511	7,846	4,000	4,000	0%
Patch Material	44513	1,886	6,000	6,000	0%
Runways/taxiway Repai	44530	13,097	50,000	45,000	-10%
Fence and Gate Repair Part:	44540	5,364	2,000	2,000	0%
TOTAL MATERIALS & SUPPLIES		703,941	909,115	869,790	-4%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,138	2,153	1,978	-8%
Conference Registration Fee:	45130	373	400	600	50%
Training Expense	45140	10,953	13,995	13,250	-5%
Meeting Expense	45150	15	0	0	0%
Travel & Reimbursed Expense:	45210	8,628	11,520	15,990	39%
TOTAL ADMINISTRATIVE EXPENSES		21,108	28,068	31,818	13%

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AIRFIELD MAINTENANCE
Section 602

	<u>ACCOUNT NO.</u>	<u>2016-17 ACTUAL</u>	<u>2017-18 BUDGET</u>	<u>2018-19 BUDGET</u>	<u>PERCENT CHANGE</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		3,298,002	3,643,264	3,800,014	4%
FIXED ASSETS					
Fixed Asset Acquisitor	48150	<u>13,137</u>	<u>386,015</u>	<u>668,491</u>	<u>73%</u>
TOTAL SECTION EXPENSES		<u><u>\$3,311,139</u></u>	<u><u>\$4,029,279</u></u>	<u><u>\$4,468,505</u></u>	<u><u>11%</u></u>

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

Building Maintenance

Mission Statement: Through leadership and organizational planning, deliver cost-effective facility maintenance and services responsive to RTAA tenants and the traveling public's needs.

Key Duties and Responsibilities:

- Provide preventative maintenance and services required to support RTAA owned building facilities and system components.
- Maintain and inspect all regulatory controlled systems such as fire systems, elevator, escalator, locks, doors and alarms.
- Perform snow removal and ice treatment of the landside areas and assist on the airfield as required.
- Provide escorts and contractor support for RTAA projects. Provide contracted services agreement management for multiple systems and equipment maintenance services.
- Provide support services for the Marketing/ Public Affairs and Airport Economic Development.
- Perform inspections, maintenance and repairs to structure and system components of the RNO terminal building.
- Maintain utilities systems including electricity, water, natural gas and sewer.
- Perform custodial services to maintain a high standard of cleanliness in the RNO terminal building and other RTAA facilities.
- Improve work plans as necessary toward greater efficiency and cost reductions.
- Ensure a quality passenger experience by monitoring and performing daily maintenance of the terminal building, operating systems and equipment.
- Provide management oversight for the Baggage Handling System (BHS) and all related facility contracts.
- Train staff to improve maintenance effectiveness and safety awareness.
- Reduce energy consumption through the installation of energy saving light fixtures and improvements to the energy management building systems.

Building Maintenance - Initiatives:

FY 2018-19 New Initiatives

1. Evaluate and provide recommendations on lighting control system.

Strategic Initiative: Sustainability

Long-Term Goal: Natural Resource Conservation

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

Description: Conduct an internal assessment of the two current Building Lighting Control Systems programs. The purpose of this initiative is to determine the efficiency and adaptability of these two systems and the ability of integration into the Terminal Building Control System. Overall, the goal is to improved technology to use fewer natural resources and reduce the costs of electricity to the RTAA.

Performance Measure: Complete the assessment and provide recommendations by June 30, 2019.

2. Implement the recommendations from the Water Use Reduction Plan.

Strategic Initiative: Sustainability

Long-Term Goal: Natural Resource Conservation

Description: With the successful completion of the audit and water reduction plan, several recommendations and continued best practices were identified. The audit showed that out of the 185 toilets, 31 of them exceed the 1.6 Gallon per Flush (GPF) standard set by the U.S. Energy Policy Act of 1992. These fixtures will be replaced systematically through Tenant Improvement Projects for those fixtures in the leaseholds (14) and through the Building Maintenance operations and maintenance budget for the fixtures (17) that are the RTAA responsibility over the next two years. All showers and faucets in all facilities meet the current standards.

Performance Measure: Complete the replacement of all toilets that exceed the 1.6 gallon standard, as identified in the Water Use Reduction Plan, as of June 30, 2019.

Reno-Tahoe Airport Authority
FY 2018-19
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BUILDING MAINTENANCE AND SERVICES
Section 603

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$2,227,048	\$2,814,000	\$2,903,400	3%
Vacation Pay	41130	196,453	2,500	9,200	268%
Sick Leave	41140	98,936	28,200	28,700	2%
Holiday Pay	41150	134,946	32,000	32,000	0%
Comp Time	41160	0	0	0	0%
Workers Comp Pay	41170	1,611	0	0	0%
Payroll Accrual	41195	35,781	0	0	0%
Overtime Pay	41210	7,767	6,000	6,000	0%
Overtime Call Back	41213	24,446	15,000	15,000	0%
Standby	41220	19,341	12,000	12,000	0%
Shift Differential	41230	105,284	98,000	100,000	2%
Holiday worked Pay	41280	79,534	92,000	85,000	-8%
Premium Payroll Accrual	41285	1,396	0	0	0%
Medicare	41320	41,758	41,400	42,700	3%
Group Insurance	41340	603,338	739,500	795,200	8%
Disability Insurance	41342	24,190	26,000	26,700	3%
Vision Insurance	41344	8,436	9,800	9,200	-6%
Dental Insurance	41347	55,871	61,700	64,100	4%
Workers Comp	41350	94,909	106,900	80,800	-24%
Retirement	41360	775,738	787,400	812,700	3%
Accrued PERS Expense	41365	10,463	0	0	0%
Uniform Allowance	41380	17,730	20,000	20,000	0%
Meal Allowance	41390	1,296	1,000	1,000	0%
TOTAL PERSONNEL SERVICES		4,566,274	4,893,400	5,043,700	3%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	853,413	1,000,000	910,000	-9%
Natural Gas	42120	246,766	330,000	320,000	-3%
Water	42130	97,123	110,000	101,000	-8%
Sewer	42140	80,091	78,000	80,000	3%
Solid Waste Disposal	42150	35,801	47,000	38,000	-19%
Sumps/oil-water separator	42153	0	0	4,000	%
TOTAL UTILITIES & COMMUNICATIONS		1,313,195	1,565,000	1,453,000	-7%
PURCHASED SERVICES					
Office Equipment Rental	43210	3,621	3,800	0	-100%
Contracted Services	43340	424,263	557,250	566,890	2%
Maintenance Agreement-Copies	43345	0	0	3,000	%
Other Repair/Maintenance Svc	43390	1,343	0	0	0%
Freight Expense	43430	4,966	5,000	5,000	0%
Permits & Records Fees	43460	9,920	9,000	10,000	11%
Other Purchased Services	43490	48,453	50,000	60,000	20%
TOTAL PURCHASED SERVICES		492,566	625,050	644,890	3%
MATERIALS & SUPPLIES					
Office Supplies	44100	4,902	3,500	3,500	0%
Paper	44110	352	400	400	0%
Printing & Forms	44130	959	1,000	600	-40%
Oil and Lubricants	44210	45	0	0	0%
Chemicals	44220	385	0	0	0%
Ice Control	44223	23,941	20,000	25,000	25%
Janitorial Paper Supplies	44250	67,956	66,000	70,000	6%

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET**

**BUILDING MAINTENANCE AND SERVICES
Section 603**

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
Janitorial Supplies	44260	49,517	48,000	50,000	4%
Medical Supplies	44270	309	1,000	1,000	0%
Trash Can Liners	44280	26,579	28,000	28,000	0%
Other Operating Supplies	44290	80	0	5,000	%
Repair & Maintenance Supply	44300	61	0	1,000	%
Heating & Air Conditioning	44320	47,321	50,000	40,000	-20%
Filters	44321	0	0	47,000	%
Machinery	44330	201	4,000	4,000	0%
Baggage Conveyors	44331	14,615	25,000	20,000	-20%
Steel and Sheet Metal	44332	0	0	500	%
Locks & Hardware	44333	8,124	10,000	10,000	0%
Brushes	44334	1,934	2,000	2,000	0%
Jet Bridge Repair	44336	39,698	30,000	38,000	27%
Plumbing Supplies	44350	32,136	30,000	30,000	0%
Electrical Supplies	44360	36,856	50,000	50,000	0%
Lumber & Building Supplies	44370	15,403	15,000	15,000	0%
Paint Supplies	44380	3,094	3,000	3,000	0%
Small Tools - Minor Equipment	44400	7,964	8,000	8,000	0%
Small Office Furniture	44415	2,531	0	3,000	%
Employee Safety Equipment	44450	5,991	8,000	5,000	-38%
TOTAL MATERIALS & SUPPLIES		390,952	402,900	460,000	14%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	957	3,600	1,200	-67%
Books & Subscriptions	45120	0	500	500	0%
Conference Registration Fees	45130	2,056	2,000	2,200	10%
Training Expense	45140	2,845	4,000	4,500	13%
Travel & Reimbursed Expenses	45210	2,036	3,200	3,600	13%
TOTAL ADMINISTRATIVE EXPENSES		7,894	13,300	12,000	-10%
TOTAL EXPENSES BEFORE FIXED ASSETS		6,770,881	7,499,650	7,613,590	2%
FIXED ASSETS					
Fixed Asset Acquisition	48150	134,958	99,590	27,200	-73%
TOTAL SECTION EXPENSES		\$6,905,838	\$7,599,240	\$7,640,790	1%

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET**

**Baggage Handling System
Section 604**

	ACCOUNT NO.	2016-17 ACTUAL	2017-18 BUDGET	2018-19 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employee:	41110	\$41,843	\$41,600	\$43,700	5%
Group Insurance	41340	6,156	7,800	7,100	-9%
Retirement	41360	11,608	11,700	12,200	4%
TOTAL PERSONNEL SERVICES		59,607	61,100	63,000	3%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	318,895	410,000	330,000	-20%
Natural Gas	42120	14,775	25,000	20,000	-20%
TOTAL UTILITIES & COMMUNICATIONS		333,669	435,000	350,000	-20%
PURCHASED SERVICES					
Consultants - General	43140	2,000	0	0	0%
Other Professional Services	43190	22,223	30,000	13,000	-57%
Contracted Services	43340	875,614	892,385	908,448	2%
Freight Expense	43430	10	0	0	0%
TOTAL PURCHASED SERVICES		899,846	922,385	921,448	0%
MATERIALS & SUPPLIES					
Heating & Air Conditioning	44320	1,945	10,000	10,000	0%
Baggage Conveyors	44331	85,120	55,000	65,000	18%
Electrical Supplies	44360	2,128	5,000	5,000	0%
TOTAL MATERIALS & SUPPLIES		89,193	70,000	80,000	14%
TOTAL SECTION EXPENSES		<u>\$1,382,315</u>	<u>\$1,488,485</u>	<u>\$1,414,448</u>	<u>-5%</u>

Section 8 – Capital Budget

Reno-Tahoe Airport Authority
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ANNUAL BUDGET
Section 8 – Property, Plant and Equipment

The schedule following this narrative lists the approved Property, Plant and Equipment (PP&E) submittals from the RTAA's various departments/sections in the adopted FY 2018-19 Budget. A 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 2018-19 is \$1,007,671. This is a decrease of \$84,205, or 7.7% below the FY 2017-18 PP&E Budget.

The major PP&E requests in FY 2018-19 consist primarily of exercise equipment, six (6) vehicles, a truck mounted cold air blower, a rotary mower, a paint striper and a scissor lift. The vehicles requested consist of a truck and sport utility vehicle that will be used by Airside Operations, two (2) trucks for Airport Police and two (2) trucks for Airfield Maintenance. All vehicles meet the replacement requirement set through the Facilities vehicle replacement plan.

The Facilities Department's vehicle replacement plan maximizes the functionality, and minimizes the maintenance costs of the Authority's fleet of vehicles. The plan provides for the retirement and rotation of vehicles and equipment. The evaluation criteria are listed below.

VEHICLE AND EQUIPMENT ACQUISITION AND ROTATION POLICY
REPLACEMENT EVALUATION CRITERIA

Light Duty Vehicles

- Replacement evaluation after 6 years of service **or**
- Replacement evaluation when vehicle exceeds 100,000 miles **or**
- Replacement evaluation when maintenance cost to purchase ratio exceeds 35%

Heavy Duty Vehicles and Equipment

- Replacement evaluation after 10-20 years depending on type of vehicle/equipment **or**
- Replacement evaluation when vehicle/equipment exceeds 80,000 miles **or**
- Replacement evaluation every 25,000 hours on Hobbs hour meter **or**
- Replacement evaluation when maintenance cost to purchase ratio exceeds 30%

The schedules below summarize all technology, vehicles and the major piece of equipment with a unit cost greater than \$30,000.

Reno-Tahoe Airport Authority
FY 2018-19
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Section 8 – Property, Plant and Equipment

Vehicles

Department	FY 2016-17 Request	Amount Budgeted	Current Equipment Being Replaced/Explanation
Operations Administration	4WD Sport Utility Vehicle	\$47,776	This vehicle is to replace a 2006 Toyota 4Runner with over 67,000 miles and a maintenance cost to purchase ratio of 48%. This request qualifies under the replacement criteria.
Airside Operations	Crew Cab 4WD Truck	\$45,515	This vehicle is to replace a 2008 Dodge Durango with over 68,000 miles and a maintenance cost to purchase ratio of 59%. This request qualifies under the replacement criteria.
Airport Police	Crew Cab 4WD Truck	\$51,022	This vehicle is to replace a 2012 Ford F-150 with over 79,000 miles and a maintenance cost to purchase ratio of 98%. This request qualifies under the replacement criteria.
Airport Police	Crew Cab 4WD Truck	\$51,022	This vehicle is to replace a 2012 Ford F-150 with over 109,000 miles and a maintenance cost to purchase ratio of 52%. This request qualifies under the replacement criteria.
Airfield Maintenance	Standard Cab 4WD Dump Body Truck	\$54,998	This vehicle is to replace a 2004 Ford F-550 Dump Body Truck with over 38,000 miles and a maintenance cost to purchase ratio of 38%. This request qualifies under the replacement criteria.
Airfield Maintenance	4WD Utility Bed Truck	\$43,993	This vehicle is to replace a 2003 Dodge Utility Truck with over 59,000 miles and a maintenance cost to purchase ratio of 38%. This request qualifies under the replacement criteria.

Reno-Tahoe Airport Authority
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Section 8 – Property, Plant and Equipment

Equipment

Department	FY 2018-19 Request	Amount Budgeted	Current Equipment Being Replaced/Explanation
Airfield Maintenance	Truck Mounted Cold Air Blower	\$458,000	This equipment is used on a weekly basis for cleaning runways, taxiway and roadway areas for foreign object debris (FOD). The current cold air blower in use at RNO is a 1986 Jet Air. This 32-year-old machine has reached the end of its service life and has become increasingly unreliable.
Airfield Maintenance	Rotary Cutter Mower	\$35,000	The current mower is 16 years old and has reached the end of its useful life.

Reno-Tahoe Airport Authority
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ANNUAL BUDGET
Property, Plant, and Equipment

Division	Description	Amount	Total
203 Marketing and Public Affairs			
	Display Cases (4) - Art Program	\$ 18,800	
			\$ 18,800
253 Technology & Information Systems			
	Conference Room Video Streaming	\$ 5,000	
	Fiber Optic Verifier	18,000	
	Event Podium	7,500	
	Two-Factor Authentication for Remote Access	12,000	
			\$ 42,500
401 Operations Administration			
	4WD Sport Utility Vehicle	\$ 47,776	
			47,776
402 Airside Operations			
	Crew Cab 4WD Truck	\$ 45,515	
			\$ 45,515
404 Airport Rescue & Fire			
	(2) Heated Safety and Eyewash Stations	\$ 8,520	
			\$ 8,520
405 Airport Police			
	Exercise Equipment	\$ 24,960	
	(2) Crew Cab 4WD Trucks	102,044	
			\$ 127,004
407 Airport Security			
	QuietKat Prowler	\$ 5,825	
			\$ 5,825
601 Facilities Administration			
	Folding Chairs and Storage Racks	\$ 16,040	
			\$ 16,040

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Property, Plant, and Equipment

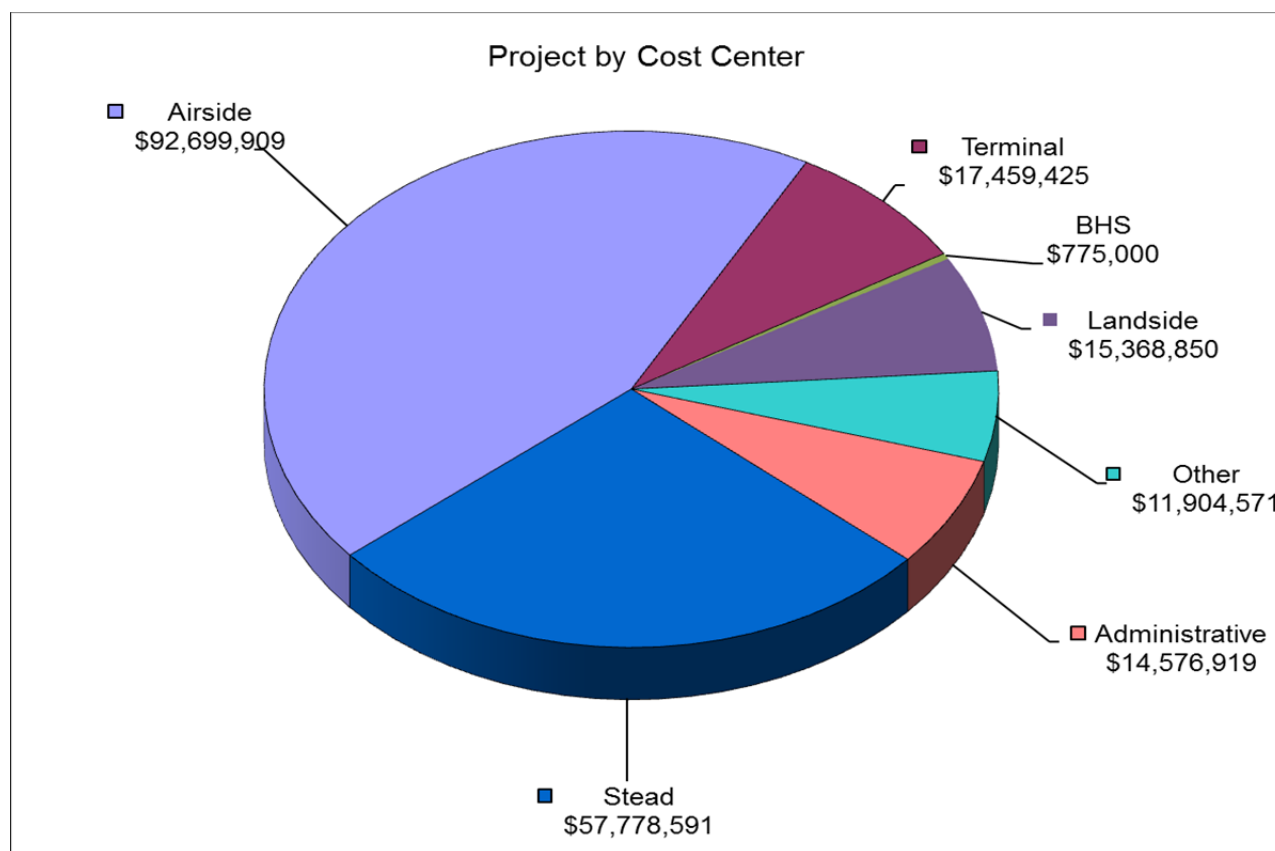
Division	Description	Amount	Total
602 Airfield Maintenance			
	Light Tower Generator	\$ 11,500	
	Truck Mounted Cold Air Blower	458,000	
	Standard Cab 4WD Dump Body Truck	54,998	
	4WD Utility Bed Truck	43,993	
	16 Foot Mirage Enclosed Trailer	9,000	
	7' X 16' Mirage Enclosed Trailer	9,000	
	Wheel Loader Mounted Forks	15,000	
	Loader Mounted Jib Boom	10,000	
	2018 Rotary Cutter Mower	35,000	
	2018 Paint Striper	22,000	
			\$ 668,491
603 Building Maintenance			
	Scissor Lift	\$ 21,000	
	Air Compressor	6,200	
			\$ 27,200
TOTAL			\$ 1,007,671

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 8 – Capital Projects

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program, as updated during the FY 2018-19 Budget process, is a rolling five to seven year program that provides for critical improvements and asset preservation. Funding sources for the projects are primarily FAA Airport Improvement Program (AIP) Grants, Passenger Facility Charges (PFC), Customer Facility Charges (CFC), and Internal funds generated from RTAA operations. In addition, the RTAA has the option of issuing airport system debt with a repayment options including PFCs, CFCs, and airport system revenues.

The following graph outlines the RTAA's FY 2017-18 to FY 2024-25 Capital Improvement Program of \$210.563 million by cost center:

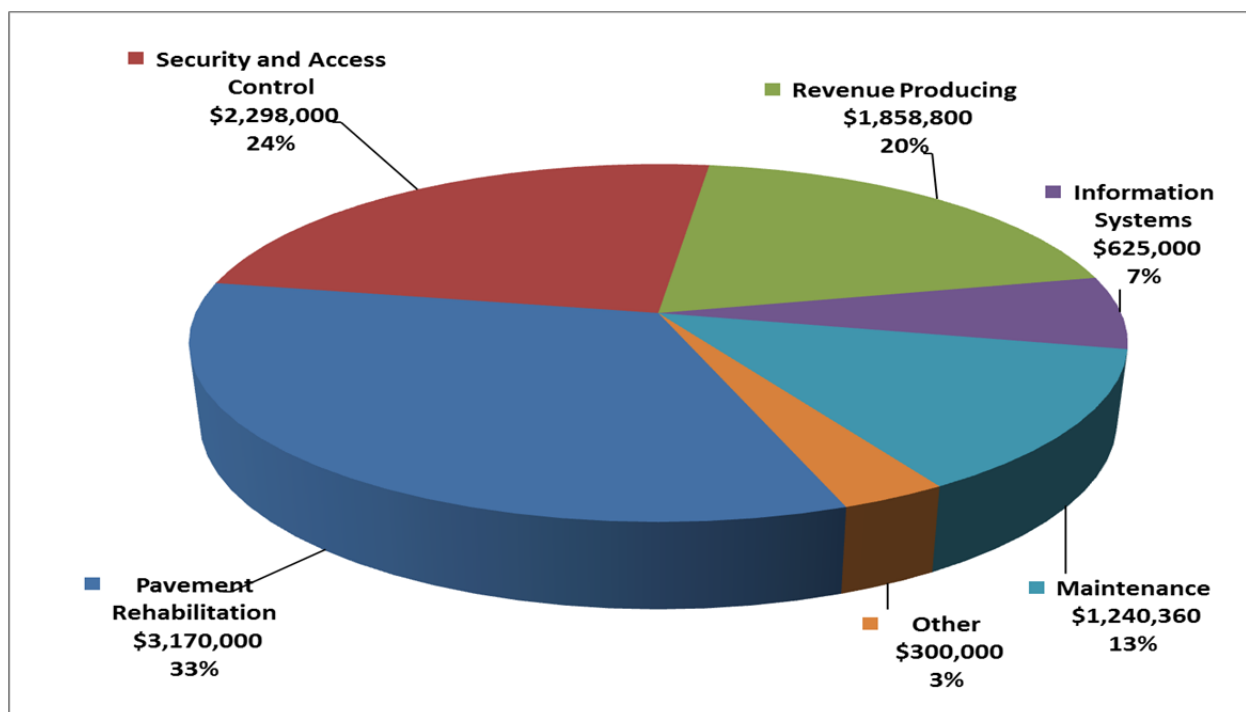


The specific projects supporting this graph are located in schedules located at the back of this section. With the formal approval of the RNO Master Plan and acceptance of the financial feasibility analysis by the Board of Trustees after adoption of the FY 2018-19 Budget, the capital improvement program will be updated during the FY 2019-20 Budget to reflect implementation of the master plan improvement program.

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 8 – Capital Projects**

Capital Projects – Internally Generated Funding or Rent Car Customer Facility Charges

Capital Projects for RNO and RTS in FY 2018-19, which are funded from RTAA internally generated and other local funds (primarily the general purpose account, the special account and the rental car customer facility charges (CFC) account), are estimated to be \$9.492 million. The following chart shows the classification of the FY 2018-19 capital projects using internal RTAA funding:



This budget represents an increase of \$4.302 million or 83% above the FY 2017-18 Budget. The capital projects shown on the schedule following this page are the result of the FY 2018-19 budget process and the RTAA's on-going capital improvement program.

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 RTAA's other areas

Reno-Tahoe Airport Authority
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For the internally funded capital projects approved through this process, a project narrative is provided that further explains the nature of the capital improvements along with the financial impact on airline rates and the estimated operating revenue and expense impact over the next three years.

Capital projects are funded in several ways. The smaller capital projects are typically funded by airline rates through airline cost center recovery or non-airline revenues in the fiscal year.

The airline agreement specifies a process for the airlines to review and disapprove, if costs exceed established limits, the capital projects or capital project's debt service to be included in the Airfield, Terminal Building and Baggage Handling System (BHS) cost centers.

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 disapproval process. For a full description of the MII process, see Section 5 Financial Plan - Airline Agreement. Projects over \$300,000 must be amortized over their useful life and not reimbursed in one year's rates.

Under the net revenue sharing formula as defined in the airline agreement, capital project costs that are not recovered through airline rates and charges, whether amortized over the useful life or reimbursed in one year, reduce net available revenues subject to the 50%/50% revenue sharing credit. This credit is applied against the signatory airline terminal rental rate.

In the FY 2018-19 Budget, two capital projects were subject to the MII requirements outlined above. The projects requiring an MII disapproval vote were restricted to the airfield cost center as follows:

- **Airfield Maintenance Yard Pavement Reconstruction, Phase I** – This project consists of the first of two phases of repaving approximately 100,000 total square feet of AC pavement and pave approximately 30,000 total square feet of bare ground at the Airfield Maintenance Facility. The asphaltic concrete pavement at the Airfield Maintenance Facility was placed in 1978, is in a severely failed condition, has reached the end of its useful life and is past due for replacement.

The estimated cost of this phase is \$800,000 and with use of internal funds to fund this capital project, the RTAA will amortize the cost to the airlines over a ten (10) year period beginning in FY 2018-19.

- **Truck Mounted Cold Air Blower** – This is airfield equipment that is used on a weekly basis for clearing runways, taxiways and roadways areas for foreign object debris (FOD). The equipment is a truck-mounted blower assembly that uses 24,000 cubic feet per minute of air,

Reno-Tahoe Airport Authority
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Section 8 – Capital Projects

traveling at 525 miles per hour, to blow debris off paved surfaces. The current cold air blower in use at RNO is a 1986 Jet Air. This 32-year-old machine has reached the end of its service life and has become increasingly unreliable.

