

COMMITTEE MEMBERS

Cortney Young, Chair
Richard Jay, Vice Chair
Kitty Jung, Member
Carol Chaplin, Member
Art Sperber, Alternate
Shaun Carey, Alternate
Jennifer Cunningham, Ex Officio

Staff Liaison

Randall Carlton, Chief Finance &
Administration Officer



PRESIDENT/CEO

Daren Griffin, A.A.E.

CHIEF LEGAL COUNSEL

Jenn Ewan

BOARD CLERK

Lori Corkery

AGENDA

Finance & Business Development Committee

Tuesday, February 11, 2025 | 9:00 AM

Reno-Tahoe International Airport, Reno, NV

Administrative Offices, Second Floor

Notice of Public Meeting

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

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

Watch on Zoom: <https://us02web.zoom.us/j/82285429339>

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

Webinar ID: 822 8542 9339

Accommodations

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

Public Comment

Anyone wishing to make public comment may do by the one of the following methods:

- 1) In person at the Board meeting
- 2) By emailing comments to lcorkery@renoairport.com by **4:00 p.m. on the day before the meeting**. Comments submitted will be given to the Board for review and included with the minutes.
- 3) Virtually by Zoom. You must have a computer or device with a working microphone. Use the information above to log into the Zoom meeting and use the "Chat" feature to submit a request to speak. When the Chair calls for public comment, your microphone will be turned on and you will be addressed to speak.

Public comment is **limited to three (3) minutes** per person. No action may be taken on a matter raised under general public comment.

Posting

This agenda has been posted at the following locations:

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

Supporting Materials

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

1. INTRODUCTORY ITEMS

- 1.1 Call to Order
- 1.2 Roll Call

2. PUBLIC COMMENT

3. APPROVAL OF MINUTES

- 3.1 January 7, 2025, Finance & Business Development Committee meeting

4. INFORMATION, DISCUSSION AND/OR POSSIBLE ACTION ITEMS

None

5. ITEMS FOR CONSIDERATION BY THE FULL BOARD ON FEBRUARY 13, 2024

- 5.1 Board Memo No. 02/2025-07 (*For Possible Action*): Review, discussion and potential authorization for the President/CEO to execute a 5-year contract with Alliant Insurance Services, Inc. to provide insurance brokerage and risk management services in the amount of \$337,500

6. MONTHLY ADMINISTRATIVE REPORTS (*provided for reference only*)

- 6.1 Administrative Award of Contracts (Expenditures)
- 6.2 Administrative Award of Contracts (Revenues)
- 6.3 Financial Reporting Package

7. MEMBER COMMENTS, QUESTIONS AND REQUESTS

8. PUBLIC COMMENT

9. ADJOURNMENT

COMMITTEE MEMBERS

Cortney Young, Chair
Richard Jay, Vice Chair
Kitty Jung, Member
Carol Chaplin, Member
Art Sperber, Alternate
Shaun Carey, Alternate
Jennifer Cunningham, Ex Officio

Staff Liaison

Randall Carlton, Chief Finance &
Administration Officer



PRESIDENT/CEO

Daren Griffin, A.A.E.

CHIEF LEGAL COUNSEL

Ian Whitlock

BOARD CLERK

Lori Kolacek

MINUTES

Finance & Business Development Committee

Tuesday, January 7, 2025 | 9:00 AM

-- Virtual Only --

1. INTRODUCTORY ITEMS

Chair Young called the meeting to order at 9:00 a.m.

Members Present: Cortney Young
Richard Jay
Kitty Jung
Carol Chaplin

2. PUBLIC COMMENT

There were no comments from the public.

3. APPROVAL OF MINUTES

3.1 November 12, 2024, Finance & Business Development Committee meeting

There being no corrections, the Minutes from November 12, 2024, were approved as presented.

4. INFORMATION, DISCUSSION AND/OR POSSIBLE ACTION ITEMS

4.1 Review of the Midyear Budget for Fiscal Year 2024-25

Renee Miller, Budget Manager, provided a review of the midyear budget for fiscal year 2024-25.

4.2 Landside update and strategic plan

Brandon Mikoleit, Landside Operations Manager, provided an overview of strategies and steps being taken to mitigate the parking demand.

[Trustee Jay left the meeting at 10:15 a.m. Trustee Sperber stepped in as the alternate for the remainder of the meeting.]

5. ITEMS FOR CONSIDERATION BY THE FULL BOARD ON JANUARY 9, 2025

An announcement correcting the numbering for this section was made. Item 5.2 and 5.3 should be 5.1 and 5.2.

5.2 Board Memo No. 01/2025-04 (For Possible Action): Review, discussion and potential acceptance of the Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2024

This item was presented by Tracy Caster, Accounting Manager, and Brad Schelle of Crowe LLP. After discussion, the Committee took the following action:

Motion: Recommend that this item be presented to the full Board on January 9, 2025, for consideration and approval of the proposed motion: *“Move to accept the Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2024”*

Moved by: Kitty Jung

Seconded by: Carol Chaplin

Aye: Trustees Chaplin, Jung, Sperber, Young

Result: Passed unanimously

5.3 Board Memo No. 01/2025-05 (For Possible Action): Review, discussion and potential authorization for the President/CEO to establish a Public Art Fund to support Resolution No. 552 by creating a mechanism to pool funds from capital improvement projects over time to support the purchase and maintenance of public art at the airport

This item was presented by Natalie Brown, Chief Marketing & Public Affairs Officer. After discussion, the Committee took the following action:

Motion: Recommend that this item be presented to the full Board on January 9, 2025, for consideration and approval of the proposed motion: *“Authorize the President/CEO to establish a Public Art Fund to support Resolution No. 552 by creating a mechanism to pool funds from capital improvement projects over time to support the purchase and maintenance of public art at the airport”*

Moved by: Art Sperber

Seconded by: Kitty Jung

Aye: Trustees Chaplin, Jung, Sperber, Young

Result: Passed unanimously

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6. MONTHLY ADMINISTRATIVE REPORTS *(provided for reference only)*

6.1 Administrative Award of Contracts (Expenditures)

For the record, a correction was made to this document on page 2 under Change Orders and Amendments. The Total Contract amount for Fisher & Phillips, LLP, should read \$57,300.00, not \$57,300,000.

6.2 Administrative Award of Contracts (Revenues)

There was no discussion on this item.

6.3 Financial Reporting Package

There was no discussion on this item.

7. MEMBER COMMENTS, QUESTIONS AND REQUESTS

There were no comments from the Committee.

8. PUBLIC COMMENT

There were no comments from the public.

