

RENO-TAHOE AIRPORT AUTHORITY BOARD OF TRUSTEES
FINANCE AND BUSINESS DEVELOPMENT COMMITTEE
Minutes from the Meeting December 11, 2012

In Attendance: Mark Crawford, Chairman*
Rick Murdock, Trustee*
Dr. Kosta Arger, Trustee*
Jerry Hall, Trustee
Randi Thompson, Trustee
Adam Mayberry, Trustee
Steve Katzmann, Trustee
Krys Bart, President/CEO
Dean Schultz, Executive Vice-President/COO
Ann Morgan, Fennemore Craig Jones Vargas
Rick Gorman, CFO
James McCluskie, Vice President of Planning, Engineering & Environ. Mgmt.
Tina Iftiger, Vice President of Airport Economic Development
Leah Williams, Manager of Accounting
Tony Osendorf, Manager of Finance & Budgeting
Joyce Humphrey, Manager of Purchasing & Materials Management
Laurie Weeks, Manager of Concessions
Julie Labahn-Nevarez, Accountant
Patrick North, Senior Internal Auditor
Gina Castellar, Accounting Specialist II
Dan Uonites, Vice President of Marketing, Grand Sierra
Mark McVeigh, Vice President, Senior Relationship Mgr., City National Bank
David Chauvin, Nevada Air National Guard
Felicia R. O'Carroll, Shareholder, Kafoury, Armstrong & Co.
Amy Horning, Sr. Account Executive, The Younger Agency
Bruce Roberts, General Manager, Atlantic Aviation
Kim Spiersch, Finance Director, United Way of Northern Nevada & the Sierras

*Denotes Finance Committee member

Note: The official minutes of the Finance Committee meetings are maintained on digital recorders used to record the proceedings. The following is provided as a reference to the subject matter and conclusions reached from the discussion.

Topics Discussed:

I. Review of meeting minutes from November 2012

The minutes from the meeting of the Finance and Business Development Committee November 6, 2012 were approved by the Committee.

II. Public Comment

None

III. Items to be presented to the Finance and Business Development Committee for review and recommendation to the Board:

#12(12)-81 A. AUTHORIZATION FOR THE PRESIDENT/CEO TO EXECUTE A NEW 10-YEAR RENO-TAHOE INTERNATIONAL AIRPORT JOINT USE AGREEMENT BETWEEN THE NEVADA AIR NATIONAL GUARD AND THE RENO-TAHOE AIRPORT AUTHORITY

Staff is seeking approval from the Board to execute a Joint Use Agreement of the Authority's airfield between the Nevada Air National Guard (NANG) and the Reno-Tahoe Airport Authority (RTAA). This agreement establishes the responsibilities of each party associated with use of the airfield to ensure proper maintenance and safety. In addition, NANG reimburses the RTAA for a portion of allowable costs of the airfield based on a formula established by the U.S. Government.

Trustee Arger inquired as to what would happen in four (4) to five (5) years if Congress decided to eliminate the base here in Reno. Trustee Murdock also inquired as to the assets being utilized by the NANG and what would happen to them. President/CEO Krys Bart replied all capital assets (physical construction), currently owned by NANG, would revert to RTAA ownership if the base was closed.

Trustee Katzmann asked if there was a provision in the contract to change the rent factor up or down should maintenance costs of the airfield change. Staff stated there was a provision that provides the ability to make changes should circumstances change materially; either party could approach the other party to make adjustments.

Trustee Katzmann inquired if the NANG had been paying the old rental rate while awaiting a new agreement. Staff stated payments had been halted once the agreement expired; however, the NANG would begin payments, including back payments once a new agreement was in place.

Trustee Mayberry asked for confirmation that the agreement was primarily for the ability to have the NANG reimburse the airport for its proportionate share of maintaining the airfield. Staff stated that was correct.

The Committee unanimously recommended this item be forwarded to the Board for consideration and approval as a consent item.