The estimated cost of this equipment is \$458,000 and with the use of internal funds, the RTAA will amortize the cost to the airlines over a five (5) year period beginning in FY 2018-19.

After consultation with the signatory airlines on May 1, 2018, no airlines objected to the RTAA proceed with this projects in FY 2018-19.

The table below provides an overall cost summary of the FY 2018-19 Capital Projects, funded by internal sources, and the associated impact on airline rates and charges and estimated incremental revenues and operations and maintenance (O&M) expense/(savings) over the next three years.

DESCRIPTION	UNIT OF MEASURE	AMOUNT
Project Costs		\$9,492,160
<i>Rate Impact</i>		
Impact on Landing Fee Rate	Per 1,000 Lbs.	\$ 0.05
Impact on Terminal Rental Rate (Revenue Sharing)	Per Square Foot	\$13.93
Impact on the Baggage Handling System	Per Processed Bag	\$ 0.08
Impact on Airline Cost per Enplaned Passenger	Per Enplaned Passenger	\$ 0.95
<i>Additional Revenue</i>		
Fiscal Year 2018-19		\$33,000
Fiscal Year 2019-20		\$66,000
Fiscal Year 2020-21		\$66,000
<i>Additional O&M Expense/(Savings)</i>		
Fiscal Year 2018-19		(\$120,423)
Fiscal Year 2019-20		(\$ 79,015)
Fiscal Year 2020-21		(\$ 89,015)

FY 2018-19 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	Parking Lot Lighting Replacement - 2555 Aviation Way	Economic Development	\$ 6,410									6,410
2	Rental Car Ready Return Area Reconfiguration	Economic Development	200,000									200,000
3	TSA Operations Space Remodel	Economic Development	1,059,500									1,059,500
4	Financial System Replacement, Phase I (Planning)	Tech. Information	75,000					75,000				
5	ACAMS and CCTV Remote Connectivity Upgrade	Tech. Information	150,000					150,000				
6	Access Control Keypad Replacement	Tech. Information	269,000		269,000							
7	Analog Security Camera Replacement	Tech. Information (10)	585,000					58,500		526,500		
8	BHS Camera Integration	Tech. Information	100,000			100,000						
9	Data Loss Prevention System	Tech. Information	100,000					100,000				
10	Identity Management System, Phase I	Tech. Information	50,000									50,000
11	Part 139 Database Replacement, Phase I	Tech. Information	50,000	50,000								
12	Police Records Management System Replacement	Tech. Information (5)	350,000					70,000		280,000		
13	Parking Access and Revenue Control System Upgrade	Operations (5)	799,300				159,860			639,440		
14	Firehouse Carpet Replacement	Operations	37,500	37,500								
15	Customs and Border Protection Building Expansion, Phase I	Engineering	100,000					100,000				
16	Airfield Pavement Management Program	Engineering (5)	800,000	160,000						640,000		
17	Landside Pavement Management Program	Engineering (5)	600,000				120,000			480,000		
18	1200 Terminal Way Pavement Reconstruction	Engineering	130,000					130,000				
19	1280 Terminal Way Pavement Reconstruction	Engineering	260,000					260,000				
20	Gentry Way Pavement Reconstruction	Engineering	240,000					240,000				
21	Airfield Maintenance Yard Pavement Reconstruction, Phase I	Engineering (10)	800,000	80,000						720,000		
22	Engineering Office Remodel	Engineering	35,000					35,000				
23	IT Office Remodel	Engineering	35,000					35,000				
24	Airport Communications Center Remodel	Engineering (10)	1,194,000					119,400		1,074,600		
25	FIS/CBP Building Roof Replacement	Facilities	243,050					243,050				
26	Parking Structure Planter Wall Refurbishment	Facilities	51,400				51,400					
27	"C" Concourse Game Room Demolition	Facilities	11,500		11,500							
28	Parking Offices Roof Replacement	Facilities	132,000				132,000					
29	Administrative Office Carpet Replacement, Phase II	Facilities	250,000					250,000				
30	Administrative Office Lighting Replacement, Phase I	Facilities	30,000					30,000				
31	Airfield Maintenance Welding Shop Door Replacement	Facilities	9,000	9,000								
32	National Guard and Aviation Way Lighting Replacement	Facilities	6,000					6,000				
33	LED Lighting Replacement on Loop Road	Facilities	28,000				28,000					
34	Old Air Cargo Lot LED Lighting Replacement	Facilities	7,500					7,500				
35	South Ramp LED Lighting Replacement	Facilities	70,000	70,000								
36	Crew Lot LED Lighting Replacement	Facilities	7,000				7,000					
37	Yellow/Green Lot LED Lighting Replacement	Facilities	13,000				13,000					
38	North Ground Transportation LED Lighting Replacement	Facilities	12,000				12,000					
39	Air Cargo Way LED Lighting Replacement	Facilities	6,000					6,000				
40	Building Control System Upgrade, Phase III	Facilities	170,000		170,000							
41	Chiller #1 Adaptive Frequency Drive	Facilities	80,000		80,000							
	Sub Total		\$ 9,152,160	\$ 406,500	\$ 530,500	\$ 100,000	\$ 523,260	\$ 1,915,450	\$ -	\$ 4,360,540	\$ -	\$ 1,315,910
	Reno-Stead Airport											
42	Terminal Access Road Rehabilitation - Phase II	Reno-Stead (10)	340,000						34,000		306,000	
	Sub Total		\$ 340,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,000	\$ -	\$ 306,000	\$ -
	Total		\$ 9,492,160	\$ 406,500	\$ 530,500		\$ 523,260	\$ 1,915,450	\$ 34,000	\$ 4,360,540	\$ 306,000	\$ 1,315,910

Reno-Tahoe Airport Authority
FY 2018-19
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Section 8 – Capital Projects

Reno-Tahoe International Airport (RNO)

Parking Lot Lighting Replacement – 2555 Aviation Way

This project consists of replacing 10 wall-mounted lighting fixture lenses and 12 fluorescent lighting fixtures throughout exterior and under canopy with new LED fixtures for a parking lot that is used for rental car service and storage.

This project is being funded using Customer Facility Charge (CFC) revenues and does not impact the airline rates and charges. CFC's were adopted effective August 1, 2012 and are collected in the amount of \$1.25 per car rental transaction day. This amount was increased to \$3.50 effective July 1, 2018.

<u>Project Cost</u>	
System Upgrade (includes materials, equipment, labor)	\$6,410
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.00
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$1,000)
Fiscal Year 2019-20	(\$1,000)
Fiscal Year 2020-21	(\$1,000)

Rental Car Ready Return Area Reconfiguration

This project consists of reconfiguring the rental car ready return area in the parking structure. This project will provide additional vehicle storage capacity in the rental car ready return facility by improving the layout and reconfiguring the parking and travel lane vehicle flows.

This project is being funded using Customer Facility Charge (CFC) revenues and does not impact the airline rates and charges. CFC's were adopted effective August 1, 2012

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and are collected in the amount of \$1.25 per car rental transaction day. This amount was increased to \$3.50 effective July 1, 2018.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$200,000
<i>Rate Impact (excluding potential revenue)</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.00
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$5,000
Fiscal Year 2019-20	\$5,000
Fiscal Year 2020-21	\$5,000

TSA Operations Space Remodel

This project consists of the expansion and remodel of the existing TSA Operations Space in Concourse B. The existing 3,630 square foot space will be expanded to 5,300 square feet with all leased space remodeled per TSA requirements. A lease modification will reflect the higher leased square footage and the TSA will fully reimburse the RTAA for all project costs.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$1,059,500
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.00
Impact on Airline Cost per Enplaned Passenger	\$0.00

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<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$33,000
Fiscal Year 2019-20	\$66,000
Fiscal Year 2020-21	\$66,000
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

Financial System Replacement, Phase I (Planning)

The current Financial System provides tracking and reporting information on all airport revenues (accounts receivable and lease information), expenditures (payroll, utilities, supplies, and administrative expenses), RTAA assets, RTAA liabilities, aviation activity, and personnel record information. The existing system is ten (10) years old and many component elements are at the end of life. The RTAA is at risk of having portions of the integrated system being no longer supported by product vendors. In addition, updating software and/or software vendors offers the ability for the RTAA to enhance functionality and process flow.

This effort will take the first step by hiring a consultant to perform the following: (1) evaluate the current system and future needs; (2) identify available products and system enhancements; (3) develop a request for proposal document; (4) assist staff in evaluating proposals and contract negotiations; and (5) provide project management.

<u>Project Cost</u>	
System Planning	\$75,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.30
Impact on Airline Cost per Enplaned Passenger	\$0.02
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

Access Control and Monitoring System (ACAMS) and Closed Circuit Television (CCTV) Remote Connectivity Upgrade

This project consists of removing and replacing wireless security infrastructure in security sensitive areas on RTAA property.

<u>Project Cost</u>	
System Upgrade (includes materials, equipment, labor)	\$150,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.60
Impact on Airline Cost per Enplaned Passenger	\$0.04
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$7,500
Fiscal Year 2019-20	\$7,500
Fiscal Year 2020-21	\$7,500

Access Control Keypad Replacement

This project consists of replacing keypads that are nine (9) years old and in need of replacement. These keypads are beyond end of useful life and need to be updated with the latest security protections.

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<u>Project Cost</u>	
System Upgrade (includes materials, equipment, labor)	\$269,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$1.55
Impact on Airline Cost per Enplaned Passenger	\$0.10
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$5,000
Fiscal Year 2019-20	\$5,000
Fiscal Year 2020-21	\$5,000

Analog Security Camera Replacement

This project consists of replacing 104 analog security cameras. These cameras range in age from nine (9) to eighteen (18) years and can no longer be supported and adequately maintained.

<u>Project Cost</u>	
System Upgrade (includes materials, equipment, labor)	\$585,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.24
Impact on Airline Cost per Enplaned Passenger	\$0.02
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$5,000)
Fiscal Year 2019-20	(\$5,000)
Fiscal Year 2020-21	(\$5,000)

Baggage Handling System (BHS) Camera Integration

This project consists of integrating BHS camera system into the existing video monitoring system including the replacement of servers, workstations, cameras, and video storage. The majority of the equipment is eight (8) years old and will no longer be support by the product vendor at the end of FY17-18.

<u>Project Cost</u>	
System Upgrade (includes materials, equipment, labor)	\$100,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.00
Impact on Baggage Handling System Rate	\$0.08
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$2,500
Fiscal Year 2019-20	\$2,500
Fiscal Year 2020-21	\$2,500

Data Loss Prevention System (DLP)

This project consists of the installation a data loss prevention system. DLP is the final of four cyber security cornerstone technologies. It protects the confidentiality of data and prevents exfiltration. It is required by NRS 597.970, and compliance qualifies the RTAA for safe harbor provisions.

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<u>Project Cost</u>	
System Upgrade (includes materials, equipment, labor)	\$100,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.40
Impact on Airline Cost per Enplaned Passenger	\$0.03
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

Identity Management System, Phase I

This project consists of the planning phase for installation of an Identity Management System, which includes a needs and business process analysis, system design, cost estimate preparation, specification creation, and bid document preparation.

<u>Project Cost</u>	
System Planning	\$50,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.00
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

This project is PFC eligible and RTAA funds are expected to be reimbursed from a future application to the FAA.

Part 139 Database Replacement, Phase I

This project consists of the planning phase for the replacement of the existing Part 139 inspection database used by the RTAA Operations Department. This project includes a needs and business process analysis, system design, cost estimate preparation, specification creation, and bid document preparation. The software currently being used was created by an employee using Microsoft Access. The software is no longer supportable and must be replaced

<u>Project Cost</u>	
System Planning	\$50,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.00
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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Police Records Management System Replacement

This project consists of replacing the current police records management system. The current system is not compliant with National Incident Based Reporting System (NIBRS) requirements and cannot be brought into compliance. A State of Nevada NIBRS deadline requires compliance no later than January 1, 2020 and system implementation is anticipated to take 12 months.

<u>Project Cost</u>	
System Upgrade	\$350,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.29
Impact on Airline Cost per Enplaned Passenger	\$0.02
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$22,100
Fiscal Year 2019-20	\$22,100
Fiscal Year 2020-21	\$22,100

Parking Access and Revenue Control System Upgrade

This project consists of upgrading components of the existing parking system and replacing aging equipment. The existing system hardware is over ten years old and has been in operation for its expected lifespan. The new software will be integral in achieving modernizations to the parking program that are not feasible with the current system. In addition, this quote includes upgraded License Plate Recognition (LPR) hardware and software, which will help streamline operations as well as protect RTAA from potential revenue loss.

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<u>Project Cost</u>	
System Upgrade (includes materials, equipment, labor)	\$799,300
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.64
Impact on Airline Cost per Enplaned Passenger	\$0.04
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

While this project does not generate any easily measurable revenue or O&M expense savings, this upgrade will provide additional flexibility and revenue protection that is available today.

Firehouse Carpet Replacement

This project consists of replace the carpet in all current carpeted areas of the RNO firehouse. The current carpet was installed when firehouse was built in 2008. The carpet is showing wear and unravels when vacuumed.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$37,500
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.01
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.04
Impact on Airline Cost per Enplaned Passenger	\$0.02

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<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

Customs and Border Protection Building Expansion, Phase I (Design)

This project consists of the design of a strung structure to expand the Customs and Border Protection operations. This facility expansion will provide for additional queuing for the processing of international arriving passengers and provide protection from inclement weather.

<u>Project Cost</u>	
Design (includes materials, equipment, labor)	\$100,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.40
Impact on Airline Cost per Enplaned Passenger	\$0.03
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$3,000
Fiscal Year 2019-20	\$3,000
Fiscal Year 2020-21	\$3,000

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Airfield Pavement Management Program

This annual project reviews the condition of the airfield pavements and maintains or replaces them as necessary. The recurring maintenance project in FY 2018-19 consists of concrete panel replacement, crack repair, spall repair, and joint sealing in Runways, Taxiways and Aprons. Repair areas are identified and quantified per 2017 Airfield Pavement inspections. These improvements are considered maintenance and are not eligible for FAA Airport Improvement Program (AIP) grant funding.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$800,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.64
Impact on Airline Cost per Enplaned Passenger	\$0.04
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$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 maintenance program in FY 2018-19 consists of a combination of pavement repairs, overlay, and reconstruction of the Phase 3 portion of the Ground Transportation Lot. Repair and reconstruction areas are defined per 2017 Landside Pavement inspections.

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<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$600,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.48
Impact on Airline Cost per Enplaned Passenger	\$0.03
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$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 vehicle safety and extends the useful life of the pavement.

1200 Terminal Way Pavement Reconstruction

This project consists of reconstruction of a portion of the existing asphalt parking lot for the revenue producing property at 1200 Terminal Way. The reconstruction work is approximately 11,100 square feet of new asphalt pavement. The existing asphalt pavement is over thirty years old and is in a severely failed condition.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$130,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.52
Impact on Airline Cost per Enplaned Passenger	\$0.03

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<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$5,000)
Fiscal Year 2019-20	(\$5,000)
Fiscal Year 2020-21	(\$5,000)

1280 Terminal Way Pavement Reconstruction

This project is for the reconstruction of a portion of the existing asphalt parking lot for the property at office building located at 1280 Terminal Way. The reconstruction work is approximately 20,400 square feet of new asphalt pavement. The existing asphalt pavement is over thirty years old and is in a severely failed condition.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$260,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$1.04
Impact on Airline Cost per Enplaned Passenger	\$0.07
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$3,000)
Fiscal Year 2019-20	(\$3,000)
Fiscal Year 2020-21	(\$3,000)

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Gentry Way Pavement Reconstruction

This project is for the reconstruction of a portion of the existing Gentry Way asphalt access road to the GA West facility. The reconstruction work is approximately 25,200 square feet of existing asphalt roadway. This road is the primary landside access to the GA West facility and the existing asphalt pavement is over thirty-five years old and is in a severely failed condition.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$240,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.96
Impact on Airline Cost per Enplaned Passenger	\$0.06
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$7,000)
Fiscal Year 2019-20	(\$7,000)
Fiscal Year 2020-21	(\$7,000)

Airfield Maintenance Yard Pavement Reconstruction, Phase I

This project consists of the first of two phases of repaving approximately 100,000 total square feet of asphalt concrete (AC) pavement and the pavement of approximately 30,000 total square feet of bare ground at the Airfield Maintenance Facility. The AC pavement at the Airfield Maintenance Facility was placed in 1978 and the pavement has reached the end of its useful life and is past due for replacement.

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<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$800,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.32
Impact on Airline Cost per Enplaned Passenger	\$0.02
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$7,000)
Fiscal Year 2019-20	(\$7,000)
Fiscal Year 2020-21	(\$7,000)

Engineering Office Remodel

This project consists of constructing an office for a new engineering Project Manager. The location of the new office space will be at the existing Planning & Engineering Administrative Assistant area. The existing administrative office consisting of cubicles will be converted into an office and the adjacent vacant administration area will become the administrative assistant office. Work consists of new walls, door, carpet and the relocation of electrical, lights, HVAC and fire sprinklers.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$35,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.14
Impact on Airline Cost per Enplaned Passenger	\$0.01

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<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/(Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

Information Technology Office Remodel

This project consists of reconfiguring the existing Technology & Information Systems Information department office space for a new IT Project Manager. The two existing offices and storage room on the east side of the TIS area, will get reconfigured into three (3) equal sized offices. The work consists of demolition of walls, flooring, and ceilings, construction of new walls, installation of new carpet, ceiling, power, and data, and the modification of electrical, lights, HVAC and fire sprinklers.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$35,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.14
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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Airport Communications Center Remodel

This project consists of upgrading and remodeling the Airport Communications Center. This portion is for non-eligible Passenger Facility Charges (PFCs) work, which includes heating, ventilation and air conditioning (HVAC) upgrades and building remodeling including new walls and security access improvements.

The PFC funded portion of the project includes upgrading 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.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$1,194,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.48
Impact on Airline Cost per Enplaned Passenger	\$0.03
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

Customs and Border Protection (CBP) Roof Replacement

This project consists of replacing 19,500 sq. ft. of an older fully adhered polyester roofing membrane, which has not held up to the Ultra-Violet (UV) rays and Northern Nevada climate. This roof, originally installed in 1990, has been identified in roofing surveys in 2003 and 2014 as beyond its useful life and requiring replacement.

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<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$243,050
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.97
Impact on Airline Cost per Enplaned Passenger	\$0.06
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

Parking Structure Planter Wall Refurbishment

This project consists of refurbishing the existing 8,400 sq. ft. of planter wall by sealing/repairing cracks, holes, flaking material and removing any foreign debris. The wall will be prepared as necessary for elastomeric paint or similar protective finish and paint wall to original or close to original color.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$51,400
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.31
Impact on Airline Cost per Enplaned Passenger	\$0.01

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<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$5,000)
Fiscal Year 2019-20	(\$5,000)
Fiscal Year 2020-21	(\$5,000)

“C” Concourse Game Room Demolition

This project will return the existing game room back to a hold room. The scope of this project includes demolishing walls, electrical, data and flooring as well as repairing sheetrock, ceiling, paint and installing new carpet squares.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$11,500
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.07
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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Parking Offices Roof Replacement

This project consists of replacing 2,088 sq. ft. of older fully adhered polyester roofing membrane, which has not held up to the UV rays and Northern Nevada weather. This roof, originally installed in 1997, has been identified in roofing surveys in 2003 and 2014 as beyond its useful life and requiring replacement.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$132,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.53
Impact on Airline Cost per Enplaned Passenger	\$0.03
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$5,000)
Fiscal Year 2019-20	(\$5,000)
Fiscal Year 2020-21	(\$5,000)

Administrative Office Carpet Replacement, Phase II

This project consists of replacing the carpet in the administrative offices, which is severely worn and at the end of its useful life. The total area to be replaced is approximately 600 square yards.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$250,000

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<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$1.00
Impact on Airline Cost per Enplaned Passenger	\$0.07
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

Administrative Office Lighting Replacement, Phase I

This project consists of replacing a total of 154 current fluorescent light fixtures with energy saving light-emitting diode light fixtures. The locations for replacement are the Administrative offices including the public meeting room and various conference rooms.

This project also includes lighting replacement of the main administrative hallway areas, engineering hallway and TIS hallway.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$30,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.12
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$13,000)
Fiscal Year 2019-20	(\$ 9,000)
Fiscal Year 2020-21	(\$ 9,000)

Airfield Maintenance Shop Door Replacement

The Airfield Maintenance Facility was constructed in 1978 using 12-foot high shop doors. The 12-foot height of the original doors was adequate for the equipment being used 40 years ago, but the more modern fleet now in service contains many pieces of equipment over 13 feet tall, including ARFF trucks, snow removal equipment and other critical heavy equipment such as garbage trucks and paint stripers. This project consists of removing and replacing an existing 8’X12’ welding shop door with a 12’X14’ door.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$9,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.04
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

National Guard and Aviation Way Lighting Replacement

This project consists of replacing twelve (12) existing high wattage and aging 400 watt high-intensity discharge fixtures with more energy efficient light-emitting diode units on RNO access roads used to access the Nevada Air National Guard and the rental car service and storage areas.

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<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$6,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.03
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$3,772)
Fiscal Year 2019-20	(\$2,755)
Fiscal Year 2020-21	(\$2,755)

LED Lighting Replacement on Loop Road

This project consists of replacing fifty-two (52) existing high wattage and aging 400 watt high-intensity discharge fixtures with more energy efficient light-emitting diode units in street lighting on the RNO terminal building circulation road.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$28,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.12
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$13,707)
Fiscal Year 2019-20	(\$ 9,300)
Fiscal Year 2020-21	(\$ 9,300)

Old Air Cargo Lot LED Lighting Replacement

This project consists of replacing twenty (20) existing high wattage and aging 400 watt high-intensity discharge fixtures with more energy efficient light-emitting diode units. This lot is located immediately northwest of the RNO Terminal building and is used to stage taxi cabs and provided landside parking for a cargo facility.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$7,500
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.03
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$5,617)
Fiscal Year 2019-20	(\$3,922)
Fiscal Year 2020-21	(\$3,922)

South Ramp LED Lighting Replacement

This project consists of replacing sixteen (16) existing high wattage and aging 400 watt high-intensity discharge fixtures with more energy efficient light-emitting diode units. This ramp is immediately south of Concourse B used primarily by Southwest Airlines.

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<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$70,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.02
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.05
Impact on Airline Cost per Enplaned Passenger	\$0.03
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$7,865)
Fiscal Year 2019-20	(\$5,345)
Fiscal Year 2020-21	(\$5,345)

Crew Lot LED Lighting Replacement

This project consists of replacing twelve (12) existing high wattage and aging 400 watt high-intensity discharge fixtures with more energy efficient light-emitting diode units in the parking lot assigned to airline crew employees on Aviation Way.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$7,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.03
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$4,272)
Fiscal Year 2019-20	(\$3,255)
Fiscal Year 2020-21	(\$3,255)

Yellow/Green Lot LED Lighting Replacement

This project consists of replacing fifteen (15) existing high wattage and aging 400 watt high-intensity discharge fixtures with more energy efficient light-emitting diode units in the RNO employee parking lots immediately south of the RNO terminal building.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$13,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.06
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$9,500)
Fiscal Year 2019-20	(\$6,380)
Fiscal Year 2020-21	(\$6,380)

North Ground Transportation LED Lighting Replacement

This project consists of replacing twenty (20) existing high wattage and aging 400 watt high-intensity discharge fixtures with more energy efficient light-emitting diode units in the ground transportation pickup lot located immediately to the north of the RNO Terminal Building.

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<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$12,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.05
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$13,993)
Fiscal Year 2019-20	(\$9,223)
Fiscal Year 2020-21	(\$9,223)

Air Cargo Way LED Lighting Replacement

This project consists of replacing twelve (12) existing high wattage and aging 400 watt high-intensity discharge fixtures with more energy efficient light-emitting diode units. This fixtures are located on the access road that services the Fed Ex, UPS, and DHL cargo facilities.

<u>Project Cost</u>	
Construction (includes materials, equipment, labor)	\$6,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.03
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0

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<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$8,797)
Fiscal Year 2019-20	(\$5,935)
Fiscal Year 2020-21	(\$5,935)

Building Control System Upgrade, Phase III

This project will replace a portion of the aging pneumatic control system that has reached the end of its useful life in the Baggage Claim area. This equipment provides digital controls for the area temperature zone control and monitoring. This project will include the controls for the air handlers, associated Variable Air Volume (VAV) units, multi-zone units, and valve actuators. The project budget will cover design, work scope development and contractor installation.

<u>Project Cost</u>	
Design and System Upgrade (includes materials, equipment, labor)	\$170,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.98
Impact on Airline Cost per Enplaned Passenger	\$0.06
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$5,000)
Fiscal Year 2019-20	(\$5,000)
Fiscal Year 2020-21	(\$15,000)

Chiller #1 Adaptive Frequency Drive

This project will install an adaptive frequency drive (AFD) on Chiller #1 in the main Terminal HVAC plant. This will reduce energy consumption and will allow the chiller to be run more efficiently by allowing the output of the chiller to match the actual demand load of the building. An additional benefit of this project is that it will reduce the starting

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and stopping of the chiller as well as reducing the speed of the drive motor resulting in energy savings.

<u>Project Cost</u>	
System Upgrade (includes materials, equipment, labor)	\$80,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.47
Impact on Airline Cost per Enplaned Passenger	\$0.03
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$32,000)
Fiscal Year 2019-20	(\$16,000)
Fiscal Year 2020-21	(\$16,000)

Reno-Stead Airport (RTS)

Terminal Access Road Rehabilitation, Phase II

This project consists of the reconstruction of the existing RTS terminal access road (Texas Avenue) from Maryland Ave to Petricciani Way. This Phase 2 request will provide the additional funding to realize the complete project scope. The following additional areas were added to the original project scope, Alpha Ave (Florida to Mt. Vida) and Maryland Ave (Gate 190 to Alpha Ave) and Alpha Ave (Florida to Maryland Ave).

The Alpha Ave portion will provide “loop” circulation from the primary access to the RTS terminal building (Texas Ave) and around the proposed parking lot. The Maryland Ave portion will repair highly distressed pavement east of the Texas Ave frontage to the vehicle maintenance facility and Gate 190 entry point to the airfield.

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<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$340,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.14
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2018-19	\$0
Fiscal Year 2019-20	\$0
Fiscal Year 2020-21	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2018-19	(\$10,000)
Fiscal Year 2019-20	(\$10,000)
Fiscal Year 2020-21	(\$10,000)

CAPITAL IMPROVEMENT PROGRAM

The remainder of the Capital Improvement Program, as updated during the FY 2018-19 Budget, represents projects funded from FAA Airport Improvement Program (AIP), Passenger Facility Charges (PFC), and airport revenue debt, if applicable.