9. ADJOURNMENT

The meeting was adjourned at 11:15 a.m.

Board Memorandum

02/2025-07

In Preparation for the Regular Board Meeting on February 13, 2025

Subject: Authorization for the President/CEO to execute a 5-year contract with Alliant Insurance Services, Inc. to provide insurance brokerage and risk management services in the amount of \$337,500

STAFF RECOMMENDATION

Staff recommends that the Board adopt the motion stated below.

STRATEGIC PRIORITIES

Financial Stewardship

BACKGROUND

The purpose of this action is to authorize executing an agreement with Alliant Insurance Services, Inc. to provide insurance brokerage and risk management services to the Reno-Tahoe Airport Authority (RTAA) through June 30, 2030. At the sole discretion of RTAA, an additional five (5) year term may extend the agreement through June 30, 2035.

Insurance broker services are an integral part of RTAA's risk management program. The license broker of record provides a broad range of services including the following:

- Analyze RTAA's current insurance coverages and risk profile
- Identify potential gaps in coverage and recommend appropriate liability insurance solutions
- Research and present options for airport liability and workers' compensation insurances from various carriers
- Negotiate with insurance carriers to obtain competitive rates and favorable terms for the benefit of RTAA
- Assist with claims management and advocacy when needed
- Monitor and advise on applicable pending and new legislation related to the insurance industry
- Provide claims data analysis and discuss utilization trends and mitigation recommendations
- Facilitate and support workers' compensation claims in collaboration with the insurance carrier

RTAA has several policies, including coverages to address potential liabilities related to property, general liability, difference in conditions, inland marine (auto), crime, law enforcement, public

officials' liability, cyber liability, flood and workers' compensation. The insurance broker acts as a client advocate and advisor in the insurance industry. The broker of record for RTAA for the past 10+ years has been AJ Gallagher Risk Management Services LLC. That contract came to an end and RTAA issued RFP #24/25-04 on November 6, 2024, to obtain proposals to provide these services. The RFP notification was released on NGEM, the Nevada Government eMarketplace website, and published in the Reno Gazette-Journal. On December 18, 2024, RTAA received two proposals from the firms following:

**Alliant Insurance Services, Inc.
Willis Towers Watson Insurance Services West, Inc.**

The proposals were evaluated by the Contracts & Procurement department and a review committee including representatives from several RTAA departments. The review criteria focused on experience and qualifications in aviation, especially in airport liability and workers' compensation coverages. Also, important evaluation factors included a demonstrated strength of the firm's insurance carrier relationships, proposed principal account representative, technical competence, past successes and track record, and the cost effectiveness of proposed pricing terms. In the final scoring of the proposals by the review committee, the proposal submitted by Alliant Insurance Services was deemed as the most responsive overall proposal.

DISCUSSION

Alliant Insurance Services is a leading broker for the public sector with over 10,000 public entity clients across the country, including 125 airports. The Alliant public entity practice was established in 1977 and currently has over \$900 billion of insured assets. The company is headquartered in Irvine, California and employs more than 13,000 people in North America in over 130 office locations nationally, including Reno, Nevada. RTAA's primary point of contact will be Karen Caterino, Senior Vice President, who resides in Reno. Ms. Caterino has over 20 years of experience in risk management and insurance services, including 10 of the busiest airports in the U.S. She is also the former State Risk Manager for the State of Nevada.

FISCAL IMPACT

The fee structure is a flat rate \$67,500 per year of the proposed 5-year contract term. The contract also includes provisions for standard hourly rates to obtain optional services outside the scope of services, such as extraordinary claims consulting, loss control site visits or other specialized insurance services that may be required of RTAA during the contract period. The brokerage fee is paid directly by RTAA and not factored into the cost of insurance premiums.

COMMITTEE COORDINATION

Finance and Business Development Committee

PROPOSED MOTION

"Move to authorize the President/CEO to execute a 5-year contract with Alliant Insurance Services, Inc. to provide insurance brokerage and risk management services in the amount of \$337,500."

Administrative Report

Date: February 11, 2025

Subject: Administrative Award of Contracts – Revenues (Pursuant to Resolution No. 557)

BACKGROUND

At the July 14, 2022, Board of Trustees' Meeting of the Reno-Tahoe Airport Authority, the Board approved Resolution No. 557 authorizing the President/CEO to administratively award contracts for:

- budgeted professional services when the scope of work is \$200,000 or less, and to approve amendments where the sum of the total net of amendments per agreement does not to exceed \$50,000; and
- budgeted goods, materials, supplies, equipment, technical services, and maintenance contracts when the estimated amount to perform the contract, including all change orders, is \$250,000 or less; and
- budgeted construction contracts when the estimated amount to perform the work is \$500,000 or less, and approve change orders to construction contracts where the sum of the total net of change orders per contract does not exceed \$250,000; and
- budgeted Construction Management and Administration professional service agreements and amendments (“Work Order”) where a single Work Order does not exceed \$250,000.

All construction contracts exceeding \$500,000 must be approved by the Board of Trustees, along with a request to establish an Owner's Contingency. Additionally, if the Board of Trustees originally approved the construction contract, any construction change order exceeding the sum of the total of the contract and Owner's Contingency must also be approved by the Board.

DISCUSSION

Resolution No. 557 requires that the President/CEO provide the Board of Trustees with a monthly administrative report listing of all agreements and purchase orders more than \$25,000 and approved administratively as a result of this Resolution. Further, all change orders and amendments approved administratively as a result of this Resolution shall also be included in this administrative report regardless of value.

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Agreements and POs in Excess of \$25,000

Key to abbreviations:

AIP = Airport Improvement Project
 CIP = Capital Improvement Program
 CFC = Customer Facility Charge

CO = Change Order
 NTE = Not to Exceed
 PFC = Passenger Facility Charge

PO = Purchase Order
 PSA = Professional Service Agreement

Date	Name of Company	Dollar Amount	Description	Funding Source	Department / Division
12/16/24	L3Harris Tech	\$34,897.21	Radios for Airfield Maintenance	FY25 O&M	Airfield Maintenance
01/08/25	Vaisala, Inc.	\$61,556.00	Multi-Year Web Based Software for Advanced Weather Forecasting	FY25 O&M	Airside Operations
01/08/25	Champion Chevrolet	\$35,743.25	25 Chevy Colorado Crew Cab- Replacement vehicle	FY25 CIP	Building Maintenance & Services
01/08/25	Peppermill	\$28,119.21	2024 Holiday Party	FY25 O&M	People Ops
01/16/25	Kone	\$39,963.78	Elevator Repair within Terminal	FY25 O&M	Building Maintenance & Services
01/24/25	Scheidt & Bachmann	\$56,915.93	Entervo Pay in Lane Devices	FY25 CIP	Landside Operations
01/27/25	Dell	\$59,115.53	PC Yearly Refresh	FY25 O&M	IT