#12(12)-87 B. AUTHORIZATION FOR THE PRESIDENT/CEO TO NEGOTIATE FINAL TERMS AND EXECUTE A MONTH-TO-MONTH LEASE AGREEMENT BETWEEN THE RENO-TAHOE INTERNATIONAL AIRPORT FIXED BASE OPERATOR, MERCURY AIR CENTER-RENO, LLC (DBA. ATLANTIC AVIATION) AND THE RENO-TAHOE AIRPORT AUTHORITY FOR THE USE OF THE GENERAL AVIATION EAST FIXED BASE OPERATOR FACILITY AND THE GENERAL AVIATION WEST FUEL FARM

Staff is seeking approval from the Board to authorize the President/CEO to execute a month-to-month agreement with Atlantic for the General Aviation (GA) East Fixed Base Operator (FBO) facility and the GA West Fuel Farm. This agreement is to provide facilities to Atlantic Aviation as it constructs new FBO/hangar facilities at its existing GA East location.

Trustee Arger inquired as to how public relations were going with the GA West. Bruce Roberts, General Manager of Atlantic Aviation, stated overall, relations were going very well. Trustee Arger asked if Million Air had stripped the building upon their leaving. Mr. Roberts stated the building was in good shape.

Trustee Mayberry asked if Atlantic Aviation had any insight on plans to create some demand for the empty hangars on the west side. Mr. Roberts stated he currently had two (2) new contracts. All hangars at GA East will be leased and he is focusing his attention on promoting the lease of available hangars at GA West. Working in conjunction with the Reno-Tahoe Aviation Association, Atlantic Aviation will include promotion information on its web site and evaluate other outlets.

Trustee Thompson inquired if there was flexibility in the agreement and if there was a cut off date. Staff stated the agreement was on a month to month basis with no end date. Mr. Roberts stated he expected the project to be complete in a ten (10) to twelve (12) month time frame, dependent upon the weather.

Trustee Hall asked if there was sufficient parking. Staff stated there was landside parking available. Mr. Roberts stated the parking was a little thin; however, shuttle vans are in place to assist customers if necessary.

Trustee Katzmann asked for assurance that the agreement was fair to all parties involved. Staff stated yes, the agreement is consistent with the rental rates offered to existing tenants and was equitable to all parties.

Chair Crawford, Trustee Murdock, Trustee Katzmann and Trustee Hall thanked Mr. Roberts for the great level of service being provided.

The Committee unanimously recommended this item for Board information, discussion and possible action at the upcoming Board meeting.

IV. Items presented to the Finance and Business Development Committee for Approval:

A. Acceptance of the Comprehensive Annual Financial Report 2011-12

Staff reported on the Audit of the Comprehensive Annual Financial Statements for fiscal year 2011-2012. No findings were identified and reported for the fiscal year.

Trustee Arger asked if all airports had similar profit sharing programs. Staff stated most airports do not have a profit sharing program; however, this provision assists the airlines in reducing their costs to operate at our airport.

Trustee Katzmann inquired if our bottom line, revenue versus expenses, were better this year than last year. Staff replied yes.

The Finance and Business Development Committee formally moved to accept the Comprehensive Annual Financial Report for FY 2011-12.

V. Items presented to the Finance and Business Development Committee for Discussion:

None

VI. Items presented to the Finance and Business Development Committee for Information:

A. Review of Operating Results through October 2012

Staff reported on the Operating Results through September 2012.

Chair Crawford inquired as to the reason behind the increase in parking revenue despite the decrease year-to-date passenger traffic. Staff stated it was due to travelers staying longer and greater utilization of the parking facilities as compared to last year.

B. Review of Budget Transfers (if any)

None

C. Review of Contracts and Professional Service Agreements through November 2012

Staff reviewed the Administrative Award of Contracts pursuant to Resolution #462.

D. Review of Legal Expenses through October 2012

Staff reported the Legal Budget has expended 18.8% of the budget with 33% of the budget year expired.

Legal Council, Ann Morgan, stated she will be meeting with insurance coverage council to coordinate the response the airport will take with the insurance carrier to obtain reimbursement of outstanding costs incurred due to the National Championship Air Races accident.

E. Review of Board Budget through October 2012

Staff reported that the Board of Trustee's has expended 14.3% of their budget with 33% of the budget year expired.

F. Review of Legislative Consultants Budget through October 2012

Staff reported that the Legislative Consultants Budget has expended 31.2% of their budget with 33% of the budget year expired.

VII. Public Comment

None

VIII. Adjournment

The meeting was called to order at 9:05 AM and was adjourned at 10:17 AM

MC:RG/gc