Both AIP Grant and PFC dependent projects will not be implemented until a funding source is approved and awarded by the FAA.

Airport Improvement Program (AIP)

AIP grants are offered to the RTAA by the FAA to provide funding assistance to those eligible capital projects that meet the criteria of the federal program. The objective of this FAA program is to assist in the development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system, and to meet the projected needs of the public. The program not only provides funding for development projects, but also airport planning and noise compatibility programs.

The program is funded by aviation use fees, which are collected and deposited into the Airport and Airway Trust Fund that generates the revenues in support of the AIP. The

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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 (enplanements) and cargo tonnage. Discretionary funds are set aside to provide the FAA with flexibility to fund various high priority programs.

The AIP Program typically funds 93.75% of eligible projects at both airports. The RTAA's General Purpose and Special Funds are primarily used for the RTAA's (sponsor's) matching share of 6.25% of the FAA grants. However, PFC funds may be used subject to FAA approval.

During the FAA Fiscal Year of 2017, which ended September 30, 2017, the RTAA received \$5.961 million of AIP grants for RNO and \$2.223 million of AIP grants for RTS.

Passenger Facility Charge (PFC)

PFCs were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies, which manage commercial airports, to charge each enplaning passenger a facility charge in accordance with FAA requirements. The passenger facility charge is levied on the passenger tickets, collected by the airline, and forwarded to the airport (less a handling fee charged by the airlines). The revenues collected through PFCs are to preserve or enhance safety, security, and capacity, to reduce noise, or to enhance competition.

The primary difference between AIP and PFC is that the PFC is a fee directly assessed to the passenger, it is administratively retained by the airport, and it is considered local funds versus federal funds.

In October 1993, the RTAA received approval from the Federal Aviation Administration (FAA) to impose a PFC of \$3.00 per enplaned passenger. Collection began January 1, 1994. In May 2001, the PFC was increased to \$4.50 per enplaned passenger with collection beginning August 1, 2001. Several FAA approved projects are being funded by the PFC collections.

As of June 30, 2018, the RTAA has received collection authority to impose and use \$59,338,314 on three open FAA approved PFC applications. The FY 2018-19 Budget is forecasting PFC revenues and interest of \$7.900 million.

CAPITAL IMPROVEMENT PROGRAM - OVERVIEW
SOURCES & USES OF FUNDS BY LOCATION
Reno-Tahoe Airport Authority
(Escalated Dollars)

USES OF FUNDS

	Prior Years Actual	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total FY18-25 Forecast
		Forecast	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Airside	1,358,179	2,232,226	10,323,465	30,674,031	35,647,408	1,156,000	992,600	3,466,000	6,850,000	92,699,909
Terminal	589,868	1,586,057	3,187,450	7,176,050	513,000	2,007,000	800,000	800,000	800,000	17,459,425
BHS	-	-	100,000	175,000	100,000	100,000	100,000	100,000	100,000	775,000
Landside	1,439,219	1,646,139	5,383,492	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	15,368,850
Other	58,853	993,168	1,982,550	1,000,000	1,287,000	3,583,000	1,000,000	1,000,000	1,000,000	11,904,571
Administrative	2,624,082	3,666,364	3,615,173	921,300	750,000	750,000	750,000	750,000	750,000	14,576,919
Stead	1,951,057	5,136,854	21,511,830	1,989,049	4,609,721	7,609,412	11,321,412	2,816,405	832,851	57,778,591
	8,021,258	15,260,808	46,103,960	43,085,430	44,057,129	16,355,412	16,114,012	10,082,405	11,482,851	210,563,265

SOURCES OF FUNDS

Federal Grants -Entitlement	1,235,933	5,186,600	5,337,700	5,479,700	5,622,200	5,653,900	5,707,500	4,779,375	5,818,700	44,821,608
Federal Grants -Discretionary	-	32,960	19,731,549	17,808,579	26,014,307	3,603,913	4,737,750	-	275,050	72,204,108
Passenger Facility Charges	1,688,812	3,831,395	5,449,134	14,041,227	7,624,650	1,674,438	8,913	163,500	375,000	34,857,068
Operating Funds	-	88,000	-	-	-	-	-	-	-	88,000
General Purpose	3,644,235	4,024,402	8,835,017	4,475,000	3,600,000	4,100,000	4,100,000	4,100,000	4,100,000	40,978,654
Customer Facility Charge	50,087	922,724	3,740,792	550,000	550,000	550,000	550,000	550,000	550,000	8,013,603
Fuel Tax Fund	-	-	-	-	-	-	-	-	-	-
Special Fund	342,657	907,148	2,780,267	500,875	409,250	600,750	832,438	300,125	176,250	6,849,760
RTAA Grant Fund	-	-	-	-	-	-	-	-	-	-
RTAA Flood Fund	-	-	-	-	-	-	-	-	-	-
RTAA Conduit Fund	-	-	-	-	-	-	-	-	-	-
Acquisition Fund	-	-	-	-	-	-	-	-	-	-
Consent Degree Fund	1,059,533	267,580	229,501	230,049	236,721	172,412	177,412	189,405	187,851	2,750,463
Subordinate Lien Revenue Notes	-	-	-	-	-	-	-	-	-	-
Senior Lien Bonds	-	-	-	-	-	-	-	-	-	-
	8,021,258	15,260,808	46,103,960	43,085,430	44,057,129	16,355,412	16,114,012	10,082,405	11,482,851	210,563,265

CAPITAL IMPROVEMENT PROGRAM
FY2019- Five Year Plan
Reno-Tahoe Airport Authority

AIRSIDE

Priority No.	Prior Years Actual	FY 2017-18 Forecast	FY 2018-19 Forecast	FY 2019-20 Forecast	FY 2020-21 Forecast	FY 2021-22 Forecast	FY 2022-23 Forecast	FY 2023-24 Forecast	FY 2024-25 Forecast	Total FY18-25 Forecast
Access Road Reconstruction - Gate 170	-	200,000	-	-	-	-	-	-	-	200,000
Airfield Maintenance Shop Door Replacement, Ph 1	-	16,500	-	-	-	-	-	-	-	16,500
Airfield Maintenance Shop Door Replacement, Ph 2	-	-	9,000	-	-	-	-	-	-	9,000
Airfield Pavement Maintenance Program (2014-15)	167,620	-	-	-	-	-	-	-	-	167,620
Airfield Pavement Maintenance Program (2015-16)	827,175	-	-	-	-	-	-	-	-	827,175
Airfield Pavement Maintenance Program (2016-17)	344,427	120,737	-	-	-	-	-	-	-	465,164
Airfield Pavement Maintenance Program (2017-18)	407	153,700	602,517	-	-	-	-	-	-	756,624
Airfield Pavement Maintenance Program (2018-19)	-	-	800,000	-	-	-	-	-	-	800,000
Airfield Pavement Maintenance Program (2020-25)	-	-	-	850,000	850,000	850,000	850,000	850,000	850,000	5,100,000
Airfield Surface Sensor Replacement	-	30,353	-	-	-	-	-	-	-	30,353
Airfield Wildlife Hazard Management	-	-	-	550,800	3,121,200	-	-	-	-	3,672,000
ARFF Vehicle #2	-	202,500	607,500	-	-	-	-	-	-	810,000
ARFF Vehicle #5	-	-	-	264,000	1,056,000	-	-	-	-	1,320,000
ARFF Vehicle #8	-	-	-	-	54,000	216,000	-	-	-	270,000
Camera Replacement Project, Phase II	-	79,000	-	-	-	-	-	-	-	79,000
Carpet Replacement - (ARFF Building)	-	-	37,500	-	-	-	-	-	-	37,500
De-Icing Glycol Recovery System (Design)	-	-	-	-	-	-	142,600	-	-	142,600
De-Icing Glycol Recovery System (Construction)	-	-	-	-	-	-	-	1,616,000	-	1,616,000
Master Plan - Airfield Projects (FY 2024-25)	-	-	-	-	-	-	-	1,000,000	6,000,000	7,000,000
Pave East Side Perimeter Roads (Design and Construction)	-	-	300,000	2,740,000	-	90,000	-	-	-	3,130,000
Pavement Reconstruction - Airfield Maintenance Yard, Ph 1	-	-	800,000	-	-	-	-	-	-	800,000
Pavement Reconstruction - Airfield Maintenance Yard, Ph 2	-	-	-	800,000	-	-	-	-	-	800,000
Perimeter Fence Improvements	-	-	200,000	890,400	1,335,600	-	-	-	-	2,426,000
Runway 16R/34L Phase 1 Rehabilitation (Design and Construction)	-	-	5,949,000	18,707,300	2,078,597	-	-	-	-	26,734,897
Runway 16R/34L Phase 2 Rehabilitation (Construction)	-	-	-	4,791,531	27,152,011	-	-	-	-	31,943,542
Sand Storage Building	18,550	-	-	-	-	-	-	-	-	18,550
SCAN Sensor Replacement	-	20,900	-	-	-	-	-	-	-	20,900
Snow Removal Equipment, Ph II	-	1,408,536	559,948	1,080,000	-	-	-	-	-	3,048,484
Truck Mounted Cold Air Blower	-	-	458,000	-	-	-	-	-	-	458,000

\$	1,358,179	\$	2,232,226	\$	10,323,465	\$	30,674,031	\$	35,647,408	\$	1,156,000	\$	992,600	\$	3,466,000	\$	6,850,000	\$	92,699,909

CAPITAL IMPROVEMENT PROGRAM
FY2019- Five Year Plan
Reno-Tahoe Airport Authority

TERMINAL

ACAMS and CCTV Remote Connectivity Upgrade	-	-	150,000	-	-	-	-	-	-	150,000
Access Control Keypad Replacement	-	-	269,000	-	-	-	-	-	-	269,000
Analog Security Camera Replacement	-	-	585,000	-	-	-	-	-	-	585,000
Building Control System Upgrade - Terminal HVAC Plant	-	158,000	-	-	-	-	-	-	-	158,000
Building Control System Upgrade, Phase 2	-	185,000	-	-	-	-	-	-	-	185,000
Building Controls System Upgrade, Ph 3 (Baggage Claim)	-	-	170,000	-	-	-	-	-	-	170,000
Building Demolition - Concourse "C" Game Room	-	-	11,500	-	-	-	-	-	-	11,500
CCTV Camera Installation, Phase IV	-	90,000	-	-	-	-	-	-	-	90,000
Chiller Adaptive Frequency Drive	-	-	80,000	-	-	-	-	-	-	80,000
Concourse "C" Concession Remodel	-	14,450	-	-	-	-	-	-	-	14,450
Connector Retail Space- HVAC, Ceiling and Lighting	-	37,525	-	-	-	-	-	-	-	37,525
Jet Bridge Carpet Replacement	-	70,000	-	-	-	-	-	-	-	70,000
Jet Bridge Replacement (Four Concourse "C" and Two Concourse "B")	-	-	609,450	3,453,550	-	-	-	-	-	4,063,000
Jet Bridge Replacement (Two Concourse "B"- B8 and B10	-	-	-	-	213,000	1,207,000	-	-	-	1,420,000
Master Plan - Terminal Projects (FY 2022-25)	-	-	-	-	-	500,000	500,000	500,000	500,000	2,000,000
Passenger Escalator Replacment	-	-	200,000	2,310,000	-	-	-	-	-	2,510,000
Terminal Building System Renewal Program (FY 2020-25)	-	-	-	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
Terminal Elevator / Escalator Replacement	18,850	206,150	1,112,500	1,112,500	-	-	-	-	-	2,450,000
Terminal Passenger Notifications Systems Replacement	571,018	695,732	-	-	-	-	-	-	-	1,266,750
TSA Checkpoint Redundance Security Surveillance System	-	129,200	-	-	-	-	-	-	-	129,200
	\$ 589,868	\$ 1,586,057	\$ 3,187,450	\$ 7,176,050	\$ 513,000	\$ 2,007,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 17,459,425

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CAPITAL IMPROVEMENT PROGRAM
FY2019- Five Year Plan
Reno-Tahoe Airport Authority

BAGGAGE HANDLING SYSTEM

Priority No.	Prior Years Actual	FY 2017-18 Forecast	FY 2018-19 Forecast	FY 2019-20 Forecast	FY 2020-21 Forecast	FY 2021-22 Forecast	FY 2022-23 Forecast	FY 2023-24 Forecast	FY 2024-25 Forecast	Total FY18-25 Forecast
BHS Camera Integration	-	-	100,000	-	-	-	-	-	-	100,000
Baggage Handling System PLC Hardware Upgrade	-	-	-	175,000	-	-	-	-	-	175,000
Baggage Handling System Renewal Program (FY 2021-25)	-	-	-	-	100,000	100,000	100,000	100,000	100,000	500,000
		\$ -	\$ -	\$ 100,000	\$ 175,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 775,000

CAPITAL IMPROVEMENT PROGRAM
FY2017- Five Year Plan
Reno-Tahoe Airport Authority

LANDSIDE

Priority No.	Prior Years Actual	FY 2017-18 Forecast	FY 2018-19 Forecast	FY 2019-20 Forecast	FY 2020-21 Forecast	FY 2021-22 Forecast	FY 2022-23 Forecast	FY 2023-24 Forecast	FY 2024-25 Forecast	Total FY18-25 Forecast
Landside Operations Office Remodel	-	23,775	-	-	-	-	-	-	-	23,775
Landside Pavement Maintenance Program (2014-15)	373,758	-	-	-	-	-	-	-	-	373,758
Landside Pavement Maintenance Program (2015-16)	531,717	1,890	-	-	-	-	-	-	-	533,607
Landside Pavement Maintenance Program (2016-17)	483,657	51,050	-	-	-	-	-	-	-	534,707
Landside Pavement Maintenance Program (2017-18)	-	568,700	-	-	-	-	-	-	-	568,700
Landside Pavement Maintenance Program (2018-19)	-	-	600,000	-	-	-	-	-	-	600,000
Landside Pavement Maintenance Program (2020-25)	-	-	-	600,000	600,000	600,000	600,000	600,000	600,000	3,600,000
LED Lighting Replacement in Parking Structure	-	53,000	-	-	-	-	-	-	-	53,000
LED Lighting Replacement (Center Curb)	-	-	28,000	-	-	-	-	-	-	28,000
LED Lighting Replacement (Crew Lot)	-	-	7,000	-	-	-	-	-	-	7,000
LED Lighting Replacement (North Ground Transportation)	-	-	12,000	-	-	-	-	-	-	12,000
LED Lighting Replacement (Yellow/ Green Lot)	-	-	13,000	-	-	-	-	-	-	13,000
Parking Access & Revenue Control System Upgrade	-	-	799,300	-	-	-	-	-	-	799,300
Parking Structure Planter Wall Refurbishment	-	-	51,400	-	-	-	-	-	-	51,400
RAC - Rental Car Return Gate Arm Installation	-	59,848	-	-	-	-	-	-	-	59,848
RAC - Ready Return Carwash Equipment Replacement	723	60,000	1,034,277	-	-	-	-	-	-	1,095,000
RAC - Ready Return- Garage Entrance/ Signage Package (Design)	-	47,500	-	-	-	-	-	-	-	47,500
RAC - Ready Return- Garage Entrance/ Signage Package (Construction)	-	-	200,000	-	-	-	-	-	-	200,000
RAC - Service Facility Parking Lot Lighting (Enterprise)	-	17,560	-	-	-	-	-	-	-	17,560
RAC - Service Facility Parking Lot Lighting- 2nd Lot (Enterprise)	-	6,582	-	-	-	-	-	-	-	6,582
RAC - Service Facility Parking Lot Lighting (Hertz)	-	29,619	-	-	-	-	-	-	-	29,619
RAC - Service Facility Parking Lot Lighting (Vanguard)	-	-	6,410	-	-	-	-	-	-	6,410
RAC - New Service Facility Lot (DTC/Hertz)	-	100,000	600,000	-	-	-	-	-	-	700,000
RAC - Rental Car Facilities Asphalt Replacement	48,869	475,026	1,900,105	-	-	-	-	-	-	2,424,000
RAC - 1551 National Guard Way Roof Replacement (Hertz)	495	126,589	-	-	-	-	-	-	-	127,084
Rental Car Renewal and Replacement Program	-	-	-	550,000	550,000	550,000	550,000	550,000	550,000	3,300,000
Roof Replacement - Parking Office Roof	-	-	132,000	-	-	-	-	-	-	132,000
Security Vulnerability Study (Bollards)	-	25,000	-	-	-	-	-	-	-	25,000
		\$ 1,439,219	\$ 1,646,139	\$ 5,383,492	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 15,368,850

CAPITAL IMPROVEMENT PROGRAM
FY2019- Five Year Plan
Reno-Tahoe Airport Authority

OTHER

Priority No.	Prior Years Actual	FY 2017-18 Forecast	FY 2018-19 Forecast	FY 2019-20 Forecast	FY 2020-21 Forecast	FY 2021-22 Forecast	FY 2022-23 Forecast	FY 2023-24 Forecast	FY 2024-25 Forecast	Total FY18-25 Forecast
Air Cargo Way Drainage Repair	-	86,000	-	-	-	-	-	-	-	86,000
Capital Project Allowance	-	-	-	750,000	750,000	750,000	750,000	750,000	750,000	4,500,000
CBP Facility Expansion, Ph 1 (Planning)	-	-	100,000	-	-	-	-	-	-	100,000
GA East Apron and Taxilane Reconstruction	-	-	-	-	287,000	2,583,000	-	-	-	2,870,000
Gentry Way Reconstruction (Previous Gate 215 Relocation)	-	55,000	-	-	-	-	-	-	-	55,000
GA West Hangar 10 Drainage Improvements	-	88,000	-	-	-	-	-	-	-	88,000
GA West Asphalt Replacement between T-Hangar Row Taxilanes	54,158	-	-	-	-	-	-	-	-	54,158
GA West Asphalt Replacement South T-Hangar Row	-	122,840	-	-	-	-	-	-	-	122,840
LED Lighting Replacement (Air Cargo Way)	-	-	6,000	-	-	-	-	-	-	6,000
LED Lighting Replacement (National Guard and Aviation Way)	-	-	6,000	-	-	-	-	-	-	6,000
LED Lighting Replacement (Old Cargo Lot)	-	-	7,500	-	-	-	-	-	-	7,500
Mini Warehouse Storage Roof - Buildings C and D	4,200	600	-	-	-	-	-	-	-	4,800
Mini Warehouse - Asphalt Rehabilitation- AA/BB Commercial Building	-	253,120	-	-	-	-	-	-	-	253,120
Mini Warehouse - Asphalt Rehabilitation- CC Commercial Building	-	200,000	-	-	-	-	-	-	-	200,000
Outside Properties Renewal Program	-	-	-	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000
Parking Lot Repair - NDOT Motor Pool	-	16,188	-	-	-	-	-	-	-	16,188
Pavement Reconstruction - 1200 Terminal Way	-	-	130,000	-	-	-	-	-	-	130,000
Pavement Reconstruction - 1280 Terminal Way	-	-	260,000	-	-	-	-	-	-	260,000
Pavement Reconstruction - Gentry Way	-	-	240,000	-	-	-	-	-	-	240,000
Roof Replacement - 485 South Rock (Sierra Air)	495	76,920	-	-	-	-	-	-	-	77,415
Roof Replacement - CBP Building	-	-	243,050	-	-	-	-	-	-	243,050
Solar Glare Analysis	-	25,000	-	-	-	-	-	-	-	25,000
TSA Operations Office Expansion and Remodel	-	69,500	990,000	-	-	-	-	-	-	1,059,500
	\$ 58,853	\$ 993,168	\$ 1,982,550	\$ 1,000,000	\$ 1,287,000	\$ 3,583,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 11,904,571

CAPITAL IMPROVEMENT PROGRAM
FY2019- Five Year Plan
Reno-Tahoe Airport Authority

ADMINISTRATION

Priority No.	Prior Years Actual	FY 2017-18 Forecast	FY 2018-19 Forecast	FY 2019-20 Forecast	FY 2020-21 Forecast	FY 2021-22 Forecast	FY 2022-23 Forecast	FY 2023-24 Forecast	FY 2024-25 Forecast	Total FY18-25 Forecast
Airport Communications Center Systems Replacement	138,783	324,043	1,296,173	-	-	-	-	-	-	1,759,000
Airport Communications Center Remodel	-	-	1,194,000	-	-	-	-	-	-	1,194,000
Administration Carpet Replacement	-	225,000	-	-	-	-	-	-	-	225,000
Carpet Replacement - (Administrative Offices) Ph 2	-	-	250,000	-	-	-	-	-	-	250,000
Camera Replacement Project (Phase I)	-	44,695	-	-	-	-	-	-	-	44,695
Communications Line Relocation	-	40,000	150,000	-	-	-	-	-	-	190,000
CCTV Camera Installation Phase III	10,491	54,201	-	-	-	-	-	-	-	64,692
Data Loss Prevention System	-	-	100,000	-	-	-	-	-	-	100,000
Digital Radio Equipment and Accessory Program (800 MHz)	-	561,044	-	-	-	-	-	-	-	561,044
Digital Radio Equipment and Accessory Program (800 MHz) (Non-PFC)	793,296	31,672	-	-	-	-	-	-	-	824,968
Engineering Office Remodel	-	-	35,000	-	-	-	-	-	-	35,000
Financial System Replacement, Phase I (Planning)	-	-	75,000	-	-	-	-	-	-	75,000
Fire Suppression System - Main Computer Room	-	46,000	-	-	-	-	-	-	-	46,000
Fire Sprinklers for Purchasing Warehouse	10,784	172,216	-	-	-	-	-	-	-	183,000
Geographical Information System (GIS)	895,806	354,194	-	-	-	-	-	-	-	1,250,000
Geographical Information System (GIS) (No- PFC Funding)	32,431	20,000	-	-	-	-	-	-	-	52,431
Identity Management System	-	-	50,000	171,300	-	-	-	-	-	221,300
Interactive Training System & Modules	-	141,750	-	-	-	-	-	-	-	141,750
IT Office Remodel	-	-	35,000	-	-	-	-	-	-	35,000
LED Lighting Replacement (Administrative Offices) Ph I	-	-	30,000	-	-	-	-	-	-	30,000
Master Plan Study Update and Airport Layout Plan Set	732,871	1,267,129	-	-	-	-	-	-	-	2,000,000
Part 139 Database Replacement, Phase I (Planning)	-	-	50,000	-	-	-	-	-	-	50,000

Police Records Management System Replacement	-	-	350,000	-	-	-	-	-	-	350,000
Purchasing Office Relocation and EOC Remodel	-	135,000	-	-	-	-	-	-	-	135,000
Restroom Remodel - Reception & Conference Room A/B	9,620	249,419	-	-	-	-	-	-	-	259,039
Technology and Information Systems Renewal Program	-	-	-	750,000	750,000	750,000	750,000	750,000	750,000	4,500,000
	\$ 2,624,082	\$ 3,666,364	\$ 3,615,173	\$ 921,300	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 14,576,919

CAPITAL IMPROVEMENT PROGRAM
FY2019- Five Year Plan
Reno-Tahoe Airport Authority

RENO STEAD

Priority No.	Prior Years Actual	FY 2017-18 Forecast	FY 2018-19 Forecast	FY 2019-20 Forecast	FY 2020-21 Forecast	FY 2021-22 Forecast	FY 2022-23 Forecast	FY 2023-24 Forecast	FY 2024-25 Forecast	Total FY18-25 Forecast
Airfield Pavement Program- RTS (2019-2025)	-	-	-	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Apron Phase 1, 2, and 3 Rehabilitation (Design)	-	-	-	1,342,000	-	-	-	-	-	1,342,000
Apron Phase 1 Rehabilitation (Construction)	-	-	-	-	4,228,000	-	-	-	-	4,228,000
Apron Phase 2 Rehabilitation (Construction)	-	-	-	-	-	6,793,000	-	-	-	6,793,000
Apron Phase 3 Rehabilitation (Construction)	-	-	-	-	-	-	7,164,000	-	-	7,164,000
Building 7003 (FBO Office) Roof Mounted Air Units	-	30,059	-	-	-	-	-	-	-	30,059
Concrete Apron (Design and Construction)	205,711	941,268	1,619,075	-	-	-	-	-	-	2,766,055
Hangar #6 HVAC Replacement, Ph II	42,248	8,002	-	-	-	-	-	-	-	50,250
Hangar #6 Lighting Improvements, Ph 1	1,010	47,490	-	-	-	-	-	-	-	48,500
Hangar #6 Lighting Improvements, Ph 2	-	48,500	-	-	-	-	-	-	-	48,500
Landside Pavement Program- RTS (2019-2025)	-	-	-	45,000	45,000	45,000	45,000	45,000	45,000	270,000
Maintenance Shop Rain Gutters	-	12,000	-	-	-	-	-	-	-	12,000
Military Surplus Property Site	15,730	-	-	-	-	-	-	-	-	15,730
Master Plan Study Update, ALP Update, and GIS Data Collection	-	-	-	-	-	-	-	500,000	500,000	1,000,000
Moya Boulevard Extension, Phase I and II (Design)	-	-	-	-	-	499,000	-	-	-	499,000
Moya Boulevard Extension, Phase I	-	-	-	-	-	-	3,835,000	-	-	3,835,000
Moya Boulevard Extension, Phase II	-	-	-	-	-	-	-	1,982,000	-	1,982,000
Nevada Army Guard Access Road, Ph I, Ph II / Taxiway D	247,078	367,905	-	-	-	-	-	-	-	614,983
Runway 8/26 Rehabilitation	379,747	3,285,000	18,235,253	-	-	-	-	-	-	21,900,000
Stead Solvent Site	1,059,533	267,580	229,501	230,049	236,721	172,412	177,412	189,405	187,851	2,750,463
Terminal Access Road Rehabilitation, Ph 1	-	100,000	1,360,000	-	-	-	-	-	-	1,460,000
Terminal Access Road Rehabilitation, Ph 2	-	-	68,000	272,000	-	-	-	-	-	340,000
Wash Bay Restroom Remodel	-	16,900	-	-	-	-	-	-	-	16,900
Water Main Replacement	-	12,150	-	-	-	-	-	-	-	12,150
	\$ 1,951,057	\$ 5,136,854	\$ 21,511,830	\$ 1,989,049	\$ 4,609,721	\$ 7,609,412	\$ 11,321,412	\$ 2,816,405	\$ 832,851	\$ 57,778,591
Grand Total	\$ 8,021,258	\$ 15,260,808	\$ 46,103,960	\$ 43,085,430	\$ 44,057,129	\$ 16,355,412	\$ 16,114,012	\$ 10,082,405	\$ 11,482,851	\$ 210,563,265

Section 9 – Debt

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 9 – Debt Summary

FY 2018-19 DEBT SERVICE

Total Debt Service Impact

Total debt service for FY 2018-19 is budgeted to be \$2,248,900, an increase of \$1,600 or 0.1% above the FY 2017-18 Budget. As of July 1, 2018, the RTAA has \$15,960,000 of debt outstanding, which represents \$7.75 of debt outstanding per budgeted FY 2018-19 enplaned passengers of 2,059,503. This compares to the 2016 average median debt outstanding per enplaned passenger for U.S. Airports of \$69.44 as reported by Moody's Investor Services on October 27, 2017.