Change Orders and Amendments

Date	Name of Company	Dollar Amount	Description	Funding Source	Department / Division
12/31/24	Genuine McCarthy	-\$815,060.67	Ticketing Hall Expansion Project-CO#9 Final Shared Savings and Final Contract Adjustment. \$25,678,143 Original Contract \$24,972,911.01 Final Contract	FY25 CIP	Eng & Construction
12/31/24	Wood Rodgers	\$0.00	Project: Design Services-Purchasing Rear Parking Lot Reconstruction Design Agreement 05/20/22. CO#1- Time of Performance extended to work being completed no later than August 30,2025	CIP 21/22	Eng & Construction
12/31/24	Granite Construction	\$0.00	Construction Contract for Runway 16R-34L CO#7 Settlement Agreement, extending const completion date to 1/15/25 for Granite. Project completion to 2/28/25	AIP 17-106	Eng & Construction
01/13/25	L3Harris Tech	\$1,328.15	CO#1 increased PO from \$34,897.21 to \$36,225.36 to add the Radio Programming Fee and Shipping Cost	FY25 O&M	Airfield Maintenance

CHANGE ORDER

Distribution to:
 RTAA PURCHASING
 PM
 CM
 ENGINEER
 CONTRACTOR
 FAA

Reno-Tahoe Airport Authority
 Reno-Tahoe International Airport
 Reno-Stead Airport
 Box 12490
 Reno, NV 89510



Project: Ticketing Hall Expansion Project, GMP No. 2

Solicitation #: RFP #21/22-03

To: McCarthy Building Companies, Inc.
 2580 St. Rose Pkwy, Ste. 200
 Henderson, NV 89074

Change Order Number 09 - Final
 Change Order Initiation Date: December 10, 2024
 AIP No. N/A
 Original Contract Date: September 8, 2022

You are directed to make the following changes in the Contract:

Shared Savings and Final Contract Adjustment. See enclosed calculation spreadsheet.

All other terms, conditions, and requirements not modified herein remain unchanged.

Not valid until signed by ALL parties. Execution of this Change Order by both Owner and Contractor constitutes a binding agreement and serves as a full accord and satisfaction of any claim, demand, lien, stop notice or further request for compensation, past or present, known or unknown, and/or time extension arising out of or by virtue of the work described above in the Change Order. Contractor's signature indicates agreement herewith, including any adjustments in the Contract Sum or Contract Time.

The Original Contract Sum was.....	\$25,678,143.00
Net Changes by Previously Authorized Change Orders	\$109,828.68
Net Changes by Previously Authorized Contingency Change Orders	\$0.00
The Revised Contract Sum Prior to this Change Order was	\$25,787,971.68
The Contract Sum will decrease by this Change Order.....	\$815,060.67
The Final Contract Sum, including this Change Order will be	\$24,972,911.01

The Contract Completion date prior to this Change Order remains unchanged, therefore, is December 31, 2024.

Authorized By:

<u>Klein North America</u>	<u>RS&H</u>	<u>McCarthy Building Companies Inc.</u>	<u>Reno-Tahoe Airport Authority</u>
Owner's Representative 10509 Professional Cir, Ste 103 Reno, NV 89521	Architect 369 Pine Street, Suite 610 San Francisco, California 94104	Contractor 2580 St. Rose Pkwy, Ste. 200 Henderson, NV 89074	Owner P.O. Box 12490 Reno, NV 89510
By: Kara Byrnes	By: Geoff Chevlin	By: Ross Edwards	By: Derek Starkey
12/10/2024	12-13-2024	12/11/2024	12/17/2024
Date	Date	Date	Date

Enclosure: Shared Savings Calculations

Ticketing Hall GMP No. 2 Change Order No. 9 Shared Savings Calculations

CMAR's Shared Savings Calculation	
Original GMP	\$25,678,143.00
Net Changes by Authorized Change Orders	\$109,828.68
Actual Work Completed	(\$24,772,911.01)
Remaining Balance	\$1,015,060.67
Remaining Owner's Contingency	(\$521,468.95)
Remaining CMAR's Contingency	(\$29,544.03)
Subtotal	\$464,047.69
Agreed Upon Change Events Allowed for Shared Savings	
CE No. 121 - AATE Transfer	\$117,031.91
CE No. 159 - Steel Escalation and Kiosk Relocation Savings	\$153,618.17
CE No. 204 - Earthwork and Utilities WC Savings	\$119,436.54
Subtotal	\$390,086.62
Amount Allowed for Shared Savings	\$854,134.31
Percentage Split of Shared Savings (CMAR 25%)	\$213,533.58
Per section 1.6 of the contract, the total maximum payment to CMAR for Shared Savings shall not exceed \$200,000.00.	