The coverage calculation in this package demonstrates that budgeted net revenues, gross revenues less operating expenses, pledged to debt service far exceed the 125% coverage requirement of the revenue bond resolution. "Coverage" requirements are included in bond resolutions to assure potential bond buyers that net revenues will be more than sufficient to pay the bond debt.

Senior Lien Airport System Revenue Bonds

On September 30, 2015, the RTAA issued the "Reno-Tahoe Airport Authority, Nevada, Airport Revenue Refunding Bond, Series 2015" (the "2015 Bond"). The proceeds from the bond sale were used to redeem the Airport Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds"), which were outstanding as of July 1, 2015 in the amount of \$20,940,000, and the cost of issuance necessary to execute this transaction.

The Series 2015 Bond is a direct loan of \$20,690,000 secured through a Request for Proposals process issued on July 9, 2015 to numerous banks and financial lending organizations. Upon review of the submitted proposals, Compass Mortgage Corporation, an Alabama Corporation and a subsidiary of BBVA Compass, provided the most favorable business terms and conditions.

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

The terms and conditions governing the 2015 Bond are established under a new Bond Resolution No. 526, which is substantially similar to terms and condition established for the Series 2005 Bonds.

The 2015 Bond will be paid solely from and secured by a pledge of Net Revenues derived from the operations of the Airport System and certain funds and accounts. Net Revenue represents gross revenues of the Airport System less operating and maintenance expenses. The RTAA's

Reno-Tahoe Airport Authority
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Section 9 – Debt Summary

debt is limited by the outstanding bond resolution requirement that net revenues pledged to pay debt service must exceed 125% of annual debt service.

The interest rate on the Series 2015 Bond is 2.75% with an eleven (11) year term consistent with the refunded Series 2005 Bonds. With the refunding, the RTAA will benefit from \$2.917 million of gross savings or \$2.519 million on a present value basis in lower debt service payments. This represents a net present value savings as a percentage of refunding bonds of 12.03%.

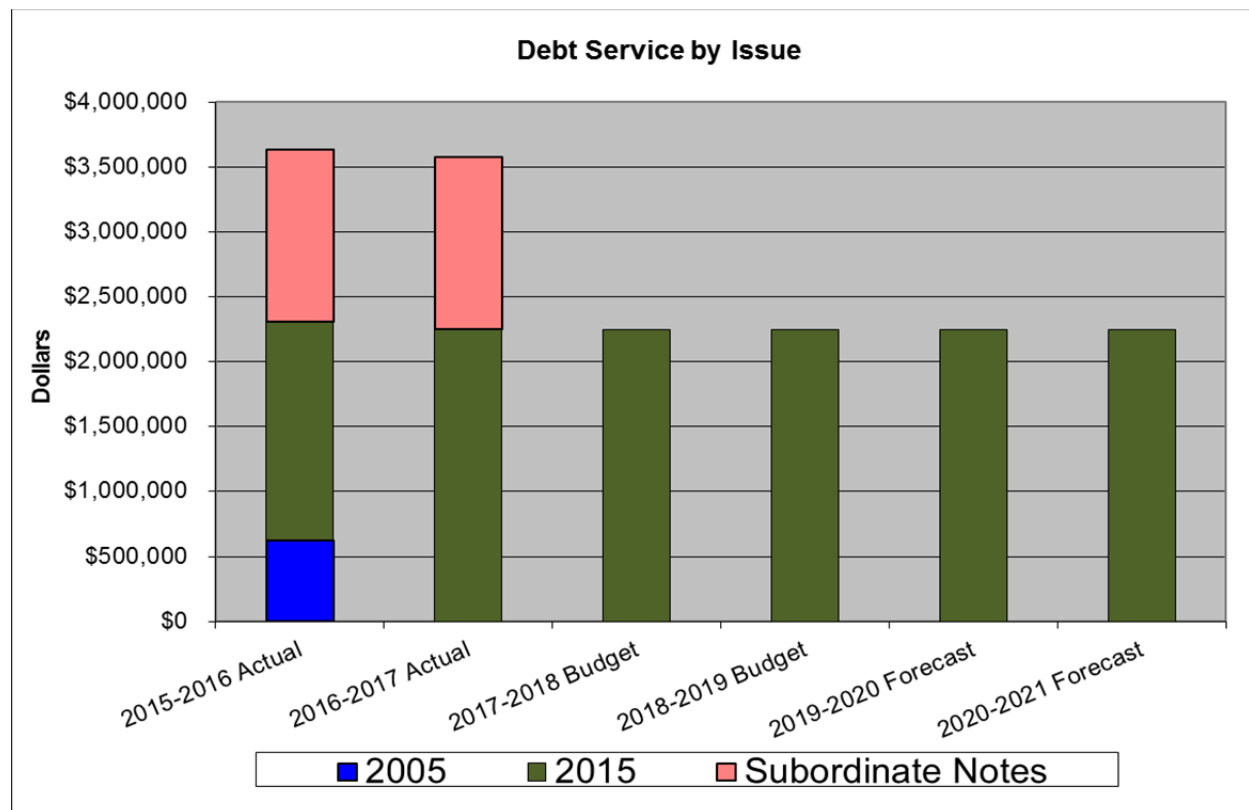
Going forward in FY 2018-19 Budget through the maturity of the 2015 Bond, the following table provides the principal and interest payments under the Series 2015 Bond:

Bond Year ending July 1	Series 2015 Bond		Total
	Principal	Interest	
2019	1,810,000	438,900	2,248,900
2020	1,860,000	389,125	2,249,125
2021	1,910,000	337,975	2,247,975
2022	1,965,000	285,450	2,250,450
2023	2,020,000	231,413	2,251,413
2024	2,070,000	175,863	2,245,863
2025	2,130,000	118,938	2,248,938
2026	2,195,000	60,363	2,255,363
	\$ 15,960,000	\$ 2,038,027	\$ 17,998,027

Net Revenue derived from the public parking operation, after related operating expenses, is available and more than sufficient to meet this debt obligation.

The graph below illustrates the RTAA's actual annual debt service for Fiscal Years 2015-16 and FY 2016-17 along with estimated annual debt service from FY 2017-18 through FY 2020-21.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 9 – Debt Summary



ALLOWED PURPOSES AND TYPES OF DEBT

The administration of the RTAA's debt is controlled by Federal and State laws (Local Government Securities Law) and the bond resolutions adopted when the revenue bonds were sold to finance airport improvements. These laws specify the public notices and hearings that must be conducted, and the approvals needed when money is to be borrowed. The Local Government Securities Law and the bond resolutions also control short term financing capabilities, as well.

In order for revenue bond interest to be tax-exempt to the bond holders of the debt, the RTAA must be in complete compliance with U.S. Treasury Department laws and regulations.

Most local governments issue general obligation bonds. The repayment of general obligation bonds is secured by the taxing power of the local government. A statutory ratio of outstanding general 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.

Reno-Tahoe Airport Authority
FY 2018-19
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Section 9 – Debt Summary

The RTAA has sold only revenue bonds to finance the construction of airport projects. The bonds are called revenue bonds because the repayment of the bonds is secured solely by the revenue of the airport system. The entity issuing the revenue bonds must have sufficient revenues to pay the debt service of the bonds sold. Bonds are also only sold for the construction of projects with useful lives that exceed the life of the bond issue.

The RTAA has issued revenue bonds first to finance airport improvement projects, and then to refinance or refund the outstanding bonds to obtain lower interest rates.

The interest received by RTAA bondholders can be tax exempt or taxable depending on the use of the bond proceeds. The Series 2015 outstanding senior bond has been determined by bond counsel to qualify for tax-exempt status.

DEBT LIMIT

The RTAA's debt is limited by the outstanding bond resolution requirement that net revenues (operating revenues less operating expenses) pledged to pay debt service exceed 125% of annual debt service. This test of net pledged revenues is shown on the last page of this section. In addition, schedules are enclosed that show the current and future year's debt service amounts. The RTAA has a cap on annual debt service, not a cap on the amount of outstanding debt. This is a common provision in airport revenue bond resolutions.

Part of the RTAA's process of selling revenue bonds is the issuance of a feasibility report by an independent airport consultant. This report projects airport revenues, airline rates, operating expenses, and the new and existing debt service. The consultant's report must project that net pledged revenues will exceed 125% of the annual amount needed for debt service, or the financing is neither feasible nor allowed by the additional bonds test of the existing bond resolution.

DEBT STRUCTURE

The principal and interest paid to the RTAA's bondholders is allocated to the cost centers based on how the proceeds from the various bond issues are used. Bonds sold to finance improvements in the airline costs centers, whose debt service will be included in airline rates, most likely will trigger the Majority-In-Interest (MII) provision of the airline use and lease agreement. For a detailed explanation, please see Section 5 – Financial and Budgetary Policies

The debt service is also structured not to begin until the facility being constructed is completed. This is done by delaying the repayment of principal until after the facility is occupied and interest is capitalizing during the construction period. Capitalizing interest is done by selling additional bonds, above the amount needed for construction, resulting in additional funds to make the interest payments until the new facility is occupied and generating revenue.

Reno-Tahoe Airport Authority
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Offsetting the sale of additional bonds to pay capitalized interest is the practice of “net funding” where investment earnings on the bond proceeds unspent during the construction process are used to partially offset the cost of capitalized interest.

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

As of October, 2015 and the issuance of the 2015 Bond, the RTAA no longer has any publicly issued debt and no longer is required to have a credit rating from a nationally recognized rating agency (Fitch, Moody’s, or S&P) . However, the RTAA will continue to maintain its financial position based on the established criteria outlined by the major rating agencies in order to obtain a minimum investment grade rating of “A” with a stable outlook. This policy is to ensure an investment grade rating should the RTAA decide to issue any future public debt.

Nevada state law, the bond resolutions, and the bond insurance policies all define the allowable types of investments that can be made with bond proceeds during construction of capital projects.

REFUNDING OF DEBT

RTAA is continually evaluating whether the refinance of its outstanding debt to take advantage of lower interest rates is economically feasible. At least a three percent (3%) net present value debt service savings is the minimum industry standard necessary to justify such re-financings.

Internal Revenue Code and Income Tax Regulations Section 149(d)(3)(A)(i) limits the number of times an issuer may advance refund an original bond issue. If the original bond issue was issued before 1986, two advance refundings are permitted. If the original bond issue was issued after 1985, only one advance refunding is permitted.

The installments of principal of the 2015 Bond are eligible for prepayment, in whole or in part, at the option of the Authority, at any time and from time to time, at a price equal to the principal amount prepaid, the accrued interest thereon to the prepayment date, and the make whole premium.

If the Authority makes any prepayment of the outstanding principal balance of the 2015 Bond prior to July 1, 2025, the Authority shall incur a prepayment fee equal to the quotient of (i) the product of (a) Average Yield Differential, times (b) Average Principal, multiplied by (c) Percent Prepaid, times (d) Days Remaining, divided by (ii) 360.

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"Average Yield Differential" means the difference between (i) the U.S. Treasury constant maturity yield for the date on which the loan was originated and (ii) the U.S. Treasury constant maturity yield that is the same as the remaining term of the loan at the Prepayment Date.

With the issuance of the 2015 Bond at very low rates and prior to the series of rate increases implemented by the Federal Reserve, the RTAA currently does not have an opportunity to lower its debt service through refunding at this time.

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Summary of Bonded Indebtedness

FY 2018-19 Debt Service Allocation to Airport Cost Centers

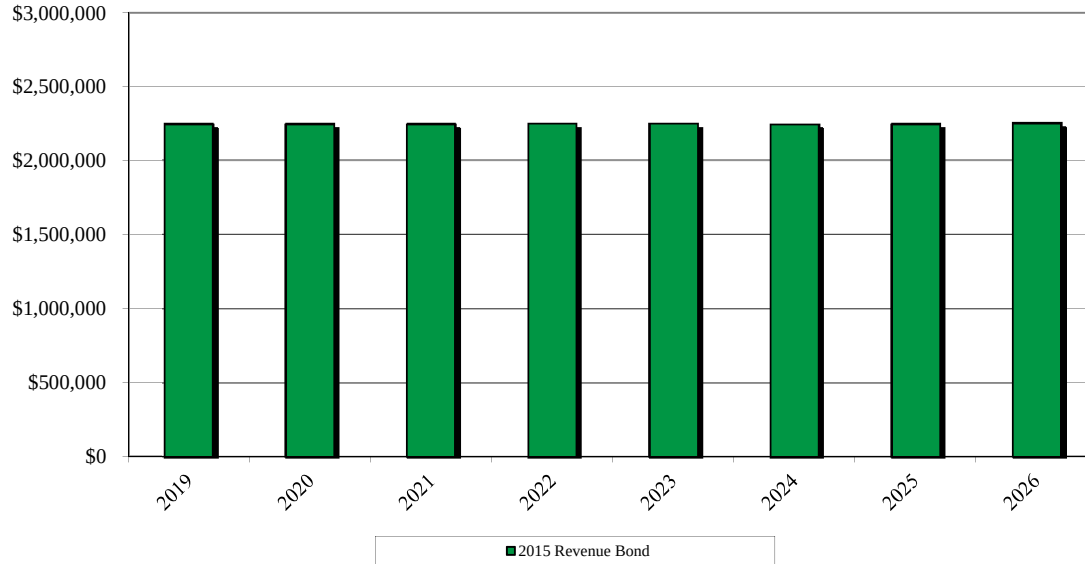
	<u>Principal</u>	<u>Interest</u>	<u>Paid by PFC</u>	<u>Total</u>
2015	1,810,000	438,900	-	2,248,900
TOTAL				2,248,900

	Airfield	Terminal	BHS	Ground Trans	Other	Reno Stead	Total
2015	0%	0%	0%	100%	0%	0%	100%
<u>Debt Service</u>							
2015	-	-	-	2,248,900	-	-	2,248,900
TOTAL	-	-	-	2,248,900	-	-	2,248,900

Reno-Tahoe Airport Authority
FY 2017-18
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Summary of Bonded Indebtedness

	2005 Revenue Refunding Bonds	Subordinate Notes (Series 2011A)	Subordinate Notes (Series 2011B)	2015 Revenue Refunding Bonds	Total Bonded Indebtedness
Amount of original issue	\$ 29,775,000	\$ 15,000,000	\$ 5,303,000	\$ 20,690,000	\$ 70,768,000
Bonds / Notes retired	29,775,000	15,000,000	5,303,000	4,730,000	54,808,000
Bonds / Notes Outstanding July 1, 2018	\$ -	\$ -	\$ -	\$ 15,960,000	\$ 15,960,000
Bond / Notes retired / issued FY 2018-19	-	-	-	(1,810,000)	(1,810,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,150,000</u>	<u>\$ 14,150,000</u>
FY 2018-19 Debt service requirement					
Principal payment due	\$ -	\$ -	\$ -	\$ 1,810,000	\$ 1,810,000
Interest payment due	-	-	-	438,900	438,900
PFCs applied	-	-	-	-	-
Total FY 2018-19 Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,248,900</u>	<u>\$ 2,248,900</u>

Annual Debt Service



Reno-Tahoe Airport Authority
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Schedule of Debt Service

Bond Year Ended July 1	Airport Revenue Refunding Bonds Series 2015		Total
	Principal	Interest	
2019	1,810,000	438,900	2,248,900
2020	1,860,000	389,125	2,249,125
2021	1,910,000	337,975	2,247,975
2022	1,965,000	285,450	2,250,450
2023	2,020,000	231,413	2,251,413
2024	2,070,000	175,862	2,245,862
2025	2,130,000	118,938	2,248,938
2026	2,195,000	60,362	2,255,362
	<u>\$ 15,960,000</u>	<u>\$ 2,038,025</u>	<u>\$ 17,998,025</u>

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Net Pledged Revenues Test

	FY 2016-17 Actual	FY 2017-18 Budget	FY 2018-19 Budget
Airport System Revenues			
Airline fees and rentals			
Landing fees	\$ 7,285,989	\$ 8,568,704	\$ 8,886,621
Terminal building space rental	6,257,744	7,561,500	7,688,700
TOTAL Airline fees and rentals	13,543,733	16,130,204	16,575,321
Non-Airline Revenues			
Other Aircraft Fees	999,933	969,000	1,037,500
Concession fees	11,798,087	11,652,700	12,980,000
Parking and Ground Transportation	11,316,885	11,330,900	12,182,500
Building, Hangar and Land Rent	7,448,805	7,650,650	7,979,200
Reimbursement for Services (BHS)	2,531,223	2,592,581	2,625,264
Other operating revenues	168,024	36,700	55,400
	34,262,956	34,232,531	36,859,864
Total Operating Revenue	47,806,689	50,362,735	53,435,185
Non-Operating Revenue			
Trust Fund Investment Income	531,978	422,400	774,700
Other Non-Operating Income	1,792,427	3,620,300	4,745,000
Gross pledged revenues	<u>\$ 50,131,094</u>	<u>\$ 54,405,435</u>	<u>\$ 58,954,885</u>
Airport system operation and maintenance expenses	(38,112,913)	(42,100,139)	(44,144,229)
Transfers - General Purpose Fund for G/L on Sale of Capital Assets	(13,298)	(1,850,000)	-
Airline profit share	3,159,255	2,167,400	2,719,300
Transfers - Special Fund for 35% of gaming revenue	(341,751)	(342,195)	(368,795)
Pledged PFC Revenues (Senior Bonds)	-	-	-
Net pledged revenues	<u>\$ 14,822,387</u>	<u>\$ 12,280,501</u>	<u>\$ 17,161,161</u>
Debt Service - Senior Lien Bonds	2,249,463	2,247,300	2,248,900
Debt Service Coverage Ratio - Senior Lien Bonds	<u>6.59</u>	<u>5.46</u>	<u>7.63</u>
Net Pledged revenue available for Subordinate Notes	12,572,924	10,033,201	14,912,261
Pledged PFC Revenues	1,812,790	-	-
Pledged revenue available for Subordinate Notes	14,385,714	10,033,201	14,912,261
Debt Service - Subordinate Notes (Series 2011A)	2,743,425	-	-
Debt Service - Subordinate Notes (Series 2011B)	395,968	-	-
Total Subordinate Notes	3,139,393	-	-
Debt Service Coverage Ratio - Subordinate Lien Notes	<u>4.58</u>		

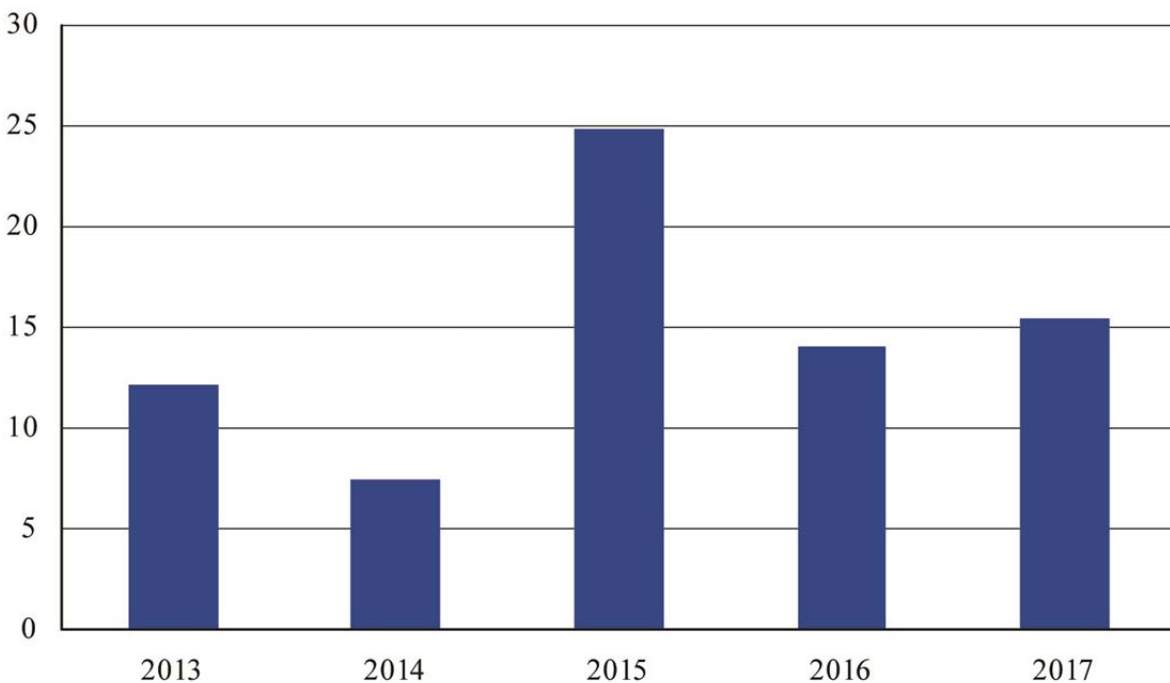
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Air Service Development

According to the U.S. Department of Transportation's (DOT) Bureau of Transportation Statistics (BTS), U.S. scheduled passenger airlines reported an after-tax net profit of \$15.5 billion in 2017, up from \$14.0 billion in 2016. The 23 U.S. scheduled service passenger airlines reported an after-tax net profit as a group for the fifth consecutive year based on net income reports.

Net Income 2013-2017, U.S. Scheduled Passenger Airlines
Billions of Dollars (\$)



Source: Bureau of Transportation Statistics

The airlines also reported a \$21.4 billion pre-tax operating profit in 2017, down from \$25.4 billion in 2016. The airlines reported a pre-tax operating profit as a group for the ninth consecutive year.

Total 2017 operating revenue was \$175.3 billion. The airlines collected \$130.5 billion from fares, 74.4% of total operating revenue.

Total 2017 operating expenses were \$153.9 billion, of which fuel costs accounted for \$26.2 billion, or 17.1%, and labor costs accounted for \$53.6 billion, or 34.8%.

The airlines collected \$4.6 billion in baggage fees, 2.6% of total operating revenue, and \$2.9

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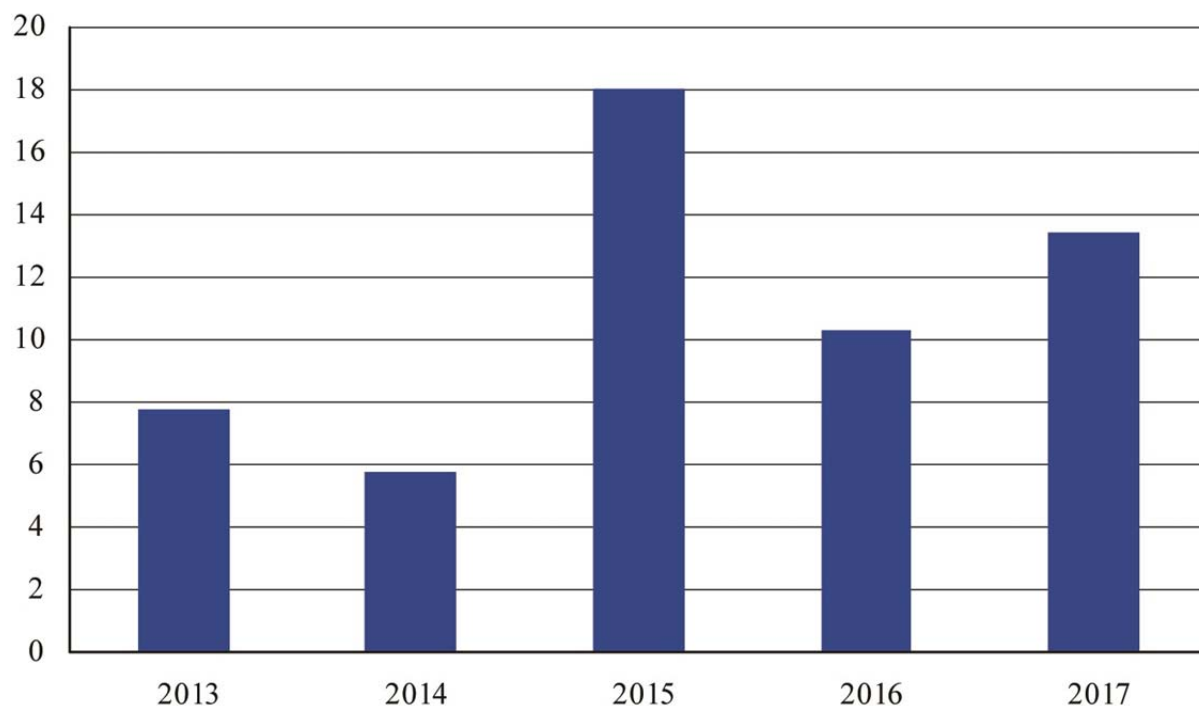
billion from reservation change fees, 1.6% of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss.

Domestic

From domestic operations, U.S. scheduled passenger airlines reported an after-tax net profit of \$13.4 billion in 2017, up from \$10.3 billion in 2016.

The 23 scheduled service passenger airlines reported an after-tax net profit from domestic operations as a group for the fifth consecutive year based on net income reports.

Domestic U.S. Scheduled Service Passenger Airlines
Annual Net Income, 2013 to 2017
Billions of Dollars (\$)



Source: Bureau of Transportation Statistics, Schedule P1.2 http://www.transtats.bts.gov/Fields.asp?Table_ID=295

Total 2017 operating revenue from domestic operations was \$132.7 billion. The airlines collected \$95.1 billion from fares, 71.7% of total 2017 domestic operating revenue.

Total 2017 operating expenses from domestic operations were \$114.9 billion, of which fuel costs accounted for \$17.8 billion, or 15.5%, and labor costs accounted for \$39.0 billion, or 33.9%.

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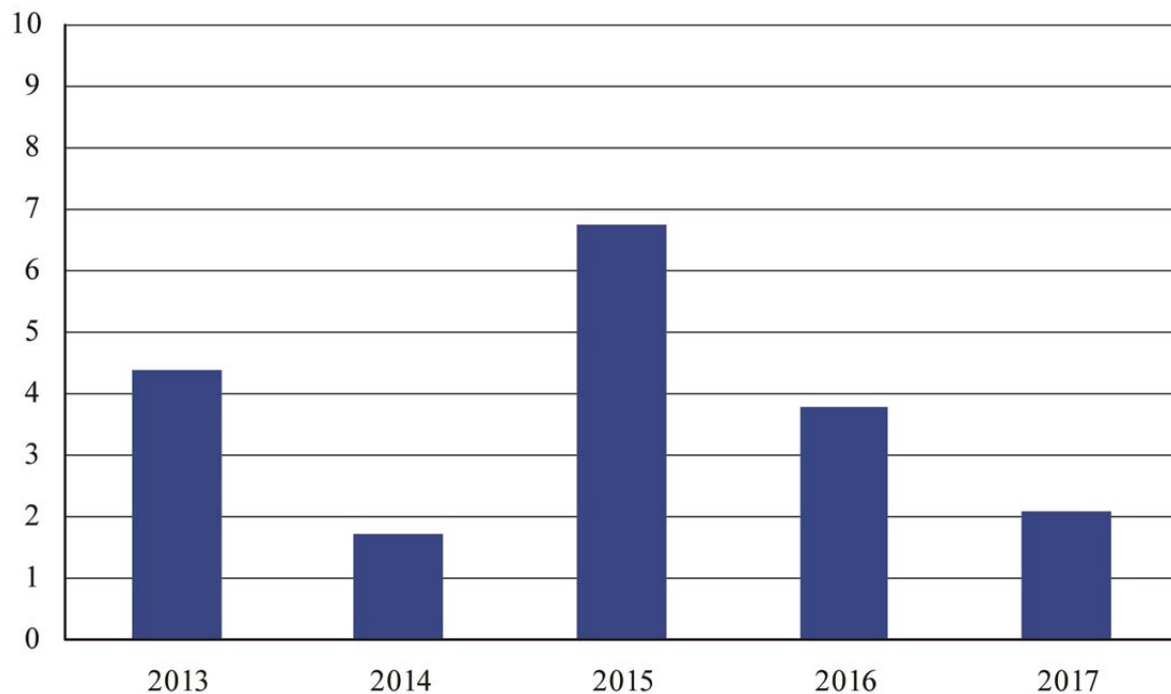
Scheduled passenger airlines collected from domestic operations \$3.6 billion in baggage fees or 2.7% of total domestic operating revenue, and \$1.9 billion from reservation change fees or 1.4% of total domestic operating revenue.

International

The 18 U.S. scheduled passenger airlines that operate internationally reported an after-tax net profit of \$2.1 billion in 2017 from their international operations, down from \$3.8 billion in 2016.

The airlines reported an after-tax net profit from international operations as a group for the eighth consecutive year based on net income reports.

International U.S. Scheduled Service Passenger Airlines
Annual Net Income, 2013 to 2017
Billions of Dollars (\$)



Source: Bureau of Transportation Statistics, Schedule P1.2 http://www.transtats.bts.gov/Fields.asp?Table_ID=295

The airlines also reported a \$3.6 billion pre-tax operating profit from international operations in 2017, down from \$5.5 billion in 2016. The airlines reported a pre-tax operating profit from international operations as a group for the ninth consecutive year.

Total 2017 operating revenue from international operations was \$42.6 billion. Airlines collected

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\$35.4 billion from fares, 83.1% of total international operating revenue.

Total operating expenses from international operations for all passenger airlines in 2017 were \$39.0 billion, of which fuel costs accounted for \$8.4 billion, or 21.6%, and labor costs accounted for \$14.6 billion, or 37.4%.

The airlines collected from international operations \$964.4 million in baggage fees or 2.3% of total international operating revenue, and \$982.2 million from reservation change fees or 2.3% of total international operating revenue.

Reno-Tahoe International Airport

In 2017, Reno-Tahoe International Airport (RNO) served 4,015,381 passengers, an increase of 10.0% when compared to 2016. The rise in passenger traffic can be attributed to the new flights and the increased seat capacity on certain routes. In addition, the growing regional economy played a role to attract travelers to the region. The last time RNO recorded four million was in 2008.

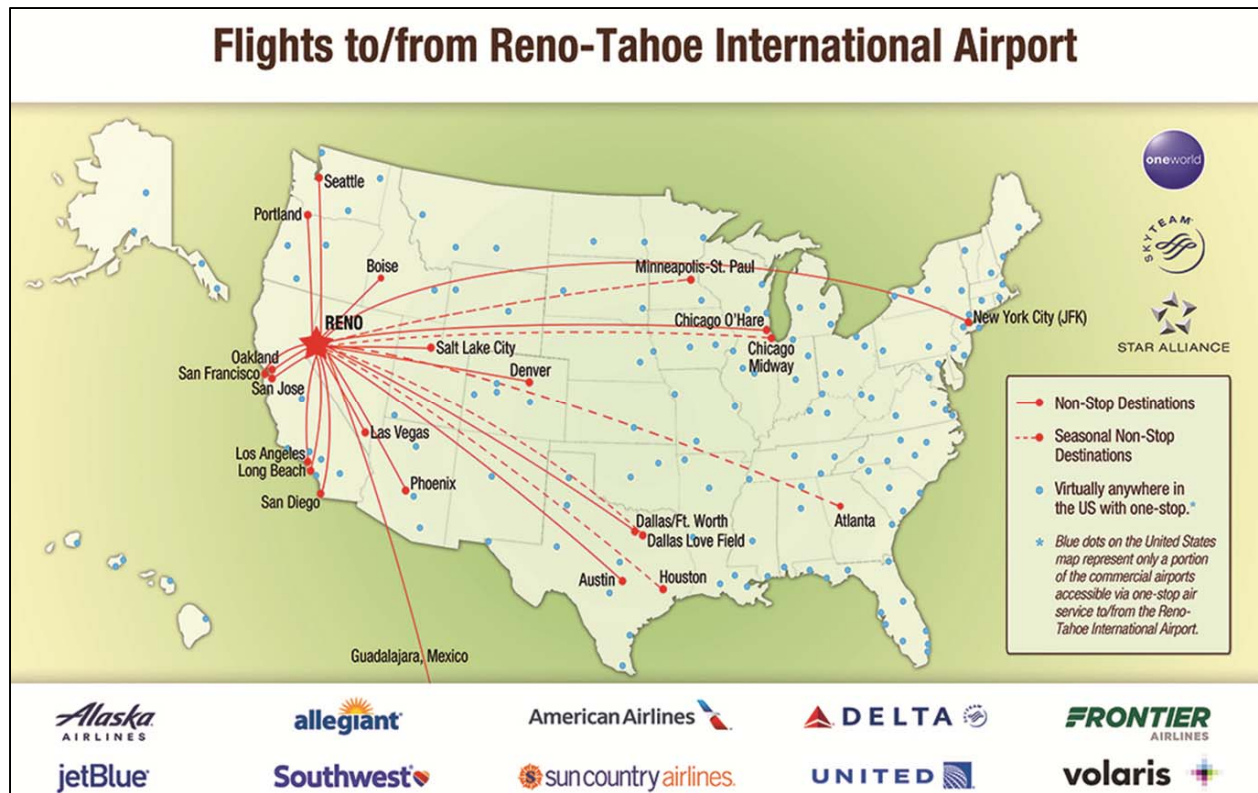
RNO offered a total of 20,900 scheduled departures in 2017, an increase of 6.5% when compared to the 2016 schedule. Scheduled seat capacity was up 9.5% at 2,538,508 (one way) for the same period. In 2017, RNO was served by nine airlines providing flights to 23 non-stop destinations.

Due to lower airline operating costs driven by low fuel prices in 2017, RNO air fares decreased 2.3% when compared to the prior year.

Southwest Airlines continues to be the dominant carrier at RNO carrying 43.3% of the total Calendar Year 2017 passengers, followed by American Airlines at 18.6%. RNO offers better air service than any other airport for a city of comparable population size anywhere in the United States.

In order to stay visible in the aviation industry, the Air Service Development (ASD) staff attended over 59 prearranged individual one-on-one meetings with different airlines in 2017. In addition, staff held numerous conference calls through the year 2017 with airline network planning, capacity planning, schedule planning and marketing teams of several airlines.

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NOTE: Sun Country Airlines will begin service in November 2018

The RTAA Board and staff continue to actively pursue new air service. However, competition for air service among the nation's 450+ commercial service airports is increasingly fierce. In the last decade, the airline industry's business model has shifted away from market share strategies to a focus on return on investments.

The staff has made significant progress in the development of educational programs in support of air service. This included formalizing a Community Outreach Program as well as an advertising campaign implemented in conjunction with the airport's airline partners and destination cities served non-stop from RNO.

In addition, staff developed a presentation titled "Air Service 101", which provides travel and community groups an overview of air service development, an airline business overview, key economic factors and considerations from the airline's perspective, and the opportunities/changes faced by RNO.

Finally, the Regional Air Service Corporation (RASC) is taking the lead in community wide efforts to create strategies to help offset risk to potential new markets. This is in conjunction with the RTAA's airline incentive program, which allows up to 12 months of free terminal building rent and landing fees as well as marketing support of new air service to RNO.

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Three major air cargo carriers, DHL, FedEx, and United Parcel Service (UPS) serve RNO. During the calendar year 2017, RNO handled 152,272,944 pounds of cargo, a decrease of 2.6% when compared to the calendar year 2016.

RNO 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. RNO is also the “gateway” to Lake Tahoe.

RNO is located four miles southeast of Reno’s central business district. The Reno-Stead Airport (RTS) is located 11 miles northwest of the central business district. The state capital, Carson City, is 30 miles south of Reno. Elected officials and state employees use RNO to get back to their constituents or to fly to the many state agency offices located 350 miles to the south in Las Vegas.

The closest competing airport is approximately 140 miles away in Sacramento, California. Since Sacramento is separated from Reno by the Sierra Nevada Mountains, which can be difficult to cross in the winter snows and other inclement weather, few western Nevada passengers use the Sacramento Airport.

The second airport operated by the RTAA is the Reno-Stead Airport, a general aviation airport. General aviation airports typically do not have scheduled air service, but do provide other important aviation related facilities. RTS has military, helicopter, charter, and private aircraft operations and aircraft owners and aviation related businesses lease land or buildings. RTS is also the home of the annual National Championship Air Races, a Bureau of Land Management base for firefighting aircraft, and a Nevada Army National Guard helicopter base.

Special Community Events

With over 5 million annual visitors, Reno, Sparks and Lake Tahoe feature a wide range of fun-filled events that offer something for everyone. In addition to the area’s breath-taking beauty, Reno and Lake Tahoe offer an amazing mix of history, art, and culture. Tourism and conventions continue to be big business in the Reno-Sparks area.

The Reno-Sparks Convention & Visitors Authority (RSCVA) owns and operates several facilities designed to draw out of town visitors. For example, the National Bowling Stadium hosts five month-long bowling competitions including the United States Bowling Congress (USBC) Open Championship and the Women’s Championship. The two tournaments combined bring 150,000 visitors to town with an estimated economic impact of nearly \$360 million. The schedule of bowling competitions to be held in our community through 2025 is provided in Section 1 – Introduction in the “Bowling Tournament Update”.

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The Reno-Tahoe area draws hundreds of thousands of visitors to northern Nevada for community-wide special events throughout the year. This year's special event season started with the Reno Rodeo, a 10 day event in its 94th year, and a PRCA (Professional Rodeo Cowboys Association) sanctioned sporting event. The Reno Rodeo is a non-profit organization made up of over 350 volunteers with over 120,000 fans in attendance; it is the 4th largest PRCA tour rodeo. The event impacts the Reno area economy by approximately \$42 million. This event is held at the Reno Livestock Events Center, a 35,000 square feet exhibit space with an indoor arena seating 6,200 and a lighted outdoor arena seating 9,000.

Reno is home to Artown, a month-long summer arts festival, which features about 500 events produced by more than 100 organizations and businesses in nearly 100 locations citywide. As noted by the National Endowment for the Arts, Artown is one of the most comprehensive festivals in the country. It brings the arts to Reno each July with a packed calendar of events and 350,000 attendees.

The first week of August is reserved for Hot August Nights; a celebration of the 50's, 60's and 70's emphasizing the cars of the era. More than 800,000 people flock to the event and bring an economic impact of \$351 million. There are more than 5,000 classic cars from 36 states 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.

The Reno-Tahoe region also hosts an annual PGA golf tournament: the 2018 Reno-Tahoe Open Barracuda Championship (July 30 through August 5, 2018). Held at the Montreux Golf Club at the base of the Sierras, the Reno-Tahoe open features \$1 million in prize money and spectacular views of the region.

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 hundred miles north of Reno/Sparks on the playa of the Black Rock Desert. Burning Man isn't your usual festival, with big acts booked to play on massive stages. In fact, the event is more the creation of a city than a festival, wherein almost everything that happens is created entirely by its citizens, who are active participants in the event. At least 18,000 of the 60,000 participants travel by air through RNO, including a host of international visitors from more than 34 different countries. During Burning Man, Black Rock City, through careful planning, emerges from the playa dust to become one of Nevada's largest cities for a week.

There are many great events in the area in September, and starting things off is the Best of the West Rib Cook Off held in the City of Sparks and sponsored by the Nugget Casino Resort. Following the Rib Cook Off are the Reno Balloon Races, the largest free hot air ballooning event in the nation. An estimated 140,000 spectators brave the early morning chill to view more than 100 balloons each year.

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The blue September skies of Reno are also the home of the National Championship Air Races (NCAR). The NCAR have run at the Reno-Stead Airport since 1964. With more than 150,000 people in attendance and an annual economic impact of \$70 million, the National Championship Air Races bring together aviation and sports enthusiasts from around the world, including strong attendance from California, Nevada and the Pacific Northwest. Race 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.

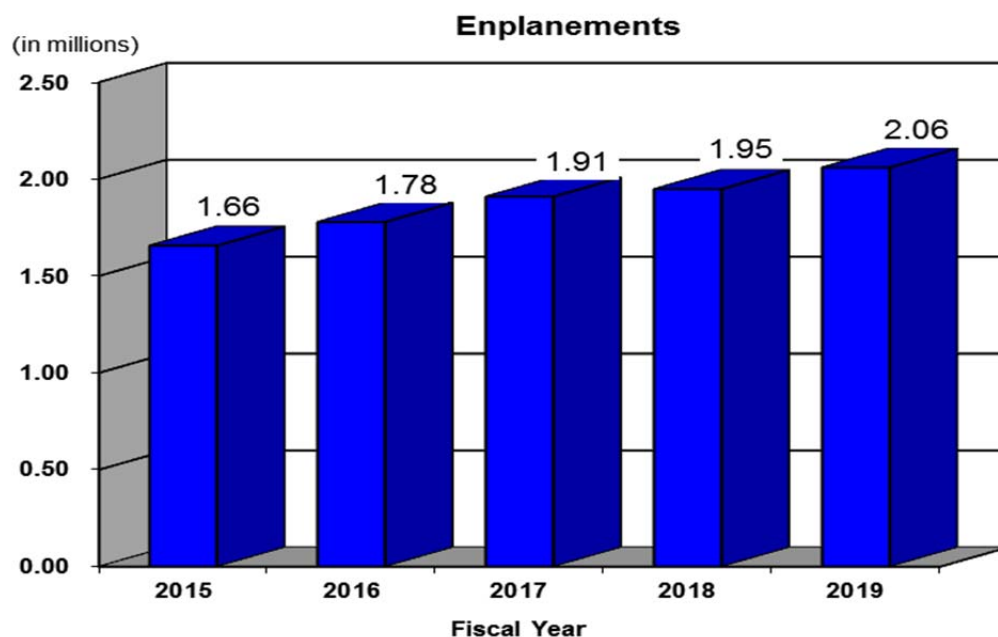
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Supplemental Information

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 2018 and FY 2019) are the budgeted amounts.

In addition, tables and charts that detail local demographic, employment, and economic information are provided.

Enplaned Passengers



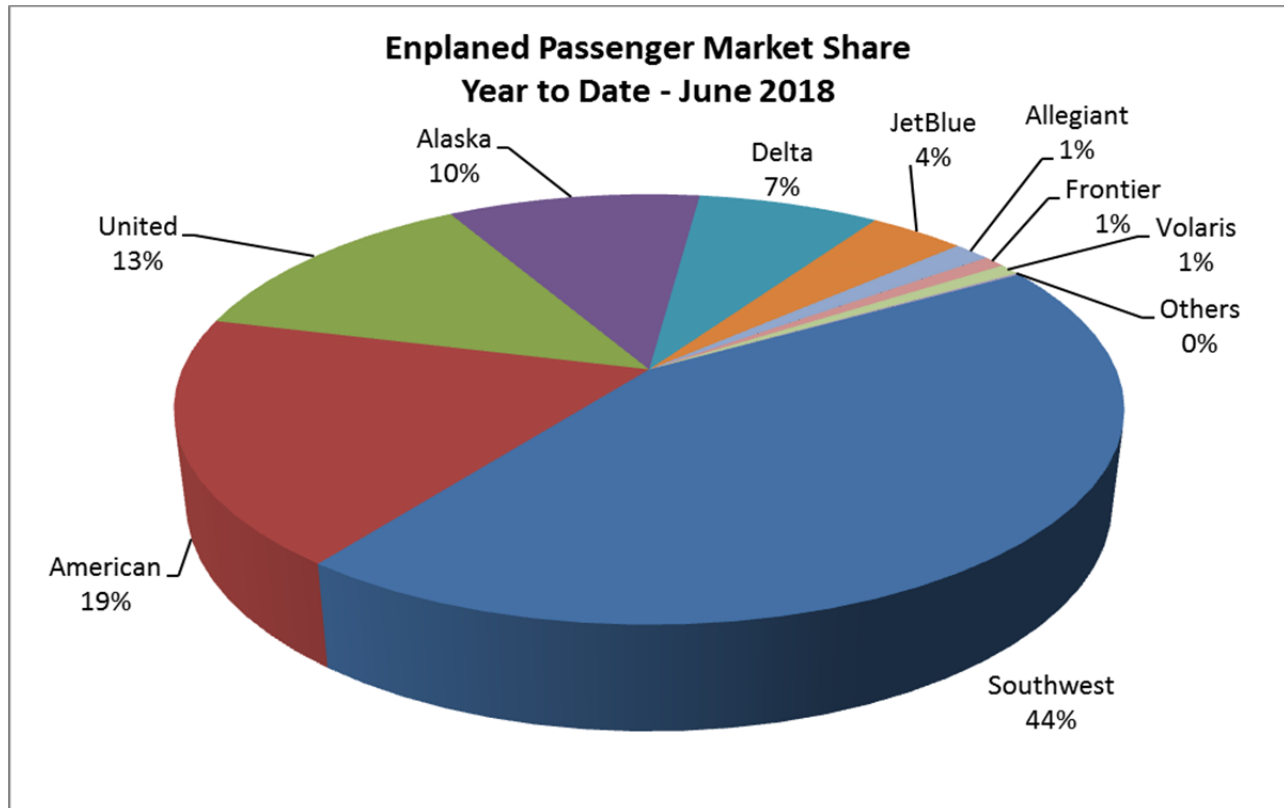
Enplaned passengers in FY 2018-19 at the RNO are projected to be 2,059,503, a 5.7% increase compared to the prior year budget of 1,948,002 and a 7.9% increase compared to the FY 2016-17 actual results.

The average load factor for scheduled air service in fiscal year 2017-18 was 79.9%. With the capacity increases and new routes announced by the commercial airlines serving RNO, the load factor is projected to modestly decrease to 78.5% for the FY 2018-19.

In June 2018, the average enplaned load factor at RNO was 85.5%, an increase of 5.3 load factor points compared to the same period last year.

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Airline Market Share



Airline Passenger Market Share – FY 2017-18 Actual Results		
	Number of Enplaned Passenger	Percent of Market Share
Southwest	901,470	43.7%
American	383,996	18.6%
United	265,271	12.8%
Alaska	212,427	10.3%
Delta	152,435	7.4%
JetBlue	80,494	3.9%
Allegiant	30,663	1.5%
Frontier	18,271	0.9%
Volaris	17,234	0.8%
Others	2,707	0.1%
Total	2,064,968	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 RNO has six main carriers providing 96.7% of the passenger flights with another eight carriers making up the balance. This table reflects actual enplaned passenger numbers for the period July 1, 2017 through June 30, 2018. As shown, Southwest had 43.7%, American 18.6%, United 12.8%, Alaska 10.3% and Delta 7.4%.

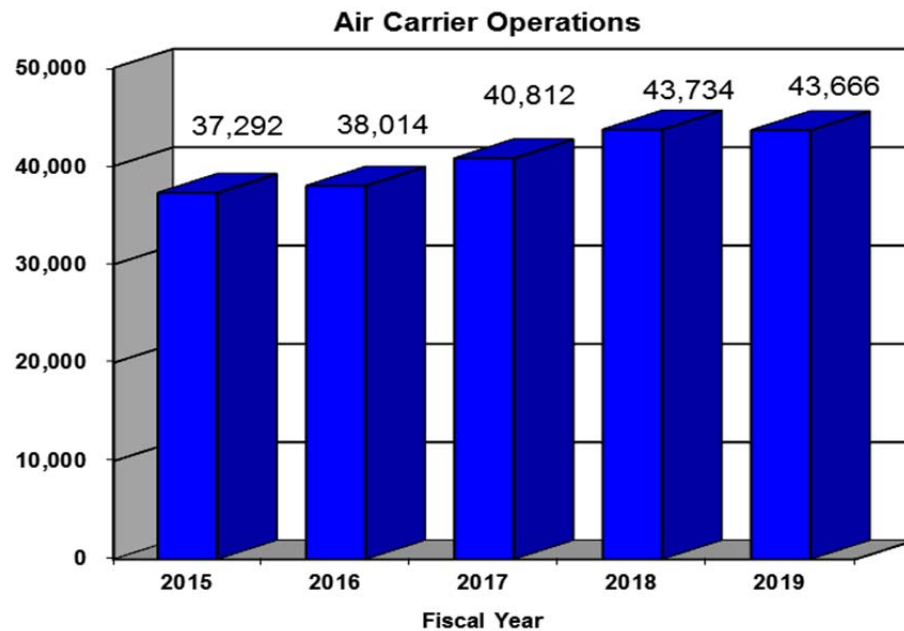
In the previous FY 2016-17 chart. Southwest had 42.8% of the passengers, American had 19.4%, United had 11.9%, Alaska had 11.8%, and Delta had 7.1%. The most significant change was a decrease by Alaska of 1.6% due to schedule changes resulting from a shortage of pilots to maintain their previous service schedule.

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 air travel market.

RNO 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.

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Air Carrier Operations



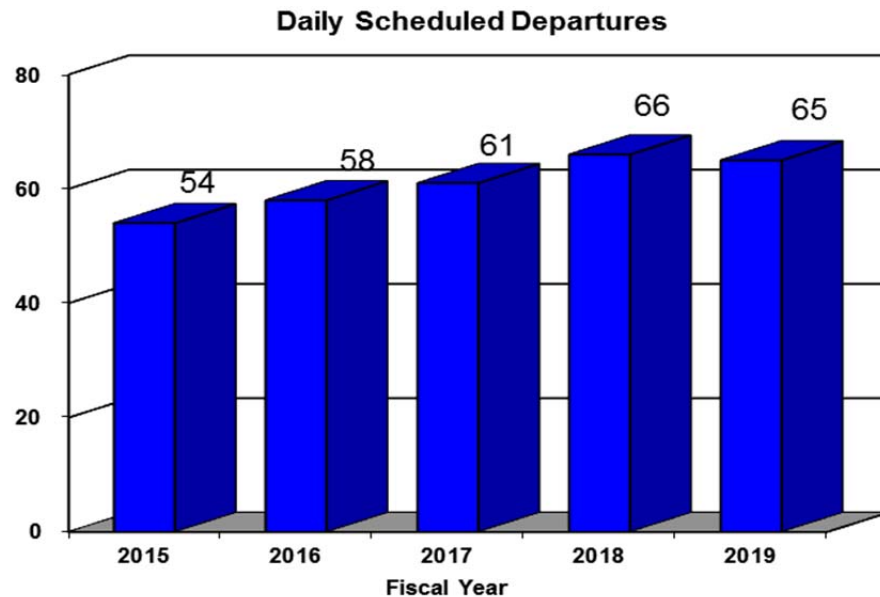
An operation is the term used to describe an aircraft landing or taking off. Scheduled annual operations are the landings and takeoffs of the scheduled airline flights for an entire year. Operations are projected to be approximately 43,666 in FY 2018-19, a decrease of 0.2% as compared to the adopted Budget for FY 2017-18. However, FY 2018-19 forecasted operations are 7.0% above actual results for FY 2016-17.

The decrease in FY 2018-19 of 68 operations as compared to FY 2017-18 reflect the impact of reduced service or equipment changes by Allegiant, Alaska, American, Southwest and Volaris. This decrease is partially offset by additional service provided by Delta, Frontier, JetBlue and United.

This activity 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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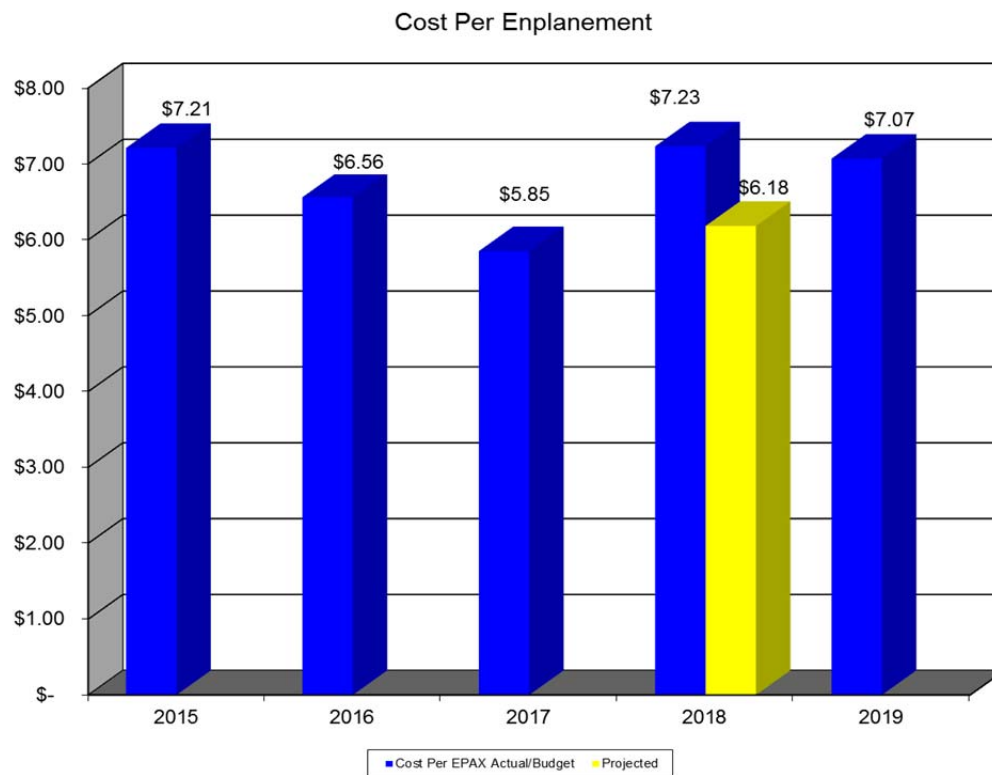
Daily Scheduled Departures



This graph shows the average number of flights departing RNO each day in the month of June. For FY 2018-19, the forecasted average daily flights are forecasted to decrease by 1 flight per day or 1.5%. However, the FY 2018-19 forecast does represent an increase of four daily departures as compared to FY 2016-17 actual results, which reflects the growing stability in the regional economy and enhanced airline profitability in our market.