Owner's Shared Savings and Final GMP No. 2 Calculation					
Item No.	Description of work	Original Scheduled Value	CE Adjusted Schedule Value	Actual Value	Remaining Value
1	General Requirements	\$1,131,888.00	\$1,342,339.78	\$1,322,424.44	\$19,915.34
2	Survey	\$35,453.00	\$35,453.00	\$20,346.00	\$15,107.00
3	Final Clean	\$68,740.00	\$68,740.00	\$36,750.00	\$31,990.00
4	Demolition	\$751,359.00	\$935,072.49	\$932,774.93	\$2,297.56
5	Concrete	\$884,034.00	\$849,084.37	\$849,084.37	\$0.00
6	Rebar	\$174,613.00	\$159,425.13	\$147,417.66	\$12,007.47
7	CMU	\$103,679.00	\$86,714.00	\$79,402.11	\$7,311.89
8	Stone Veneer and Ceramic Tile	\$1,116,497.00	\$954,245.00	\$954,245.00	\$0.00
9	Steel	\$1,509,186.00	\$1,598,899.28	\$1,598,899.28	\$0.00
10	Concrete Pedestal Covers	\$25,003.00	\$20,701.84	\$20,701.84	\$0.00
11	Architectural Millwork	\$392,611.00	\$505,930.85	\$505,163.07	\$767.78
12	Waterproofing	\$48,263.00	\$79,546.48	\$77,195.92	\$2,350.56
13	Building Insulation and Fireproofing	\$649,713.00	\$437,461.00	\$415,033.58	\$22,427.42
14	Metal Wall Panels	\$275,848.00	\$357,816.91	\$357,816.91	\$0.00
15	Metal Roof Panels	\$638,785.00	\$692,764.58	\$689,455.24	\$3,309.34
16	Expansion Joints	\$54,241.00	\$53,335.00	\$50,303.10	\$3,031.90
17	Doors	\$49,660.00	\$53,697.66	\$46,850.94	\$6,846.72
18	Entrances, Storefronts, and Curtain Walls	\$1,227,509.00	\$1,335,471.00	\$1,333,850.48	\$1,620.52
19	EIFS, Metal Studs and Drywall - Acoustical Ceiling - Paint & WC	\$1,652,280.00	\$1,872,283.27	\$1,803,744.00	\$68,539.27
20	Flooring and Walk Off Matts	\$73,393.00	\$89,883.81	\$88,141.05	\$1,742.76
21	Terrazzo	\$948,752.00	\$947,110.03	\$922,992.00	\$24,118.03
22	Signs	\$389,597.00	\$629,795.23	\$577,175.33	\$52,619.90
23	Corner Guards	\$12,480.00	\$13,785.22	\$13,785.22	\$0.00
24	Toilet Partitions and Bathroom Accessories	\$23,659.00	\$33,375.11	\$33,375.11	\$0.00
25	Fire Extinguishers and Cab	\$6,128.00	\$6,128.00	\$6,128.00	\$0.00
26	Elevator	\$229,771.00	\$231,521.00	\$231,520.86	\$0.14
27	Fire Suppression	\$483,356.00	\$459,723.00	\$454,723.10	\$4,999.90
28	Plumbing	\$657,045.00	\$679,797.53	\$655,914.53	\$23,883.00
29	HVAC	\$2,351,008.00	\$2,283,469.05	\$2,195,896.00	\$87,573.05
30	Electrical	\$2,152,436.00	\$2,559,179.82	\$2,532,997.46	\$26,182.36
31	Earthwork and Utilities	\$988,138.00	\$919,663.80	\$919,045.80	\$618.00
32	General Conditions	\$2,657,173.00	\$2,697,603.00	\$2,697,603.00	\$0.00
33	Fee	\$2,205,288.00	\$2,245,570.31	\$2,200,782.53	\$44,787.78
34	Owner Contingency	\$991,910.00	\$521,468.95	\$0.00	\$521,468.95
35	CMAR Contingency	\$718,647.00	\$30,916.18	\$1,372.15	\$29,544.03
Total		\$25,678,143.00	\$25,787,971.68	\$24,772,911.01	
Net Changes by Previously Authorized Change Orders		\$109,828.68	Included in above values	Included in above values	
Total with Change Orders		\$25,787,971.68	\$25,787,971.68	\$24,772,911.01	\$1,015,060.67
CMAR Split of Shared Savings				\$200,000.00	(\$200,000.00)
Owner Shared Savings				\$815,060.67	
Final Contract Amount				\$24,972,911.01	

AMENDMENT TO CONSULTANT'S PROFESSIONAL SERVICES AGREEMENT



Reno-Tahoe Airport Authority

Reno-Tahoe International Airport
Reno Stead Airport
P.O. Box 12490
Reno, NV 89510
Phone (775) 328-6400

PROJECT: Design Services – Purchasing Rear Parking Lot Reconstruction

AMENDMENT NUMBER: 1

SOLICITATION #: N/A

TO: Wood Rodgers, Inc.
1361 Corporate Blvd.
Reno, NV 89502

AMENDMENT INITIATION DATE: 12/31/2024

AGREEMENT #: 320220266

AGREEMENT DATE: 5/20/2022

You are directed to make the following amendments to the original Professional Services Agreement:

Article 1.4–Time of Performance will be revised so that total time of performance to complete the Work associated with this Agreement shall be completed by no later than August 30, 2025.

All other terms, conditions, and requirements not modified herein remain unchanged.

Not valid until signed by ALL parties. Execution of this Amendment by both Owner and Consultant constitutes a binding agreement and serves as a full accord and satisfaction of any claim, demand, lien, stop notice or further request for compensation, past or present, known or unknown, and/or time extension arising out of or by virtue of the work described above in the Amendment. Consultant's signature indicates agreement herewith, including any adjustments in the Agreement Sum or Agreement Time.

The original Professional Services Agreement sum was.....	\$35,800.00
Net Change by previously authorized Amendments.....	\$ 0.00
The Professional Services Agreement sum prior to this Amendment was.....	\$35,800.00
The Professional Services Agreement sum will be increased by this Amendment.....	\$ 0.00
The new Professional Services Agreement sum including this Amendment will be.....	\$35,800.00

The Professional Services Agreement will be extended through **August 30, 2025.**

WOOD RODGERS, INC.

CONSULTANT

1361 Corporate Blvd.
Reno, NV 89502

ADDRESS

BY:

Digitally signed by Brian
Martinezmoles
Date: 2025.01.15 09:55:34-08'00'

Brian Martinezmoles, P.E., Principal Engineer

DATE:

RENO-TAHOE AIRPORT AUTHORITY

OWNER

P.O. Box 12490
Reno, NV 89510

ADDRESS

BY:

Gary Probert, P.E., Chief Planning & Infrastructure Officer

DATE: 1/15/2025

**CHANGE
ORDER**

Distribution to:
 RTAA PURCHASING
 PM
 CM
 ENGINEER
 CONTRACTOR
 FAA

Reno-Tahoe Airport Authority
 Reno-Tahoe International Airport
 Reno-Stead Airport
 P.O. Box 12490
 Reno, NV 89510



Project: Runway 16R-34L Reconstruction Project
 RTAA Project #: R19005A

Change Order Number 07
 Initiation Date: April 25, 2024
 AIP No. 3-32-0017-105 and 106
 Original Contract Date: April 8, 2020

To: Granite Construction Company
 P.O. Box 2087
 Sparks, NV 89431

You are directed to make the following changes in the Contract:

The enclosed settlement agreement shall be incorporated into the contract documents with a date of approval as April 25, 2024.

Total \$0.00

All other terms, conditions, and requirements not modified herein remain unchanged.

Not valid until signed by ALL parties. Execution of this Change Order by both Owner and Contractor constitutes a binding agreement and serves as a full accord and satisfaction of any claim, demand, lien, stop notice or further request for compensation, past or present, known or unknown, and/or time extension arising out of or by virtue of the work described above in the Change Order. Contractor's signature indicates agreement herewith, including any adjustments in the Contract Sum or Contract Time.