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Airline Cost Per Enplaned Passenger



The cost per enplaned passenger (CPE) ratio measures the airport related costs paid by the airlines for each enplaned passenger flown from an airport. The airport costs incurred by an airline are landing fees and terminal building rents.

While rents and landing fees are approximately 8% of the domestic passenger airlines' operating costs in 2017 according to Bureau of Transportation Statistics (BTS), RTAA works hard to minimize the cost per enplanement to encourage airlines to serve the Northern Nevada market. In comparison, labor and fuel costs represent 34% and 15% of the airline's 2017 operating costs, respectively.

The RNO CPE of between \$5.50 to \$7.50 for the fiscal years between 2015 through 2019 compares favorably to the 2016 median ratio for U.S. airports of \$8.42 as reported by Moody's Investors Service "*Airports – US Medians: Continued economic growth underpins financial performance*".

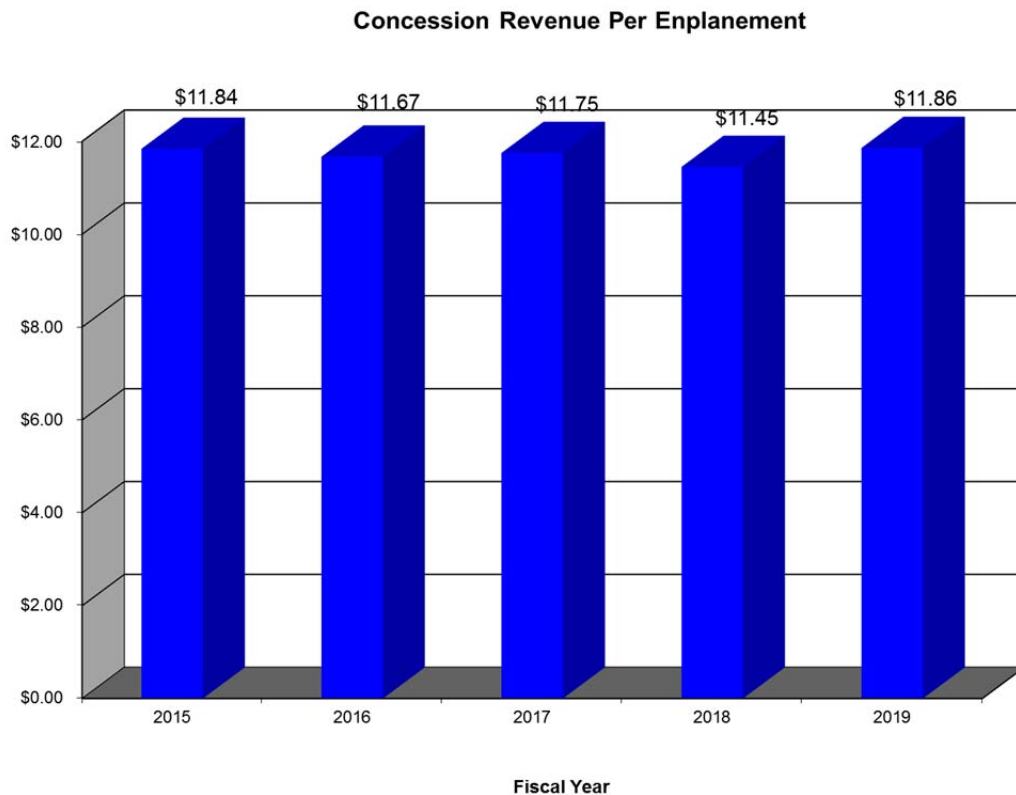
The RTAA has been successful in keeping this cost relatively stable despite the increasing costs of operating the airport and lower traffic levels during this period.

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Concession Revenue Per Enplaned Passenger

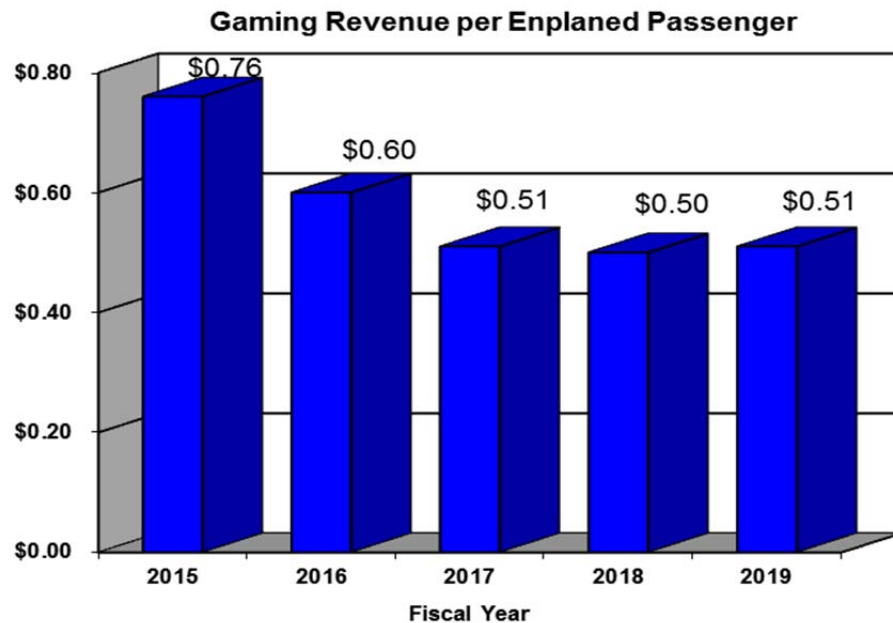
Concession revenue per enplaned passenger is a measure of concessionaire's ability to generate revenue from passengers using RNO's terminal facilities. This ratio allows staff to compare the performance from year to year and between airports.

The following sections outline the main concession revenues of the RTAA as presented in a per enplaned passenger format.



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Gaming Concession Revenue per Enplaned Passenger



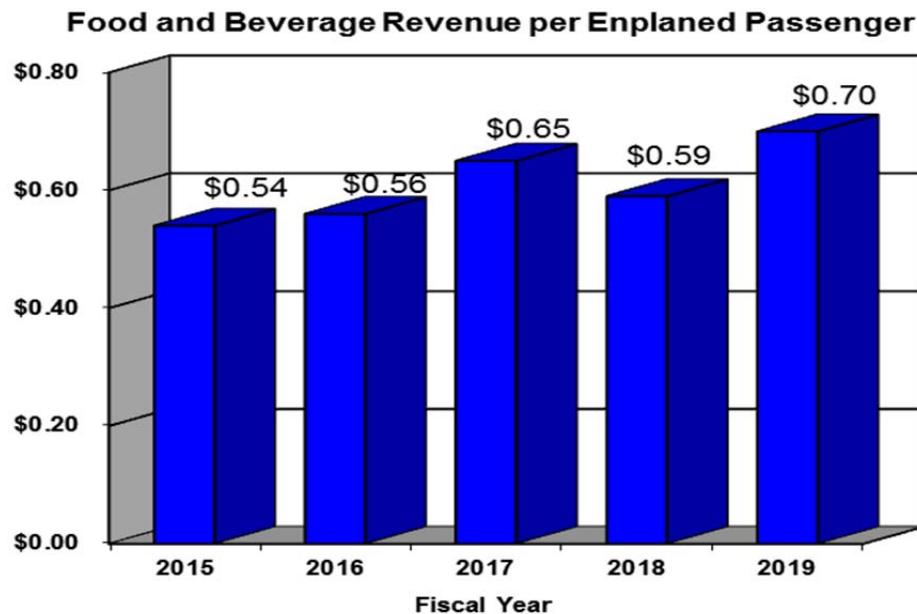
Few other airports have gaming revenues to compare. The gaming revenues are budgeted at approximately \$1.054 million for FY 2018-19 and are projected to be \$1.033 million for the current year, FY 2017-18.

This concession is awarded to International Game Technology (IGT) under a five year agreement, which started on December 1, 2015. The revenue decrease as compared to the prior years is due to the new revenue provisions that provide a lower percentage to be paid to the RTAA on Net Win. “Net Win” is defined as the difference between gaming wins and losses before deducting expenses.

Despite growing passenger traffic, the reduction in the RTAA’s percentage of Net Win over the past few years reflects the impact of expanding entertainment options available to passengers due to electronic devices.

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 10 – Supplemental Data**

Food and Beverage Concession Revenue per Enplaned Passenger



The food and beverage concession agreement currently pays the RTAA the greater of a minimum guaranteed amount or a percentage of gross revenues. Per the existing contract with SSP America, the minimum annual guarantee amount is set annually at 85% of prior year's payments, or \$885,800, whichever is greater.

The budgeted revenue of \$1.437 million for FY 2018-19, results in estimated revenue of \$0.70 per enplaned passenger. This estimate reflects the percent of gross revenue exceeding the Minimum Annual Guarantee (MAG) due to increased passenger traffic passing through RNO.

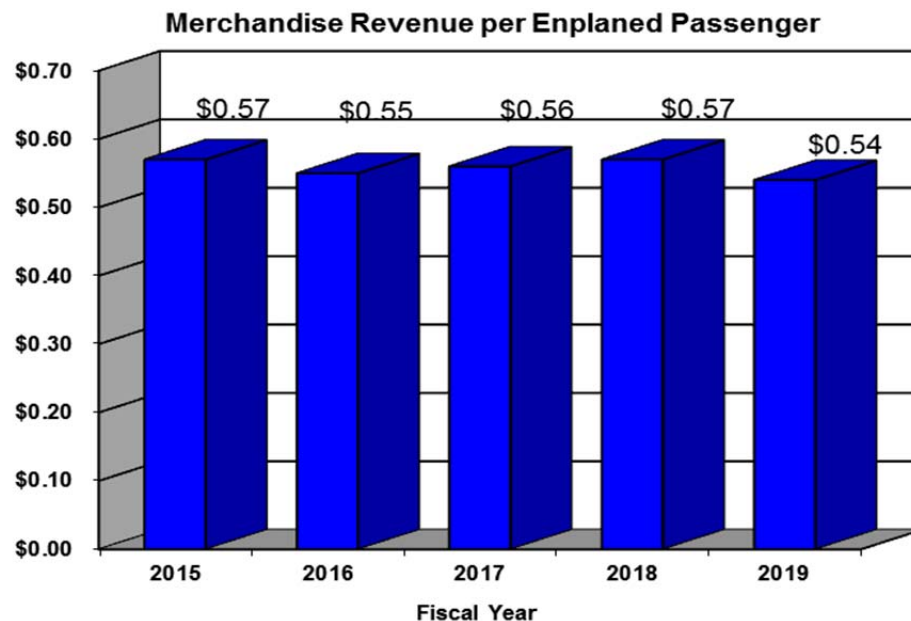
After a competitive process, the RTAA also now has a common use airport lounge that offers a high-end business class experience without entry restriction. Manchester Airport Group opened its "Escape Lounge" in December 2017.

The increased revenues are also due to the addition of two new food and beverage options for the travelling public: Vino Volo and Subway. They are projected to open in the first half of the fiscal year and the budget reflects only six months of revenues associated with these two new venues.

In addition, SSP has generated higher revenue per enplaned passenger due to customer's willingness to expend more of the discretionary income and an increase in the variety of restaurant options available.

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 10 – Supplemental Data**

Merchandise Concession Revenue per Enplaned Passenger



The RTAA's merchandise concession stores have offerings that would fit in any upscale shopping mall. There are four post security stores, branded as the High Mountain Market, including Brighton Collectibles, No Boundaries (an outdoor apparel store), In Motion (a high tech electronics shop), and CNBC (news and gifts). Also two travel essential and specialty gifts stores (Travelers Gifts and Summit Travel) are located on Concourse B and C, respectively.

In addition, the RNO also offers Adventure News (a travel essentials and specialty gift store) and a PGA Tour shop, which are available to passengers pre-security.

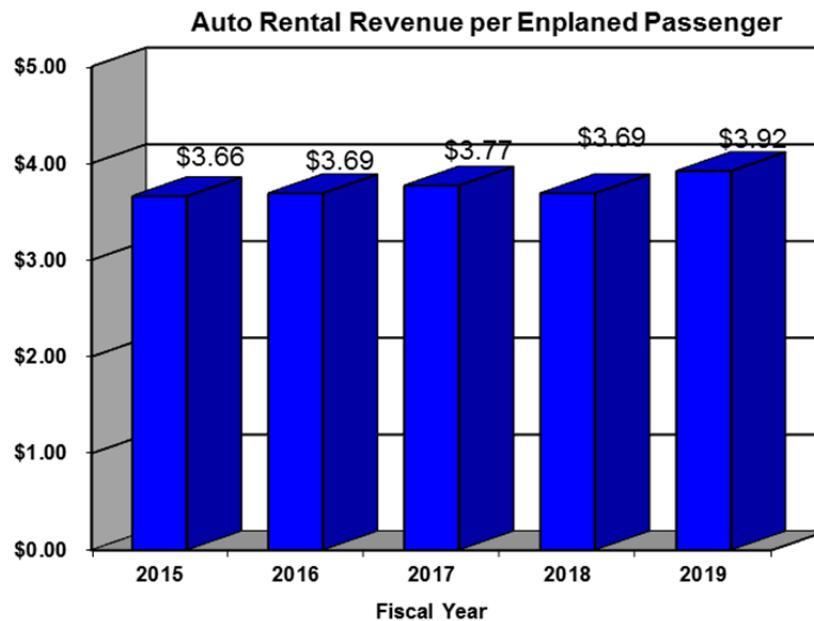
The concession agreement awarded to The Paradies Shops calls for payment to the RTAA of a percentage of revenues ranging from 12% to 23% depending on product type or a minimum annual guarantee (MAG), which is 85% of previous year's payments but not less than \$901,000, whichever is greater.

In 2015, Lagardère Travel acquired Paradies to create Paradies Lagardère (Paradies), a new market leader in airport concessions. In the spring of 2018, Paradies completed refurbished all of its travel essential and specialty gift stores.

For FY 2018-19, revenues are expected to be \$1,108 million. This is a slight decrease (0.3%) compared to the FY 2017-18 Budget and 1.3% decrease from the FY 2017-18 projected revenues. This decrease is mainly due to the closing of Forever Heather clothing store.

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
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Rental Car Concession Revenue per Enplaned Passenger



The RTAA has six (6) car rental company agreements with nine (9) brands: (1) Avis/Budget Car Rental doing business as Avis and Budget, (2) DTG Operations doing business as Dollar and Thrifty, (3) Enterprise, (4) Hertz, (5) Vanguard Car Rental doing business as Alamo and National, and (6) Payless Car Rental.

In 2007, Enterprise acquired Vanguard Car Rental, doing business as Alamo and National. In 2013, the Hertz Corporation acquired DTG Operations, doing business as Dollar and Thrifty and Avis/Budget acquired Payless Car Rental. Effectively, three (3) rental car companies control the nine brands at RTAA.

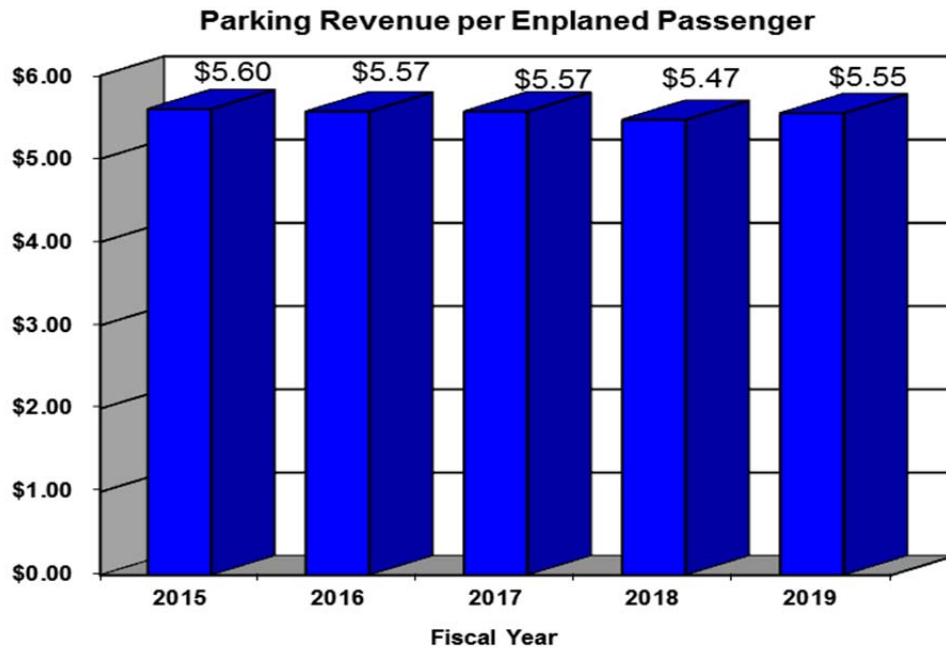
Effective July 1, 2010, the rental car companies bid for the right to operate on-airport for a period of five years. In June 2015, the agreement was extended for an additional three year term through June 30, 2018. RTAA revenues are the greater of the minimum annual guarantee (MAG) or 10% of gross receipts earned by companies.

Based on forecasted passenger traffic and revenue per enplaned passenger included in the FY 2018-19 Budget, Auto Rental revenue is projected to be approximately \$8.078 million. This is \$887,400 or 12.3% above the FY 2017-18 Budget and \$108,200 or 1.4% above the FY 2017-18 updated forecast. Currently, all of the rental car companies are paying the 10% of gross receipts.

This concession represents 22% of the Airport's total budgeted non-airline operating revenues.

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 10 – Supplemental Data**

Parking Revenue per Enplaned Passenger



Total auto parking and ground transportation revenues of \$11.826 million are budgeted to increase 7.3% above the prior year budget and 0.9% above the FY 2017-18 projected revenues.

The increase in revenue from last year's budget is primarily due to an increase in passenger traffic of 5.7% and a modest increase in revenue per transaction due to higher utilization possibly triggered by improvements in the local economy.

The RTAA has not implemented a parking rate increase since January, 2009.

Auto parking represents 32.1% of the RTAA's total budgeted non-airline operating revenues.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
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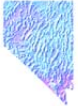
RENO-TAHOE AIRPORT AUTHORITY
POPULATION IN AIR TRADE AREA
FOR THE CALENDAR YEARS 2008-2017
(unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nevada										
<u>County</u>										
Churchill	24,896	24,897	24,877	24,637	24,375	24,063	23,989	24,200	24,198	24,230
Douglas	45,180	45,464	46,997	46,886	46,996	47,118	47,536	47,710	48,020	48,309
Humboldt	17,763	18,260	16,528	16,735	17,048	17,363	17,279	17,019	16,842	16,826
Lyon	53,022	52,641	51,980	51,871	51,327	51,557	51,789	52,585	53,179	54,122
Pershing	6,291	6,286	6,753	6,734	6,749	6,877	6,698	6,634	6,560	6,508
Storey	4,341	4,441	4,010	3,896	3,935	3,942	3,912	3,987	4,051	4,006
Washoe	410,443	414,820	421,407	425,710	429,908	433,731	440,078	446,903	453,616	460,587
Carson City	54,867	55,176	55,274	55,439	54,838	54,080	54,522	54,521	54,742	54,745
Subtotal	616,803	621,985	627,826	631,908	635,176	638,731	645,803	653,559	661,208	669,333
California										
<u>County</u>										
Alpine	1,061	1,041	1,175	1,102	1,129	1,159	1,116	1,110	1,071	1,120
El Dorado	176,075	178,447	181,058	180,938	180,561	181,737	183,087	184,452	185,625	188,987
Lassen	34,574	34,473	34,895	34,200	33,658	32,163	31,749	31,345	30,870	31,163
Mono	12,774	12,927	14,202	14,309	14,348	14,074	13,997	13,909	13,981	14,168
Nevada	97,118	97,751	98,764	98,612	98,292	98,200	98,893	98,877	99,107	99,814
Placer	341,945	348,552	348,432	357,138	361,682	367,309	371,694	375,391	380,531	386,166
Plumas	20,275	20,122	20,007	19,765	19,399	18,859	18,606	18,409	18,627	18,742
Sierra	3,263	3,174	3,240	3,113	3,086	3,047	3,003	2,967	2,947	2,999
Subtotal	687,085	696,487	701,773	709,177	712,155	716,548	722,145	726,460	732,759	743,159
Total	1,303,888	1,318,472	1,329,599	1,341,085	1,347,331	1,355,279	1,367,948	1,380,019	1,393,967	1,412,492
Percentage increase	1.04%	1.12%	0.84%	0.86%	0.47%	0.59%	0.93%	0.88%	1.01%	1.33%
Unemployment rate										
Washoe County	6.8%	11.1%	12.9%	12.6%	11.0%	9.4%	7.6%	6.3%	5.0%	4.2%

Source: US Census Bureau - Quickfacts
Nevada Department of Employment, Training and Rehabilitation

<http://www.census.gov/quickfacts/table/PST045215/>
<http://nevadaworkforce.com/CES>

Reno-Tahoe Airport Authority
FY 2018-19
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 Nevada Statewide 2018 Industrial Employment				
Estimates in thousands	June 2018	June 2017	Change	% Change
Total All Industries	1382.6	1349.2	33.40	2.5%
Goods Producing	161.5	146.8	14.7	10.0%
Natural Resources & Mining	14.8	14.5	0.3	2.1%
Construction	92.4	86.8	5.6	6.5%
Manufacturing	54.3	45.5	8.8	19.3%
Services Producing	1221.1	1202.4	18.7	1.6%
Private Service Providing	1058.0	1044.4	13.6	1.3%
Trade, Transportation & Utilities	252.2	244.7	7.5	3.1%
Information	14.9	14.4	0.5	3.5%
Financial Activities	66.3	64.1	2.2	3.4%
Professional & Business Services	185.4	188.3	-2.9	-1.5%
Education and Health Services	139.2	134.3	4.9	3.6%
Leisure and Hospitality	356.4	356.0	0.4	0.1%
Other Services	43.6	42.6	1.0	2.3%
Government	163.1	158.0	5.1	3.2%
Data may not add due to rounding. Employment by place of work. Does not coincide with labor force concept. Includes multiple jobholders.				

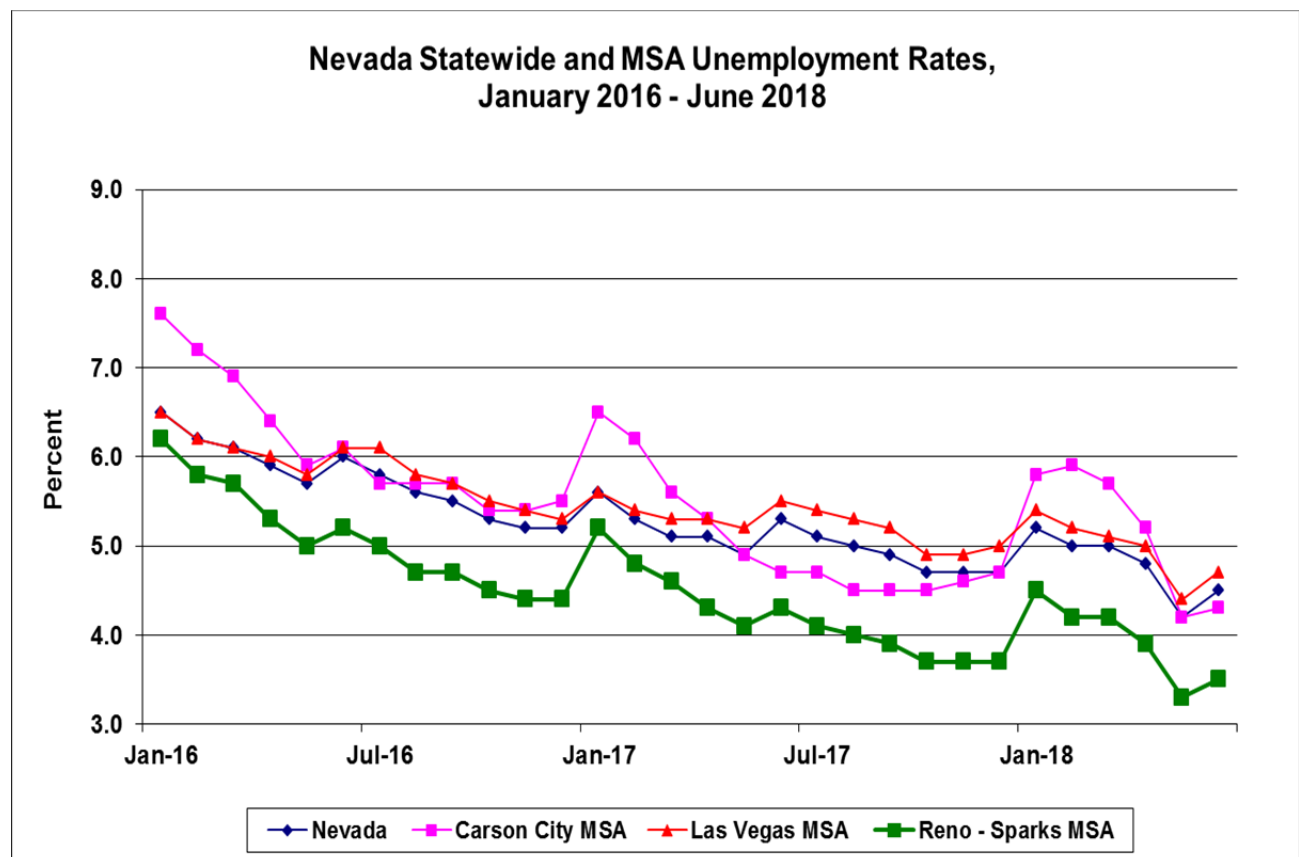
Employment Statistics

The table above demonstrates Nevada's diversified economy. Continuing diversification of the local economy, as outlined in the Introduction section, will help reduce the impact of any future economic downturns and reduce the dependence on gaming. The chart above shows the employment in the largest sectors of the economy. Leisure and Hospitality, the largest category of employment, has shown a 0.1% increase in employment in June 2018 as compared to June 2017.

The largest employment categories with significant year over year growth include the Manufacturing sector of 19.3%, and Construction of 6.5%. Professional & Business Services is the only sector with a decrease of 1.5%. All other sections of employment registered employment increases.

**Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 10 – Supplemental Data**

Unemployment Statistics

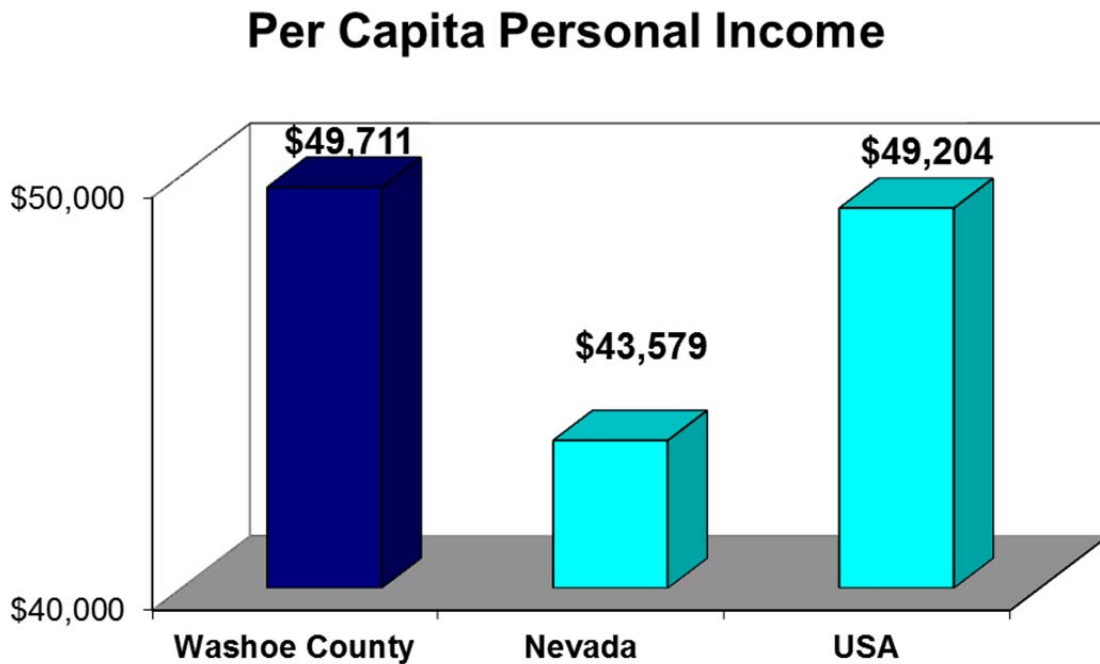


Source: Nevada Department of Employment, Training and Rehabilitation

This graph shows the Reno-Tahoe area unemployment rate of 3.5% in June 2018 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 2018 unemployment rate has continued to drop as compared to 4.3% in June 2017 and 5.2% in June 2016.

The nationwide unemployment rate at the end of June 2018 registered 4.2% as reported by the Bureau of Labor Statistics.

**Reno-Tahoe Airport Authority
FY 2018-19
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Source: U.S. Department of Commerce – Bureau of Economic Analysis
www.bea.gov/Regional/Reis

Per Capita Personal Income

Another aspect of Reno-Tahoe area employment is Per Capita Personal Income. As the latest data available as of 2016 demonstrates, the Reno-Tahoe service area of Washoe County, Nevada not only has a higher per capita personal income than the state in general, but also surpassed the national average per capita personal income level.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
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RENO-TAHOE AIRPORT AUTHORITY PRINCIPAL EMPLOYERS WITHIN AIR TRADE AREA FOR THE CALENDAR YEARS ENDED 2016 AND 2007 (unaudited)				
Employer	Calendar year 2016		Calendar year 2007	
	Rank	Employees	Rank	Employees
Washoe County School District	1	8,500-8,999	1	7,000-7,499
University of Nevada-Reno	2	4,500-4,999	2	4,000-4,499
Renown Regional Medical Center	3	2,500-2,999	5	2,500-2,999
Washoe County	4	2,500-2,999	3	3,000-3,499
Peppermill Hotel Casino-Reno	5	2,000-2,499	7	2,000-2,499
Grand Sierra Resort & Casino	6	2,000-2,499	-	-
International Game Technology	7	1,500-1,999	4	2,500-2,999
Silver Legacy Resort Casino	8	1,500-1,999	6	2,000-2,499
Atlantis Casino Resort	9	1,500-1,999	9	1,500-1,999
St. Mary's Hospital	10	1,500-1,999	-	-
Eldorado Hotel & Casino	11	1,000-1,499	10	1,500-1,999
City of Reno	12	1,000-1,499	8	1,500-1,999
www.nevadaworkforce.com/top-employers				

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 10 – Supplemental Data

Domestic Airline Passengers

Total Systemwide (Domestic and International) Scheduled Enplanements on U.S. Airlines					
Passenger numbers in millions (000,000)					
	2016-2017			2017-2018	
	2016	2017	Pct. Change	2018	Pct. Change
January	60.8	62.6	3.0	64.4	2.9
February	58.5	58.4	-0.2	61.7	5.7
March	70.6	73.0	3.4	76.3	4.6
April	67.2	70.3	4.5	73.6	4.8
May	71.5	73.7	3.0	77.4	
June	74.5	77.0	3.4		
July	76.9	79.8	3.8		
August	73.5	77.1	5.0		
September	66.5	64.9	-2.3		
October	69.5	72.7	4.5		
November	66.6	69.6	4.6		
December	66.9	70.3	5.1		
4 Mo. Total	257.1	337.9	31.4	353.4	4.6
Yr. Total	823.0	849.4	3.2		
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 for RNO 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 2018-19
ANNUAL BUDGET
Section 10 – Supplemental Data

Airline Profitability

Quarterly Large Airline Systemwide (Domestic + International) Net Income Ranked by 1Q 2018 Operating Revenue (millions of dollars)							
Rank	Airline	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	Dollar Change 1Q2017- 1Q2018
1	American	263	827	648	183	236	-27
2	Delta	616	1,236	1,192	591	583	-33
3	United	97	818	637	596	147	50
4	Southwest	351	746	502	1,888	462	111
5	Alaska	123	273	252	426	16	-107
6	JetBlue	85	210	179	673	88	3
7	Spirit	47	78	60	251	-45	-92
8	Hawaiian	39	82	76	173	30	-9
9	SkyWest	28	44	51	265	42	14
10	Frontier	0	70	66	29	27	27
10-Carrier Total		1,649	4,384	3,663	5,075	1,586	-63
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 2018.

The top 10 airlines, ranked by operating revenue, reported an after-tax net profit of \$1.59 billion in the first quarter of 2018, down 3.8% from a profit of \$1.65 billion in the first quarter of 2017 and down 68.7% from a profit of \$5.08 billion in the fourth quarter of 2017.

While fuel costs increased as compared to the prior year, it should be noted that it decreased 17% in 2016 as compared to the prior year. Crude oil prices are the highest level since 2014 with an increase of 60% in June 2018 as compared to the same period last year. Full-time equivalent (FTE) employment at U.S. passenger airlines reached over 426,100 jobs in 2017, the highest level since 2004.

For the first quarter of 2018, U.S. airlines faced a series of challenges due to a host of winter storms, power outages, airport construction and understaffing at air traffic control towers. According to A4A, both labor and jet-fuel prices are on the rise and, despite a 7% increase in revenue, the industry saw lower profitability as compared to the first quarter in 2017.

Section 11 – State of Nevada Budget Format



Reno-Tahoe Airport Authority

P.O. Box 12490 • Reno, NV 89510-2490 • (775)328-6400 • (775)328-6510

Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7921

Reno-Tahoe Airport Authority herewith submits the FINAL budget for the
fiscal year ending June 30, 2019

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 \$ 79,583,129

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: 5/22/2018

APPROVED BY THE GOVERNING BOARD

Shaun Carey

Lisa Gianoli

Carol Chaplin

Jenifer Rose

Jessica Sferrazza

Richard Jay

Daniel Farahi

Art Sperber

SCHEDULED PUBLIC HEARING:

Date and Time 5/22/18 - 9 AM

Publication Date 5/11/2018

Place: Reno-Tahoe Airport Authority - Board Room

Page: 1
Form 1
11/1/2014

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 06/30/17	ESTIMATED CURRENT YEAR ENDING 06/30/18	BUDGET YEAR ENDING 06/30/19
General Government			
Judicial			
Public Safety			
Public Works			
Sanitation			
Health			
Welfare			
Culture and Recreation			
Community Support			
TOTAL GENERAL GOVERNMENT			
Utilities			
Hospitals			
Transit Systems			
Airports	258.0	277.5	277.5
Other			
TOTAL	258.0	277.5	277.5

POPULATION (AS OF JULY 1)			451,923
SOURCE OF POPULATION ESTIMATE*			Preliminary revenue
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

Page: 2

Form 4
11/1/2014

SCHEDULE A-2 PROPRIETARY AND NONEXPENDABLE TRUST FUNDS

Budget For Fiscal Year Ending June 30, 2019

Budget Summary for **RENO-TAHOE AIRPORT AUTHORITY**
(Local Government)

FUND NAME	*	OPERATING REVENUES (1)	OPERATING EXPENSES (2) **	NONOPERATING REVENUES (3)	NONOPERATING EXPENSES (4)	<u>OPERATING TRANSFERS</u>		NET INCOME (7)
						IN (5)	OUT(6)	
AIRPORTS	E	\$ 53,435,185	\$ 79,144,229	13,419,700	438,900	0	0	\$ (12,728,244)
TOTAL		\$ 53,435,185	\$ 79,144,229	\$ 13,419,700	\$ 438,900	\$ -	\$ -	\$ (12,728,244)

* FUND TYPES: E - Enterprise
I - Internal Service
N - Nonexpendable Trust

** Include Depreciation

<u>PROPRIETARY FUND</u>	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/19	
	ACTUAL PRIOR YEAR ENDING 6/30/2017	ESTIMATED CURRENT YEAR ENDING 6/30/2018	TENTATIVE APPROVED	FINAL APPROVED
OPERATING REVENUE				
Landing and Aircraft Fees	\$ 8,285,922	\$ 9,346,373	\$ 9,866,243	\$ 9,924,121
Gaming Concession	976,431	1,033,100	1,053,700	1,053,700
Food & Beverage Concession	1,231,992	1,274,400	1,320,400	1,437,000
Merchandise Concession	1,060,468	1,122,900	1,108,000	1,108,000
Auto Rental Concession	7,190,999	7,970,000	8,078,200	8,078,200
Parking/Ground Transportation	11,316,885	12,059,800	12,182,500	12,182,500
Rents	13,688,849	14,510,400	15,754,200	15,667,900
Other Concessions/Reimbursed Svcs/Misc.	4,037,442	3,862,575	3,972,647	3,983,764
Total Operating Revenue	\$ 47,788,989	\$ 51,179,548	\$ 53,335,890	\$ 53,435,185
OPERATING EXPENSE				
Personnel Services	\$ 26,672,375	\$ 28,344,335	\$ 30,478,615	\$ 30,478,615
Utilities and Communications	2,337,577	2,714,545	2,582,230	2,582,230
Purchased Services	4,595,802	5,289,058	5,732,323	5,907,323
Materials and Supplies	1,753,352	2,039,995	2,021,373	2,022,373
Administrative Expenses	2,579,040	2,801,636	3,053,288	3,153,688
Depreciation/Amortization	34,462,715	35,000,000	35,000,000	35,000,000
Total Operating Expense	\$ 72,400,861	\$ 76,189,569	\$ 78,867,829	\$ 79,144,229
Operating Income or (Loss)	(24,611,872)	(25,010,021)	(25,531,939)	(25,709,044)
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	305,497	529,000	784,900	784,800
Jet Fuel Tax Revenue	298,124	318,000	322,800	322,800
PFC Revenues (Passenger Facility Chg.)	7,480,732	7,724,900	7,888,300	7,889,900
Gain (Loss) on sale of capital assets	13,298	1,850,000	-	-
Customer Facility Charge	1,481,004	1,564,500	4,422,200	4,422,200
Interest Expense	(616,855)	(487,300)	(438,900)	(438,900)
Miscellaneous Non-Operating Expense	(7,814)	-	-	-
Total Nonoperating Revenues (Expenses)	8,953,986	11,499,100	12,979,300	12,980,800
Net Income before Operating Transfers	\$ (15,657,886)	\$ (13,510,921)	\$ (12,552,639)	\$ (12,728,244)
Operating Transfers (Schedule T)				
In				
Out				
Net Operating Transfers	0	0	0	0
NET INCOME	\$ (15,657,886)	\$ (13,510,921)	\$ (12,552,639)	\$ (12,728,244)

RENO-TAHOE AIRPORT AUTHORITY

(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET INCOME

FUND AIRPORTS

Page: 4

11/1/2014

	(1) ACTUAL PRIOR YEAR ENDING 6/30/2017	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2018	(3) (4) BUDGET YEAR ENDING 06/30/19	
			TENTATIVE APPROVED	FINAL APPROVED
<u>PROPRIETARY FUND</u>				
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (24,611,872)	\$ (25,010,021)	\$ (25,531,939)	\$ (25,709,044)
Depreciation/Amortization	34,462,715	35,000,000	35,000,000	35,000,000
Provision for Bad Debt	-	-	-	-
Loss on Sale of Property and Equipment	-	-	-	-
Changes in Current Assets and Liabilities	(1,106,664)	(500,000)	-	-
a. Net cash provided by (or used for) operating activities	8,744,179	9,489,979	9,468,061	9,290,956
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Jet Fuel Tax Revenue	298,124	318,000	322,800	322,800
b. Net cash provided by (or used for) non capital financing activities	298,124	318,000	322,800	322,800
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Federal Grant Proceeds	3,716,031	5,219,560	25,069,249	25,069,249
Proceeds from sale of Capital Assets	13,298	1,850,000	-	-
Customer Facility Charge Revenue	1,481,004	1,564,500	4,422,200	4,422,200
Acq. & Const. of Capital Assets	(8,383,378)	(16,531,802)	(44,453,192)	(46,653,631)
Principal/Interest Payments	(4,908,084)	(2,247,300)	(2,248,900)	(2,248,900)
Receipts of PFC Revenue	7,480,732	7,724,900	7,888,300	7,889,900
Non-Operating Expenses	(7,812)	-	-	-
c. Net cash by (or used for) capital and related financing activities	(608,209)	(2,420,142)	(9,322,343)	(11,521,182)
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Receipt of Interest	533,707	529,000	784,900	784,800
Purchase/Sale of Investments	(9,135,032)	-	-	-
d. Net cash provided by (or used in) investing activities	(8,601,325)	529,000	784,900	784,800
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	(167,231)	7,916,837	1,253,419	(1,122,626)
CASH AND CASH EQUIVALENTS AT JULY 1, 20XX	17,297,988	17,130,757	25,047,593	25,047,593
CASH AND CASH EQUIVALENTS AT AT JUNE 30, 20XX	\$ 17,130,757	\$ 25,047,593	\$ 26,301,012	\$ 23,924,967

RENO-TAHOE AIRPORT AUTHORITY

Schedule F - 2 - Statement of Cash Flows

FUND: AIRPORTS

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Form 20

11/1/2014

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) NAME OF BOND OR LOAN List and Subtotal By Fund	(2) *	(3) TERM	(4) ORIGINAL AMOUNT OF ISSUE	(5) ISSUE DATE	(6) FINAL PAYMENT DATE	(7) INTEREST RATE	(8) BEGINNING OUTSTANDING BALANCE 7/1/2018	(9) REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/19		(10) PRINCIPAL PAYABLE	(11) (9) + (10) TOTAL
								INTEREST PAYABLE			
FUND: AIRPORTS											
RTAA, AIRPORT REVENUE REFUNDING BONDS SERIES 2015	4	11	20,690,000	10/01/15	07/01/26	2.75%	15,960,000	438,900		1,810,000	2,248,900
TOTAL ALL DEBT SERVICE			\$ 20,690,000				\$ 15,960,000	\$ 438,900	\$	1,810,000	\$ 2,248,900

SCHEDULE C-1 INDEBTEDNESS

RENO-TAHOE AIRPORT AUTHORITY Budget Fiscal Year 2017-18

SCHEDULE OF EXISTING CONTRACTS

Budget Year 2018 - 2019

Local Government: Reno-Tahoe Airport Authority

Contact: Alex Kovacs

E-mail Address: akovacs@renoairport.com

Daytime Telephone: 775-328-6435

Total Number of Existing Contracts: 81

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2018-19	Proposed Expenditure FY 2019-20	Reason or need for contract:
1	Fennemore Craig Jones Vargas	2/1/2014	1/30/2019	\$ 425,000	\$ 425,000	Legal Services
2	McDonald Carano Wilson	10/1/2012	9/30/2017	\$ 72,000	\$ 72,000	Local/State Lobbying & Government Advocacy
3	The Porter Group	2/1/2011	1/31/2019	\$ 84,000	\$ 84,000	Federal Representation Services
4	Dio, LLC	7/1/2018	6/30/2019	\$ 30,000	\$ 30,000	Data Source for Air Service Dept needs
5	Walker & Associates, LLC	7/1/2018	6/30/2019	\$ 50,000	\$ 50,000	Air Service Meetings and Analysis
6	Reno Air Racing Association	7/1/2018	6/30/2019	\$ 100,000	\$ 100,000	National Championship Air Race Sponsorship
7	University of Nevada-Reno	7/1/2018	6/30/2019	\$ 42,160	\$ 42,160	Intercollegiate Athletics Trade Out Agreement
8	OnStrategy	7/1/2018	6/30/2019	\$ 2,400	\$ 2,400	Strategic Planning
9	Personal Development Consultants	9/4/1987	On-going	\$ 8,000	\$ 8,000	Employee Assistance Program Services
10	Lockton	7/1/2017	6/30/2022	\$ 44,000	\$ 44,000	Insurance Brokerage Services
11	Hometown Health Plan	1/1/2017	12/31/2019	\$ 2,826,200	\$ 2,970,000	Employee Health Benefit Plan
12	MetLife	1/1/2018	12/31/2019	\$ 392,400	\$ 400,000	Employee Dental, Vision, Life & Long Term Disability Benefit Plans
13	My Cafeteria Plan	1/1/2017	12/31/2019	\$ 6,000	\$ 6,300	Third Party Administration Services (HRA/HSA/Flex Plan Claims)
14	Ionwave Technologies	7/1/2015	6/30/2018	\$ 18,750	\$ 18,750	E-Procurement License, Maintenance and Professional Services
15	PowerComm Solutions Inc.	7/1/2018	6/30/2019	\$ 125,000	\$ -	ACAMS, CCTV
16	Darktrace	2/8/2018	2/1/2023	\$ 23,400	\$ 23,400	Software maintenance
17	VOX	7/1/2018	6/30/2019	\$ 42,000	\$ 42,000	Telephone system and data communication system maintenance
18	ABC Fire	1/1/2018	12/31/2019	\$ 5,150	\$ 5,165	Annual Fire System Inspections, quarterly inspections
19	ABM Janitorial	1/1/2018	12/31/2019	\$ 12,600	\$ 13,000	All terminal cleaning requirements
20	ADT / TYCO	1/1/2018	12/31/2019	\$ 4,820	\$ 4,900	Quarterly Fire Alarm Service Hangars 5 & 6, Shop
21	All Weather, Inc.	1/1/2018	12/31/2019	\$ 650	\$ 660	NADIN service for AWOS
22	Burgarello Alarm	1/1/2018	12/31/2019	\$ 450	\$ 465	Alarm Monitoring new terminal
23	Emerson Network Power	1/1/2018	12/31/2019	\$ 7,500	\$ 7,500	Required Terminal UPS
24	Kone Elevator service	1/1/2018	12/31/2019	\$ 2,100	\$ 2,350	Required elevator maintenance, service and testing
25	LA Perks	1/1/2018	12/31/2019	\$ 350	\$ 365	Required recertification of wash rack alarm
26	Safety Kleen	1/1/2018	12/31/2019	\$ 960	\$ 975	RTS OSHA required parts washer service
27	Simplex Grinnell	1/1/2018	12/31/2019	\$ 475	\$ 485	Fire pump annual inspection and certification
28	Waters Septic Service	1/1/2018	12/31/2019	\$ 1,150	\$ 1,175	Permit and Pump oil/water separators Maint shop and wash rack
29	Crowe Horwath	3/13/2014	3/31/2019	\$ 53,370	\$ 53,710	External Audit Services
30	US Bank	5/23/2013	7/1/2018	\$ 5,000	\$ 5,000	Bond and Note Trustee
31	Government Portfolio Advisors	7/1/2017	6/30/2022	\$ 38,000	\$ 38,000	Investment Advisory Services
32	Washoe County Investment Pool	5/1/2014	On-going	\$ 10,000	\$ 15,000	Investment Advisory Services
33	Wells Fargo Bank	6/24/2013	7/1/2018	\$ 35,800	\$ 35,900	Banking Services
34	Wells Fargo Bank	10/24/2013	10/24/2018	\$ 230,000	\$ 240,000	Merchant Services Credit Card Processing
35	Airport Concession Consultants	2/25/2012	6/30/2018	\$ 10,000	\$ 10,000	Disadvantaged Business Enterprise (DBE) Compliance
36	QSI Specialists	11/1/2013	n/a	\$ 3,000	\$ 3,500	Mystery Shopper Program
37	Public Financial Management	10/1/2016	9/30/2017	\$ 5,000	\$ 5,000	Airport Financial Advisory Services
38	A Natural Sparkle	9/1/2014	On-going	\$ 5,000	\$ 5,000	Janitorial Services for 1280 Terminal Way

SCHEDULE OF EXISTING CONTRACTS

Budget Year 2018 - 2019

Local Government: Reno-Tahoe Airport Authority

Contact: Alex Kovacs

E-mail Address: akovacs@renoairport.com

Daytime Telephone: 775-328-6435

Total Number of Existing Contracts: 81

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2018-19	Proposed Expenditure FY 2019-20	Reason or need for contract:
39	Atlantic Aviation	10/18/2012	On-going	\$ 73,240	\$ 73,240	General Aviation Hangar Management
40	Burgarello Alarm	9/1/2013	On-going	\$ 3,000	\$ 3,000	Alarm monitoring 1200 & 1250 Terminal Wy.
41	Burgarello Alarm	9/1/2013	On-going	\$ 1,500	\$ 1,500	Alarm monitoring 1280 Terminal Wy.
42	CEI Alarm Monitoring	8/1/2014	On-going	\$ 800	\$ 800	Burgular Alarm Monitoring for Mini-Warehouse
43	IT Heating & Aire		On-going	\$ 3,500	\$ 3,700	1280 Terminal Way HVAC equipment- quarterly maintenance
44	Martin-Ross Security		On-going	\$ 2,100	\$ 2,100	Security Gate Monitoring for Airport Mini Warehouse
45	Quality 1 Lawn & Landscaping	1/1/2016	On-going	\$ 2,000	\$ 2,200	Landscaping Service for 1280 Terminal Wy.
46	Quality 1 Lawn & Landscaping	10/31/2015	On-going	\$ 3,500	\$ 3,700	Snow Removal Mini Warehouse
47	Custom Aire	On-going	On-going	\$ 1,900	\$ 2,100	Mini Warehouse HVAC equipment - quarterly maintenance
48	Western Exterminator	10/1/2015	On-going	\$ 1,100	\$ 1,100	Pest Control Service for Airport Mini Warehouse
49	USDA - APHIS	7/1/2018	6/30/2019	\$ 54,445	\$ 54,445	Part 139 Wildlife Hazard Management Program
50	Console Cleaning Specialists	7/1/2018	6/30/2019	\$ 3,600	\$ 3,600	Console Cleaning and Preventative Maintenance Service
51	USDA - APHIS WHA	7/1/2018	6/30/2019	\$ 29,280	\$ -	Wildlife Hazard Assessment - Awarded \$70,000 in October 2017
52	Scheidt and Backmann	3/1/2018	6/30/2019	\$ 282,440	\$ 282,440	Parking Revenue Control System Maintenance Agreement
53	LEIDS	3/16/2011	n/a	\$ 7,000	\$ 7,000	Laundry Service
54	AAAE - Transportation Security Clearance	8/8/2014	8/31/2016	\$ 40,000	\$ 40,000	Provide TSA required fingerprint channeling service
55	AEEC	1/1/2018	12/30/2018	\$ 181,501	\$ 180,000	Stead Consent Decree Remediation
56	Mead & Hunt, Inc.	9/28/2016	10/31/2018	\$ 80,000	\$ -	Consultant Services - Reno-Tahoe International Airport Master Plan Study
57	Bob Firth	7/1/2018	6/30/2019	\$ 4,000	\$ 4,000	Water Rights
58	Sierra Environmental Monitoring	7/1/2017	6/30/2018	\$ 10,000	\$ 10,000	Stormwater Sampling
59	Waters Vacuum Truck Service	7/1/2018	6/30/2019	\$ 15,280	\$ 16,000	Maintain sand/oil separators including pumping & permitting
60	Granite Construction	11/1/2016	4/30/2017	\$ -	\$ -	On-Call Snow Removal
61	Par Electric Contractors	11/1/2016	4/30/2017	\$ -	\$ -	On-Call Snow Removal
62	Sierra Nevada Construction, Inc.	7/1/2018	6/30/2019	\$ 74,500	\$ 74,500	Paving, Concrete, Asphalt (Parking, Road, Highway): Equipment, Supplies, and Services
63	Delta Fire and Cylinder Service	7/1/2018	6/30/2019	\$ 28,000	\$ 28,000	State certification requirements
64	One Call Maintenance	7/1/2018	6/30/2019	\$ 227,000	\$ 227,000	Heavy duty cleaning services and equipment
65	ATC Control Services-EMS	7/1/2018	6/30/2019	\$ 6,500	\$ 7,000	Specialized training and equipment expertise
66	Building Control Services	7/1/2018	6/30/2019	\$ 1,300	\$ 1,300	Specialized equipment repair expertise
67	Chemtreat International-Cooling Towers	7/1/2018	6/30/2019	\$ 6,090	\$ 7,000	Cooling Tower Equipment and chemical servicing
68	Emerson Network Power-UPS	7/1/2018	6/30/2019	\$ 48,000	\$ 50,000	Specialized training and equipment servicing
69	JBT Aerospace-Jetbridges	7/1/2018	6/30/2019	\$ 30,000	\$ 30,000	Jetbridge Specialized Repair and Service
70	Johnson Controls-BCS	7/1/2018	6/30/2019	\$ 14,000	\$ 14,000	Specialized training and equipment service
71	Linen Service	7/1/2018	6/30/2019	\$ 2,000	\$ 2,500	Linen Services needed for our PR dept. support for table clothe cleaning
72	KONE Elevator-Escalator	7/1/2018	6/30/2019	\$ 107,000	\$ 109,000	State certification requirement
73	Stanley Access-Assa Abloy Certified door Service	7/1/2018	6/30/2019	\$ 10,000	\$ 10,000	Specialized equipment and repair service
74	Tennant Company-Ridding Scrubbers	7/1/2018	6/30/2019	\$ 15,000	\$ 15,000	Specialized training and equipment service
75	Trane Company-Chillers	7/1/2018	6/30/2019	\$ 57,000	\$ 60,000	Specialized equipment repair and service
76	ADT Alarm Services- GAOB Building	7/1/2018	6/30/2019	\$ 2,500	\$ 2,500	Security monitoring to support outlying RTAA facilities

SCHEDULE OF EXISTING CONTRACTS

Budget Year 2018 - 2019

Local Government: Reno-Tahoe Airport Authority
Contact: Alex Kovacs
E-mail Address: akovacs@renoairport.com
Daytime Telephone: 775-328-6435

Total Number of Existing Contracts: 81

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2018-19	Proposed Expenditure FY 2019-20	Reason or need for contract:
77	Brady Industries, Inc.	7/1/2018	6/30/2019	\$ 43,300	\$ 43,300	Cleaning and Janitorial Equipment and Supplies
78	Central Sanitary Supply	7/1/2018	6/30/2019	\$ 32,600	\$ 32,600	Cleaning and Janitorial Equipment and Supplies
79	Eliteline Services-BHS	7/1/2018	6/30/2019	\$ 908,448	\$ 1,000,000	Specialized Baggage Handling System (BHS) Equipment service and repair
80	Arthur J. Gallagher	2/1/2014	6/30/2019	\$ 67,500	\$ 69,500	Property/Casualty & Workers Compensation Brokerage Services
81	Puliz Records Management	On-going	On-going	\$ 15,000	\$ 15,000	Records Storage
	Total Proposed Expenditures			\$ 7,218,609	\$ 7,255,285	

Additional Explanations (Reference Line Number and Vendor):

SCHEDULE OF EXISTING CONTRACTS
Budget Year 2018 - 2019

Local Government: Reno-Tahoe Airport Authority
Contact: Alex Kovacs
E-mail Address: akovacs@renoairport.com
Daytime Telephone: 775-328-6435

Total Number of Privatization Contracts: 2

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Duration (Months/ Years)	Proposed Expenditure FY 2018-19	Proposed Expenditure FY 2019-20	Position Class or Grade	Number of FTEs employed by Position Class or Grade	Equivalent hourly wage of FTEs by Position Class or Grade	Reason or need for contract:
1	One Call Maintenance	8/1/2017	6/30/2022	58 Months	\$ 227,600	\$ 227,600	18	6	17.3	Heavy duty cleaning services and equipment
2										
3										
4										
5										
6										
7										
8	Total				\$ 227,600	\$ 227,600		6		

Attach additional sheets if necessary.

Section 12 – Acronym and Glossary

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 12 – Acronym and Glossary

ACRONYMS And TERMS	DEFINITIONS
RTAA	Reno-Tahoe Airport Authority
RNO	Reno-Tahoe International Airport
RTIA	Reno-Tahoe International Airport
RTS	Reno-Stead Airport
Airlines	
AS	Alaska Airlines
G4	Allegiant Airlines
AA	American Airline
DL	Delta Air Lines
F9	Frontier Airlines
QX	Horizon Air
B6	JetBlue
WN	Southwest Airlines
SY	Sun Country
UA	United Airlines
Y4	Volaris Airlines
Airport Codes	
AUS	Austin, TX
BOI	Boise
MDW	Chicago Midway
ORD	Chicago O'Hare
DFW	Dallas Fort Worth
DAL	Dallas Love Field
DEN	Denver
GDL	Guadalajara
IAH	George Bush Intercontinental
LAS	Las Vegas
LGB	Long Beach
LAX	Los Angeles
MSP	Minneapolis/St Paul
JFK	New York City

Reno-Tahoe Airport Authority
FY 2018-19
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Section 12 – Acronym and Glossary

OAK	Oakland
PHX	Phoenix
PDX	Portland
SLC	Salt Lake City
SAN	San Diego
SFO	San Francisco
SJC	San Jose
SEA	Seattle
Regulations	
77	FAA Part 77 Imaginary Protection Services
107	FAA Part 107 – A section of the Federal Aviation Regulations having to do with an airport operator’s responsibilities for airport security.
139	FAA Part 139 – A section of the Federal Aviation Regulations having to do with the certification of an airport’s airfield.
150	FAA Part 150 Study – A noise study defined by a section of the Federal Aviation Regulations, that when completed, makes an airport eligible for noise insulation and related land acquisition grants. The Study produces two documents, the Noise Exposure Map and the Noise Compatibility Program.
333	Code of Federal Regulations Section for Exempting a Commercial UAS from needing a COA
1542	TSA Part 1542, Airport Security
All Other	
A/E	Architect/Engineer
AAA	American Arbitration Association – Arbitrators are required under some collective bargaining agreements
AAAE	American Association of Airport Executives
AAE	Accredited Airport Executive
AAPOPA	Airport Authority Police Officers Protective Association
AC	Asphaltic Concrete
AC	FAA Advisory Circular
ACA	Affordable Care Act
ACAMS	Access Control and Alarm Monitoring System

Reno-Tahoe Airport Authority
FY 2018-19
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ACEP	Airport Capacity Enhancement Plan
ACI-NA	Airports Council International - North America
ACIP	Airport Capital Improvement Program for FAA
ACL	Aviation Classics Ltd. - Reno-Stead Airport
ACM	Airport Certification Manual
ACN	Aircraft Certification Number
ACR	Aircraft Condition Report
Accrual Basis of Accounting	Recognizing revenue when it is earned and recognizing expenses in the period incurred, without regard to the time of receipt or payment of cash.
ADA	Americans with Disability Act - U.S. law governing employment and treatment of persons with a qualified disability
ADAAP	Americans with Disabilities Act Advisory Panel
ADG	Airplane Design Group
ADPM	Average Day Peak Month
ADO	FAA Airport District Office
AEP	Airport Emergency Plan
AFV	Alternative Fuel Vehicles
AFFF	Aqueous Film Forming Foam
AGL	Above Ground Level
AIM	Aeronautical Information Manual
AIP	Airport Improvement Program - A Federal Aviation Administration program periodically reauthorized by Congress which distributes the proceeds of the federal tax on airline tickets to airports through grants for eligible construction projects and land acquisition.
AirComm	Airport Communications Center
Aircraft Operation	The landing or take off of an aircraft.
Airline Load Factor	The percentage of seats occupied on an aircraft.
Airline Yield per Mile	Airlines' ticket revenues for a given airport divided by the air miles flown to that airport for those tickets.
Airside	The airfield side of an airport used by aircraft, runways, taxiways, and aircraft parking aprons.
AKA	Also Known As

Reno-Tahoe Airport Authority
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Section 12 – Acronym and Glossary

ALP	Airport Layout Plan - A blue print of an airport required by the Federal Aviation Administration which shows current and future airport development.
ALPA	Air Line Pilots Association
ALS	Approach Lighting Systems
AMASS	Airport Movement Area Safety Systems - Federal Aviation Administration Program for runway incursions
Amortization	A term that refers either to the gradual paying off of a debit in regular installments over a period of time or to the depreciation of an asset over a period of time.
AMP	Airport Master Plan
AMSL	Above Mean Sea Level
ANCA	Airport Noise and Capacity Act of 1990
ANTN	Airport News & Training Network (AAAE)
ANOMS	Aircraft Noise and Operations Monitoring System
ANAP	Airport Noise Advisory Panel
AOA	Air Operations Area
AOPA	Aircraft Owners and Pilots Association
APU	Auxiliary Power Unit
ARC	Airport Reference Code
ARFF	Aircraft Rescue and Fire Fighting
ARP	Airport Reference Point
ARSA	Airport Radar Service Area
ARTS	Automated Radar Terminal System
ASDA	Accelerate Stop Distance Available
ASDE	Airport Surface Detection Equipment
Asset	A single item of ownership having exchange value.
AFSD	Assistant Federal Security Director
ASM	Available Seat Mile
ASOS	Automated Surface Observing System
ASR	Airport Surveillance Radar
ATA	Air Transport Association
ATC	Air Traffic Control
ATCT	Airport Traffic Control Tower
ATIS	Automated Terminal Information System
ATO	Airline Ticket Office

Reno-Tahoe Airport Authority
FY 2018-19
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Section 12 – Acronym and Glossary

ARTCC	Air Route Traffic Control Center
ATSI	Airport Training & Safety Institute (AAAE)
AUVSI	Association of Unmanned Vehicle Systems International
AVA	Airport Vassar Annex
AVGAS	Aviation Gasoline
AVIS	Automatic Vehicle Identification System - An electronic system that counts vehicle entrances, exits and dwell time at a location.
AWOS	Automated Weather Observing System
AWP	FAA's Western Pacific Region
Balanced Budget	A budget in which receipts are equal to or greater than outlays. A further test for the RTAA is that Net Pledged Revenues must exceed 125 percent of that year's revenue bond debt service.
BCS	Building Control System
BHS	Baggage Handling System
BIDS	Baggage Information Displays System - Electronic displays to inform passengers which baggage conveyor will be used for their flight's luggage.
BLM	Bureau of Land Management
BMP	Best Management Practices
BMU	Bag Make-Up
Bond	A security issued by a corporation or public body and usually carrying a fixed rate of interest and a set date, called the bond's maturity, for redemption of the principal.
Bond Covenant	An agreement with the bond holders, which defines, among other things, the priority of the payment of debt service in the use of revenues.
BRL	Building Restriction Line
Budget	An estimate, often itemized, of expected income and expense for a given period in the future.
CAD	Computer Aided Dispatch
CADD	Computer Aided Design and Drafting
CAFR	Comprehensive Annual Financial Report
CALCS	Computerized Airfield Lighting Control System
CAP	Civil Air Patrol

Reno-Tahoe Airport Authority
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Section 12 – Acronym and Glossary

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.
CASM	Cost per Available Seat Mile
CAT	Instrument Landing System Category - Category I, II, III
CATEX	Categorical Exclusion
CBA	Collective Bargaining Agreement - Written contract or agreement between the employee and a recognized employee organization
CBP	Customs and Border Protection
CD	Calendar Days
CCR	Central Control Room (for BHS)
CCTV	Closed Circuit Television - Video cameras used for surveillance to maintain security and safety.
CTAF	Common Traffic Advisory Frequency
CE	Civil Engineer
CFR	Code of Federal Regulations
CIP	Capital Improvement Project (in airport budget)
COA	Certificate of Authorization - form of approval for UAS operations
COBRA	Consolidated Omnibus Budget Reconciliation Act of 1985 - Benefit granted to employees to continue their health and other benefit coverage after terminating employment for a specified period of time.
COC	Community Outreach Committee
CPA	Certified Public Accountant
CPI	Consumer Price Index
CM	Construction Management
CMAQ	Congestion Mitigation Air Quality
CNG	Compressed Natural Gas
COLA	Cost of Living Adjustment
Competition Plan	A plan required by the FAA of large and medium hub airports at which 50 percent or more of their passengers are handled by two or fewer airlines.

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 12 – Acronym and Glossary

Compensatory Rate Setting	Compensatory rate setting is one in which a sponsor assumes all liability for airport costs and retains all airport revenue for its own use. Aeronautical users are charged only for the costs of the facilities they use. A compensatory rate structure may be imposed on users by ordinance.
Cost Centers	Geographic locations on an airport such as the airfield or terminal building used for rate setting purposes.
CPE	Cost Per Enplanement – The airlines’ airport costs, landing fees and rents, divided by the total number of passengers enplaned at the airport.
CRJ	Canadair Regional Jet
CSP	Civil Service Plan
CT	Circuit Tester
CUTE	Common Use Terminal Equipment
CVR	Cockpit Voice Recorder “Black Box”
CY	Calendar Year
DAD	Deputy Area Director (Transportation Security Administration/TSA)
dB	Decibel
Daily Departure Seats	The total of all the seats on all the scheduled airline flights leaving an airport each day.
DBE	Disadvantaged Business Enterprise - The Department of Transportation (DOT) has a policy of helping small businesses owned and controlled by socially and economically disadvantaged individuals, including minorities and women, in participating in contracting opportunities created by DOT financial assistance programs. At airports, DBE’s are encouraged to participate in airport concession programs and FAA grant funded projects.
DEIS	Draft Environmental Impact Statement
Depreciation	A non-cash expense that accounts for the value of assets which decreases over time as a result of use, age, or obsolescence.
DGPS	Differential Global Positioning System
DH	Decision Height
DHS	Department of Homeland Security
DME	Distance Measuring Equipment
DNL	Day-Night Equivalent Sound Level - Also called LDN

Reno-Tahoe Airport Authority
FY 2018-19
ANNUAL BUDGET
Section 12 – Acronym and Glossary

DP	Deplaning Passenger -An arriving passenger.
DRI	Desert Research Institute
DVR	Digital Video Recorder
EA	Environmental Assessment
EAP	Employee Assistance Program
EAS	Essential Air Service
EDS	Explosive Detection System - TSA screening equipment
EIS	Environmental Impact Statement
EEO	Equal Employment Opportunity
EEOC	U.S. Equal Employment Opportunity Commission - Agency that enforces various laws i.e., Civil Rights and ADA
ELS	Elite Line Service (BHS Maintenance Contractor) - Contractor that provides Operations and Maintenance on the BHS
ELT	Emergency Locator Transmitter
EMRB	Employee Management Relations Board - State of Nevada
EMS	Environmental Management System
EOC	Emergency Operations Center
Enterprise Fund	A form of accounting that utilizes a separate fund or cost center for a specific purpose. Enterprise fund expenditures are generally paid by the revenues generated within the operation of that purpose.
EP	Enplaned Passenger - A departing passenger.
EPA	Environmental Protection Agency
EP	Enplaned Passengers
ESS	Employee Self Service
ETD	Explosive Trace Detection - TSA Screen Equipment
Expenditure	The act of expending something, especially funds; disbursement; consumption.
FAA	Federal Aviation Administration (FAA) – A component of the Department of Transportation with primary responsibility for the safety of civil aviation.
FAR	Federal Aviation Regulations
FBI	Federal Bureau of Investigation
FBO	Fixed Base Operator – Businesses on airports that sell fuel to private plane owners, provide aircraft parking, as well as aircraft maintenance and mechanical services.
FCAD	Facility Condition Assessment Database

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FCC	Federal Communication Commission
FDR	Flight Data Recorder “Black Box”
FEIS	Final Environmental Impact Statement
FEMA	Federal Emergency Management Agency
FIDS	Flight Information Displays System - Electronic displays to inform passengers of the status of their flight, such as arrival time, and terminal building gate number.
FIS	Federal Inspection Service
FLOW	Passengers Connecting
FLSA	Fair Labor Standards Act - U.S. Law governing computation and payment of overtime and regulating child labor
FMCS	U.S. Federal Mediation and Conciliation Service - A source of mediator and arbitrators required under some collective bargaining agreements
FMLA	Family and Medical Leave Act— U.S. law governing requirements for Leave Granting
FOD	Foreign Object Debris or trash on the airfield.
FONSI	Finding of No Significant Impact
FSD	Federal Security Director
FSDO	Flight Standards District Office
FSS	Flight Service Station
FTE	Full Time Equivalent - PTE is Part Time Equivalent
FTZ	Foreign Trade Zone
FY	Fiscal Year – A 12 month period, other than a calendar year, used for financial reporting purposes. The RTAA’s fiscal year begins July 1 st and ends June 30 th .
GA	General Aviation- The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.
GAAP	General Accepted Accounting Principles
GAO	U.S. General Accounting Office
GFOA	Governmental Finance Officers Association
GNSS	Global Navigation Satellite System
GOED	Governor’s Office of Economic Development
GPS	Global Positioning System
GPU	Ground Power Unit

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GSE	Ground Service Equipment
GT	Ground Transportation
HAN	Hot August Nights
HIRL	High Intensity Runway Lights - (Medium Intensity MIRL)
HIPAA	Health Insurance Portability & Accountability Act
HRA	Health Reimbursement Account
HSA	Health Savings Account
HVAC	Heating Ventilation and Air Conditioning
Hybrid Rate Setting	A combination of the “residual” and “compensatory” methods of airline rate calculation.
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICS	Incident Command System
IFR	Instrument Flight Rules
ILS	Instrument Landing System
IMC	Instrument Meteorological Conditions
INM	Integrated Noise Model
Jet Bridge	A mechanical tunnel used by passengers to pass from the terminal building to an aircraft.
K9	Police Working Dog
KCM	Known Crew Member
KKOH	Radio AM 780
KOLO	TV 8 (ABC Affiliate)
KRNV	TV 4 (NBC Affiliate)
KTVN	TV 2 (CBS Affiliate)
KREN	TV 27 (Univision, Spanish programming)
KSA	Knowledge, Skills and Abilities
L3	Manufacturer of TSA provided screening equipment
LAN	Local Area Network (computer network system)
Landed Weight	The maximum gross certificated landed weight of an aircraft, or all aircraft landing at an airport in a fiscal year, which is not dependent on the number of passengers on board.
Landing Fee	The rate charged by an airport to commercial aircraft operators per thousand pounds of landed weight.
Landside	All areas of land owned and maintained by the RTAA outside of the airfield areas perimeter fence.

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LCC	Life Cycle Costs
LCD	Liquid Crystal Display; flat-panel, large-format displays - Flat panel displays for use at the checkpoints and FIDS/BIDS locations
LDA	Landing Distance Available
LED	Light-Emitting Diode
LEO	Law Enforcement Officer
LMR	Labor Management Relations
LOA	Letter of Agreement
LOC	Letter of Credit
LOC	Localizer
LOI	Letter of Intent
LPG	Liquefied Propane Gas
LVIED	Large Vehicle Improvised Explosive Device
MAG	Minimum Annual Guarantee - A minimum amount to be paid by an airport concessionaire. Concessionaires pay the greater of the minimum annual guarantee or a percentage of their gross revenues.
MALSF	Medium-Intensity Approach Lighting Systems with Sequence Flashers
MALSR	Medium-Intensity Approach Lighting System with Runway Alignment Indicator
MDA	Minimum Descent Altitude
Medium Hub Airport	An airport defined by the Federal Aviation Administration as handling 0.25% to 1% of the country's annual passenger boardings.
MGT	Management Guidelines
MII	Majority In Interest - A method, defined in an airport's airline agreement, of determining an airline majority for purposes of approving capital projects.
MISER	Hangar development on west side of ramp at Reno-Stead Airport
MOA	Military Operations Area
MOU	Memorandum of Understanding
MOU/A	Memorandum of Understanding/Agreement
MSA	Minimum Safe Altitude

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MRO	Maintenance and Repair Overhaul
MVA	Minimum Vectoring Altitude
NAE	Nevada Association of Employers
NANG	Nevada Air National Guard
NASA	National Aeronautics and Space Administration
NATCA	National Air Traffic Controllers Association
NAVAIDS	Navigational Aids (FAA equipment)
NCAR	National Championship Air Races
NCIC	National Crime Information Center
NCP	Noise Compatibility Plan
NDA	National Defense Area
NDOT	Nevada Department of Transportation
NEM	Noise Exposure Map
NEPA	National Environmental Policy Act
Net Pledged Revenues	Operating Revenues less Operating Expenses pledged to pay debt service as defined in a bond covenant.
Net Win	The difference between gaming wins and losses before deducting costs and expenses.
NIAS	Nevada Institute of Autonomous Systems
NLA	New Large Aircraft
NLR	Noise Level Reduction
NNHC	Northern Nevada Health Consortium
NNKK	Northern Nevada Kart Klub
NM	Nautical Mile
NOAA	National Oceanic and Atmospheric Administration
Noise Compatibility Plan	A portion of a Part 150 Study which outlines how an airport will mitigate, through aircraft operations, structural noise insulation or land acquisition, the airport noise impact within certain average noise levels.
Noise Exposure Map	A map that identifies and quantifies the noise impacted areas surrounding the airport.
Non-Airline Revenue	Airport revenue earned from sources other than airlines, such as concession revenues: Merchandise, Food and Beverage, Rental Car, etc. Airports try to maximize non airline revenue to help reduce the amounts they collect from the airlines.

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Non-Rate Base Revenue	Revenue not included in the airline rate calculations due to provisions of a revenue bond covenant or an airline agreement.
Non-Signatory Airline	Airlines that have not signed an agreement with an airport committing to rent an airport leasehold for a fixed period of time.
NOTAM	Notice to Airmen
NPIAS	National Plan of Integrated Airport Systems
NPRM	Notice of Proposed Rule Making
NRS	Nevada Revised Statute
NTE	Not to Exceed
NTP	Notice to Proceed
NTSB	National Transportation Safety Board
NVBGH	Nevada Business Group on Health
NWS	National Weather Service
O & D	Origin and Destination
O & M	Operations & Maintenance - Usually refers to cost
O/S	Oversized belt system (Baggage Handling System)
OAG	Official Airline Guide
OFA	Object Free Area
OFZ	Object Free Zone
OSHA	Occupational Safety & Health Administration - Federal Agency responsible for work environment
OSR	On-Screen Resolution Room (TSA area)
OTA	Other Transaction Agreement (with TSA)
PAPI	Precision Approach Path Indicator
PARCS	Parking Revenue Control System
PAX	Passenger
PBX	Private Building Exchange - Private telephone system
PC	Personal Computer
PCI	Pavement Condition Index and/or Payment Card Industry
PCCP	Portland Cement Concrete Pavement
PCN	Pavement Condition Number
PCN	Position Control Number
PDEW	Passenger Daily Each Way
PEBP	Public Employee Benefits Program
PEHP	Post-Employment Health Plan
PERS	Public Employees' Retirement System

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PFC	Passenger Facility Charge - A \$4.50 charge per passenger per airport levied by the airlines that is sent to the respective airport, less an \$0.11 administrative fee. The PFC may not be levied until after an airline review and FAA approval process.
PIDS	Perimeter Intrusion Detection System
PIO	Public Information Officer
PM/CM	Program Management/Construction Management
PP& E	Property, Plant & Equipment - Items that will have a useful life exceeding one year and a unit cost greater than \$5,000 and are paid under one invoice.
PRCS	Parking Revenue Control System
Proprietary Fund	In governmental accounting, a fund having profit and loss aspects, which under generally accepted accounting principles, must use the accrual basis rather than a modified accrual basis of accounting. The two types of proprietary funds are the Enterprise Fund and the Internal Service Fund.
PSA	Professional Services Agreement
QTA	Quick Turn Around
RAC	Rent-a-Car
RADAR	Radio Detection & Ranging
RAFFA	Reno Airport Fire Fighters Association
RARA	Reno Air Racing Association
RASC	Regional Air Service Corporation
RASM	Revenue per Available Seat Mile
RAVEN	Regional Aviation Enforcement - Sherriff & Reno Police Department
REIL	Runway End Identifier Lights
Residual Rate Setting	An airline rate setting method that permits aeronautical users to receive a cross-credit of non-aeronautical revenues to reduce air carrier fees; in exchange the air carrier agrees to cover any shortfalls in revenues to cover airport costs either as a whole or by cost center. A residual rate structure may be accomplished only with agreement of the users.
RFB	Request for Bids
RFI	Request for Information
RFID	Radio Frequency Identification

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RFP	Request for Proposal
RFQ	Request for Qualifications
RI	Runway Incursion
RIAT	Runway Incursion Action Team
RIF	Reduction in Force
RJ	Regional Jet
ROD	Record of Decision
RON	Remain Overnight
RPZ	Runway Protection Zone – A zone, defined by the FAA, at each end of a runway that is to be protected from development that might affect the operation of the runway.
RSA	Runway Safety Area
RSAT	Runway Safety Action Team
RTAG	Reno Tahoe Aviation Group
RVR	Runway Visual Range
RWY	Runway - RWY or R/W
SCCA	Sports Car Club of America
SEC	Securities Exchange Commission
SID	Standard Instrument Departure
SIDA	Security Identification Area - Secure areas of the airport in which identification badges are required to be displayed.
Signatory Airline	An airline that has signed an agreement with an airport committing to rent terminal leased space and pay landing fees for a fixed period of time.
SIP	Sound Insulation Program
Small Hub Airport	An airport defined by the Federal Aviation Administration as handling 0.05% to 0.25% of the country's annual passenger boardings.
SMS	Safety Management System
SNJC	Sierra Nevada Job Corps
SOP	Standard Operating Procedure
SRMP	Safety Risk Management Panel
sUAS	Small Unmanned Aircraft System
SSI	Sensitive Security Information
SSP	Select Service Partners - Airport food vendor
STAR	Standard Terminal Arrival Route

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SWAAAE	Southwest Chapter of the American Association of Airport Executives
T1	A High Capacity Data Telephone Circuit
TAF	Terminal Area Forecast
TERPS	Terminal Instrument Procedures
TFR	Temporary Flight Restriction
T-Hangar	A small hangar that resembles a “T” when viewed from above. T hangars are placed next to each other, and inter locked back to back, to maximize the number that can be placed in an area which minimizes the land rental component of their cost.
THRIVE	RTAA Values - Teamwork for Results, Honesty & Integrity, Respect & Recognition, Inspire & Innovate, Versatility, Enthusiasm
TMSTR	Teamsters Union
TNC	Transportation Network Company - Uber and Lyft
TORA	Takeoff Run Available
TOD	Transit Oriented Development
TODA	Takeoff Distance Available
TRACON	Terminal Radar Approach Control
TRAFFIC	Passengers
TSA	Transportation Security Administration - A component of the Department of Homeland Security with primary responsibility for the security of civil aviation.
TWY	Taxiway - TWY or T/W
UAS	Unmanned Aircraft System
UAV	Unmanned Aerial Vehicle
ULP	Unfair Labor Practice - A change or determination made against an employer or an organized employee organization that required certain actions, decided by the Nevada Employee Management Relations Board
UPS	Uninterruptable Power Supply
USC	United States Code
USAF	United States Air Force
USDOD	United States Department of Defense - USDOD or DOD
USDOT	United States Department of Transportation - USDOT or DOT
USFS	United States Forest Service (Dept. of Interior)
USF&WS	United States Fish and Wildlife Service - or USFWS

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VASI	Visual Approach Slope Indicator
VBIED	Vehicle Borne Improvised Explosive Device
VFR	Visual Flight Rules
VMC	Visual Meteorological Conditions
VOIP	Voice Over IP (Internet Protocol)
VOR	Very High Frequency Omni-directional Range
VOR/DME	Very High Frequency Omni-directional Range collocated with Distance Measuring Equipment
VORTAC	Very High Frequency Omni-directional Range/Tactical Air Navigation
WAN	Wide Area Network
WC	Workers Compensation
WED	West End Development at Reno-Stead Airport
Wi-Fi	Wireless Fidelity (wireless Internet access)
WWW	World Wide Web
WX	Weather
YIELD	Cents per mile based on airfare & mileage

Reno-Tahoe Airport Authority

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