The Original Contract Sum was.....	\$44,518,615.00
Net Changes by Previously Authorized Change Orders	(\$2,794,393.62)
Net Changes by Previously Authorized Contingency Change Orders	\$0.00
The Revised Contract Sum Prior to this Change Order was	\$41,724,221.38
The Contract Sum will not change by this Change Order.	\$0.00
The new Contract Sum, including this Change Order will be	\$41,724,221.38

The Contract Time will not change due to this Change Order.

Authorized By:

Atkins North America
 Construction Manager
 10509 Professional Cir. Ste 103
 Reno, NV 89521

Wood Rodgers, Inc.
 Engineer
 1361 Corporate Blvd
 Reno, NV 89502

Granite Construction Co.
 Contractor
 P.O. Box 2087
 Sparks, NV 89431

Reno-Tahoe Airport Authority
 Owner
 P.O. Box 12490
 Reno, NV 89510

By: Kara Bymers

05/15/2024

Date

By: Mark Casey

05/22/24

Date

By: Chris Burke

05/20/2024

Date

By: Cris Jensen

5/22/2024

Date

Enclosure: Granite-RTAA Final Settlement Terms Sheet dated April 25, 2024

April 25, 2024

GRANITE – RTAA FINAL SETTLEMENT TERMS SHEET

The terms reflected herein represent the final settlement terms agreed upon between Granite's and RTAA's senior management. Ultimately, these terms are to be incorporated into a change order to the original contract (Contract). Final settlement is subject to and conditioned on execution of a mutually agreeable change order incorporating the terms included herein, and RTAA Board approval.

SUBMITTAL AND CONSTRUCTION SCHEDULE FOR MILL AND INLAY SCOPE OF WORK

- Submittal Deadlines
 - Complete Plans & Specifications: June 17, 2024.
 - P401 Mix Design: completed and submitted by Granite to EOR by June 10, 2024.
 - All Electrical Components Needed for Remediation Work, including light cans and spacers: within a week of finalizing agreeable settlement terms, Granite will provide the job order date and anticipated delivery date(s). Note: Lead times are approximately 10-12 weeks. The materials should still be received on or before the NTP date, which shall not be later than August 19, 2024.
 - Aggregate for the Mill and Inlay Scope of Work ("Remediation Work"): within two weeks of reaching agreeable settlement terms, Granite will provide a tentative production schedule for the plant mix aggregates that allows for testing and inspection, and ensures no delay to the Remediation Work construction schedule.
 - Asphalt Cement for the Remediation Work: within two weeks of reaching agreeable settlement terms, Granite will provide a tentative order and delivery schedule for the asphalt cement that allows for testing and inspection, and ensures no delay to the Remediation Work construction schedule.
 - Equipment for the Remediation Work: on or before July 8, 2024, Granite will provide to RTAA a draft work plan that includes all equipment to be used on the Remediation Work, including subcontractor equipment. The work plan will be finalized and submitted prior to the NTP date, which shall not be later than August 19, 2024.
 - Each of the above listed items will have to be approved by RTAA prior to the start of construction.

CONSTRUCTION DETAILS AND CSPP FOR MILL AND INLAY SCOPE OF WORK

- Information necessary (phasing plans, etc.) for an updated Construction Safety and Phasing Plan (CSPP) are needed from Granite as soon as possible for EOR to achieve a FAA submission deadline of May 15, 2024. *(This will be a collaborative process between Granite, RTAA, EOR, and CM with regularly recurring meetings between all parties. Meetings shall commence following Board of Trustees approval of RTAA and Granite's settlement terms as set forth herein.)* Granite to resubmit a Safety Plan Compliance Document (SPCD), as required in the contract documents.

April 25, 2024

- **Construction Start:** August 19, 2024, with the understanding between Granite and RTAA that an earlier Remediation Work construction start date may be possible depending upon airline operations. Granite and RTAA agree that final coordination between RTAA and various airlines to confirm if an earlier Remediation Work construction start date is possible shall take place following Board of Trustees approval of RTAA and Granite settlement terms as set forth herein.
 - **Final Completion:** Granite and RTAA agree that final completion and acceptance of the Remediation Work, except grooving and striping requirements, shall occur prior to November 21, 2024 with necessary overtime or double shifts included as required at Granite's expense.
 - LDs shall be assessed in accordance with original Contract documents, beginning November 21, 2024 if Remediation Work is not finally complete on required operational items, except grooving, sawing, restriping, and sealing. LD's to be assessed if required grooving, sawing, restriping, and sealing, and any remaining items of work, are not complete by January 15, 2025, subject to excused delays as set forth in the Contract.
 - RTAA to be responsible for all striping efforts.
- **Contract Terms and Conditions**
 - All Remediation Work shall be in accordance with the original Contract terms and conditions, including warranty and latent condition provisions. The only changes to the Contract terms will be via a change order that implements the new technical requirements for the Remediation Work and related PWLs and penalties and otherwise incorporating the terms of settlement set forth herein. Granite will propose a mutually acceptable industry standard P-401 unit price, in which to base PWL assessments from and Granite agrees, should the need arise, that RTAA may assess potential PWL demerits, by request for payment from Granite, via a standard deductive Contract change order.
- The Remediation Work construction limits to be completed by Granite shall be the full length of the runway (11,000' long) and edge of keel to edge of keel (50' wide) with a total area of 61,111 SY. This area is comprised of Stations 30+00 to 140+00. The attached Exhibit 1 shows the proposed limits and area for the Remediation Work.
 - There must be a 3" minimum asphalt layer, with a target of 3" mill depth that is variable depending on design/conditions and subject to RTAA's and EOR's reasonable approval.
 - Grinding shall be performed to accommodate a minimum overlay of 3" in all locations with a surface grade meeting all FAA guidelines. This includes, but is not limited to, FAA AC 150-5320-6G and FAA AC 150-5300-13B; however, Granite and RTAA agree the original Contract plan and specification carve out applies to minor areas allowing Granite to match existing grade tolerances.

April 25, 2024

- All FAA testing and pre-certifications requirements associated with the Remediation Work will be Granite's responsibility. Any delays in the process which are not attributable to Granite shall extend the completion date on a day-per-day basis.
- Sawcut joints must match all existing joints.

FINAL STRIPING

- RTAA will be responsible for striping application and maintenance.
- All RTAA costs in relation to striping application and maintenance are included within the final settlement amount set forth below and to be paid from Granite to RTAA.

FOD

- RTAA to continue FOD collection efforts. Subject to the original Contract terms and Granite's warranty obligations in relation to the Remediation Work, upon completion of the Remediation Work in accordance with the RTAA-approved design, RTAA assumes all responsibility for maintenance of the Contract work in accordance with all applicable FAA requirements. In no event will this maintenance obligation include remedial efforts to address warranty items or latent defects arising from the Remediation Work.

RELEASE OF CLAIMS

- RTAA releases Granite from and for all past, current, and future claims, known or unknown, related to the Contract work to date, with the exception of those that may arise hereunder regarding Granite's agreement to design and construct the Remediation Work. Notwithstanding the preceding release, any property damage or personal injury related to the current runway condition, occurring between the date this settlement is agreed upon and the Remediation Work construction start date, will be Granite's responsibility in accordance with the existing terms of the Contract.
- Granite waives all claims against RTAA, including its costs incurred to date and the future costs to design and construct the Remediation Work as described herein.
- In exchange for Granite's commitments herein, RTAA, on its behalf and on behalf of its employees, and directors ("Releasors") waives and releases Granite, its employees, directors, affiliates, insurers and sureties (collectively the "Releasees"), from all claims related to the Contract work to date. RTAA agrees that by providing the design for the Remediation Work, Releasees liability to Releasors for design related claims or issues will be limited to the extent an item of future repair or replacement, property damage, or personal injury is related to a violation of the applicable design standard of care, i.e., professional design negligence.
- The Remediation Work performed by Granite will be subject to the current Contract terms and conditions, including the 1-year warranty requirements and terms applicable to latent defects.

April 25, 2024

- Granite to obtain surety confirmation that the original Contract performance bond applies to and covers the Remediation Work reflected in the terms hereunder.

MAINTENANCE AGREEMENT

- RTAA accepts Granite's proposal that RTAA be responsible for all post completion maintenance of the Contract work. Subject to the Contract terms and warranty obligations for the Remediation Work, RTAA and Releasers waive and release Granite and Releasees from and against any and all claims arising out of post-completion maintenance of the Contract work. All RTAA costs in relation to post completion maintenance of the Contract work are included within the final settlement amount set forth below and to be paid from Granite to RTAA.

CONSULTANT SERVICES

- RTAA accepts Granite's proposal that RTAA be responsible for all RTAA costs for its own consultant services. All RTAA costs in relation to consultant services are included within the final settlement amount set forth below and to be paid from Granite to RTAA.

SETTLEMENT AMOUNT

- Within 60 days of the execution of a change order implementing these terms, Granite agrees to pay RTAA the amount of \$5,000,000.00 in full and final resolution of all claims from RTAA in any way related to the Contract work to date, excepting only Granite's completion of the design for and construction of the Remediation Work as set forth herein and to be memorialized in a change order to the Contract and the property damage and personal injury claims referenced above.

Administrative Report

Date: February 11, 2025

Subject: Administrative Award of Contracts – Revenues (Pursuant to Resolution No. 557)

BACKGROUND

At the July 14, 2022, meeting of the Board of Trustees of the Reno-Tahoe Airport Authority, the Board approved Resolution No. 557, recognizing the inherent authority of the President/CEO, or authorized representative to award revenue contracts except those that are, in combination, more than 5 years in Term, including options, and generate aggregate revenues of \$250,000 or more.

DISCUSSION

Resolution No. 557 requires that the President/CEO provide the Board of Trustees with an administrative report setting forth a list of revenue contracts and associated options to extend approved administratively as a result of the resolution to be given to the Board on a monthly basis.

January 2024

Date	Lessee	Property Address	Agreement Term	Contract Value	Portfolio
1/1/25	CarTunes Unlimited, LLC dba RDW Automotive	1186 Telegraph Street, Reno, NV 89502	36 Months	\$207,786.24 estimated overall contract value	Outside Properties
1/1/25	Ultimate Garage Floors & SFC	2900 Vassar Street, Suite CC-13, Reno, NV 89502	12 Months	\$7,638.60	Outside Properties
1/1/25	Mountain West Builders, LLC	2890 Vassar Street, Suites BB-5,6&7, Reno, NV 89502	12 Months	\$16,588.80	Outside Properties
1/1/25	ARC Generator Service, LLC	2890 Vassar Street, Suite AA-12, Reno, NV 89502	12 Months	\$6,144.00	Outside Properties
1/17/25	Clark Transfer	Brookside Lot	3 days	\$150.00	Outside Properties

Administrative Report

Date: February 11, 2024

Subject: Financial Reporting Package – December 2024

EXECUTIVE SUMMARY

Attached is the Financial Reporting Package for December, the sixth month of the 2024-25 fiscal year (FY). The package includes a high-level summary of total revenues and expenses and a more detailed discussion of key metrics.

In December 2024, RNO was served by 10 passenger airlines offering non-stop scheduled service to 21 destinations. Enplanements were 195,212, a decrease of 2.2% compared to the budget forecast and an increase of 10.9% from December 2023. The increase is attributed to the region’s expanding economy and higher tourist demand. Total landed weight was 2.3% higher than the year-to-date budget forecast for both passenger and cargo airlines.

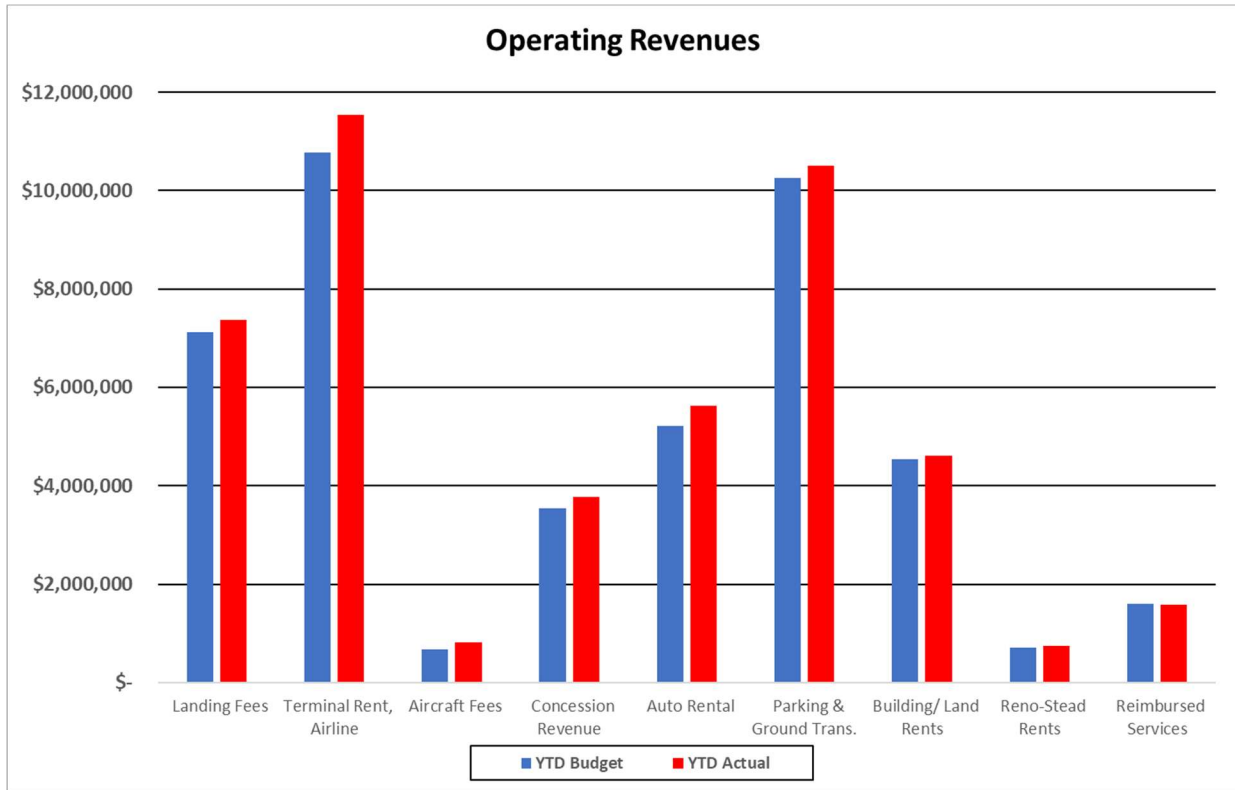
	YEAR TO DATE Dec 31, 2024 (\$ in thousands)						
	Actual Results				50.0% Of Fiscal Year		
	CURRENT YEAR	PRIOR YEAR	VARIANCE		Y-T-D BUDGET	VARIANCE	
			\$	%		\$	%
Operating Revenue							
Airline	\$ 14,708	\$ 12,842	\$ 1,866	14.5%	\$ 13,691	\$ 1,017	7.4%
Non-Airline	\$ 27,690	\$ 25,703	\$ 1,987	7.7%	\$ 26,577	\$ 1,114	4.2%
Total Operating Revenue	\$ 42,398	\$ 38,545	\$ 3,853	10.0%	\$ 40,268	\$ 2,130	5.3%
Operating Expenses	\$ (30,893)	\$ (30,338)	\$ (555)	1.8%	\$ (36,720)	\$ 5,826	(15.9%)
Net Operating Income	\$ 11,505	\$ 8,207	\$ 3,298	40.2%	\$ 3,548	\$ 7,957	224.3%
Non-Operating Income (Expense)*	\$ 14,836	\$ 20,139	\$ (5,303)	(26.3%)	\$ 5,383	\$ 9,453	175.6%
Net Income Before Depreciation	\$ 26,341	\$ 28,346	\$ (2,005)	(7.1%)	\$ 8,931	\$ 17,410	194.9%

Based on actual results through December 31, 2024, net income before depreciation was approximately \$26.341 million, reflecting a substantial increase of \$17.410 million or 194.1% from the budget forecast. This noteworthy increase is primarily attributed to non-operating income exceeding expectations by \$9.453 million or 175.6% above budget. The year-to-date non-operating revenue increase is due to two, one-time items; a \$5.0 million settlement for runway repairs that was not budgeted, and \$5.199 million in federal stimulus funds (ARPA) received in the current fiscal year for projects started in the prior year. Receipt of the ARPA funding was budgeted to occur in the second half of the fiscal year, so this variance is related to timing,

OPERATING REVENUES

Total operating revenues through December 31, 2024, were \$42.398 million, approximately \$2.130 million or 5.3% above budget due to higher airline traffic, auto rental, aircraft fees, concession revenues, land rents, parking and ground transportation fees. Compared to the same period last fiscal year, revenues

are up by \$3.853 million or 10%. This upturn can be attributed to higher terminal rents, landing fees, concession revenues, aircraft fees, ground transportation fees, and other rents. The chart below reflects year-to-date actual operating revenues for the fiscal year as compared to the budget amount.



AIRLINE REVENUES

Airline revenues are collected by prescribed rates and charges as specified by formulas in RTAA’s Airline-Airport Use and Lease Agreement (AAULA) with the signatory airlines, effective July 1, 2023, through June 30, 2033. The AAULA maintains a hybrid structure, with a complete recoupment of net Airfield cost center operating, maintenance, debt service, amortization, and capital improvement costs through landing fees from the airlines, and the airlines only pay for the space they use in the terminal building.

The AAULA includes a revenue-sharing methodology for the distribution of available net revenues to signatory passenger airlines on a per-enplaned passenger basis. This aims to create an incentive for air service by tying an allocated amount of available net revenues to the number of enplaned passengers of each signatory airline. Signatory airlines have the flexibility to use the revenue share credit to cover monthly rates and charges.

Landing Fees

The formula for calculating landing fees consists of 100% cost recovery of Airfield-related operating costs, capital improvement costs, debt service, amortization, and other charges. These costs are mitigated by Airfield-derived revenues and non-signatory landing fees. Landing fees were budgeted and collected at \$4.19 per 1,000 lbs. of landed weight for signatory airlines and \$4.82 for non-signatory airlines. Non-signatory airlines pay 15% above the budgeted signatory airline rate. Based on year-to-date actual results for the month of December 2024, the calculated signatory landing fee per 1,000 lbs. was \$3.53 per 1,000

lbs. of landed weight. The decrease in signatory landing fees is due to lower operating expenses in the Airfield cost center and higher-than-expected landed weights reported by many airlines in the sixth month of the fiscal year. Lower landed weight was reported by Alaska, American, Delta, UPS, FedEx and Southwest, offset by higher landed weight reported by United, JetBlue, Volaris and Spirit. The landing fee revenues through December 31, 2024, were \$7.379 million, approximately \$258,500 or 3.6% above the year-to-date FY2024-25 budget.

Airline Terminal Rents

Airline terminal rents are determined by the recovery of all Terminal costs, including operating and maintenance, capital improvement, debt service, and amortization. This cost is divided by the square footage of the airline rentable space in the terminal building. The Terminal requirement is partially offset by in-terminal concession revenues, a 50% share of gaming revenues, and reimbursed services. The budgeted average rental rate is \$156.40 per square foot per annum (PSFPA). Based on the month of December FY 2024-25 results, the calculated average terminal rental rate was \$139.11, a decrease of 11.1% compared to the budget. The decrease is primarily due to the lower operating costs of the Terminal cost center. Actual airline terminal rental revenues were \$11.549 million through December 31, 2024, surpassing the budget by approximately \$782,200 or 7.3%.

NON-AIRLINE REVENUES

Non-airline operating revenues play a crucial role in supporting RTAA's operating costs outside of airline-affiliated operations. While airline revenues are calculated and collected as cost recovery for airline-related operations, non-airline operating revenues are essential to fund internal operations, equipment acquisitions, and capital improvement projects that are not directly associated with airline operations. Non-airline operating revenues are primarily comprised of terminal and rental car concession revenues, public parking, building/land rents, and reimbursement of RTAA-provided services. Based on actual results for the period through December 31, 2024, non-airline operating revenues totaled \$27.690 million, \$1.114 million or 4.2% above the budget forecast.

Auto rental revenue exceeded the budget by \$416,900, or 8.0%, primarily due to higher-than-expected airline traffic and a greater number of passengers renting cars than anticipated in the budget forecast. Concession revenues also reported positive results by \$228,600, or 6.5% above budget. Parking revenues were \$9.698 million, representing a 0.9% increase compared to the budget. With parking capacity limited, we are seeing a shift in customer activity toward transportation network companies (TNCs), as a result ground transportation revenues outperformed the budget by \$151,800 or 23.2%. Parking revenue per enplaned passenger decreased by 2.6% from \$7.60 to \$7.40 when compared to the prior FY. Reno-Tahoe Building and Land Rental revenues have exceeded the budget by \$69,500, which is a 1.5% increase. Additionally, Reno-Stead Airport (RTS) rental revenues are \$49,900, or 7.1% above budget.

NON-OPERATING REVENUES

Non-operating revenues reached \$14.836 million, exceeding the budget by approximately \$9.453 million or 175.6%. This revenue category is primarily comprised of Passenger Facility Charges (PFCs), federal stimulus funds (ARPA), interest income, and aviation fuel tax. Federal stimulus funds are recorded as non-operating revenues when funds are received from the FAA. The largest drivers of the year-to-date variance are two, one-time, non-budgeted items; a \$5.199 million ARPA reimbursement for expenses incurred in the prior fiscal year and a \$5.0 million settlement for runway repairs.

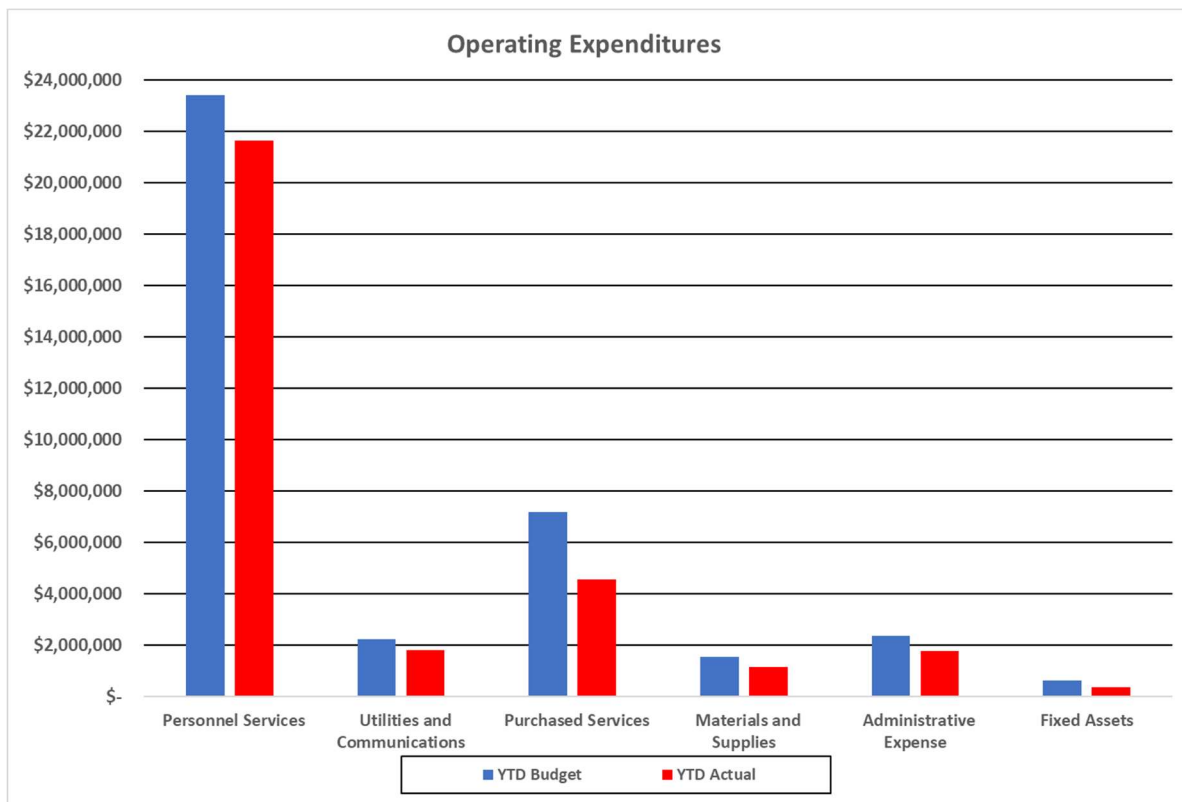
PFC revenues are collected by airlines from ticket sales at \$4.50 per enplaned passenger, with RTAA receiving a net of \$4.39 after a \$0.11 administration fee. PFC collections are reflected as revenue when

the cash is received, resulting in some months appearing to be over-collected and others under-collected due to timing. In the first six months of the year, PFC revenues were \$5.038 million, exceeding the prior year by \$279,300 or 5.9%, and \$499,600 or 11% above budget. This difference is primarily attributed to the timing of cash received and greater than anticipated passenger traffic. PFCs are collected by airlines at the time of ticket sales, resulting in revenues not precisely aligning with actual passenger traffic in any period.

OPERATING EXPENSES

Based on the first six months of FY 2024-25 results, operating expenses of \$30.893 million, were \$5.826 million or 15.9% below budget, and \$555,100 or 1.8% above the same period in the prior fiscal year. Operating expenses are grouped into five categories: Personnel Services, Utilities and Communications, Purchased Services, Materials and Supplies, and Administrative Expenses. All five categories were below budget with the largest variances in Personnel Services and Purchased Services. The variance in Personnel Services is primarily related to vacancies. Savings in Purchased Services are mostly related to the timing of anticipated consulting contracts.

The chart below reflects actual operating expenses for the fiscal year as compared to the budget amount.



DEBT SERVICE

On September 4, 2024, RTAA issued \$238.260 million of airport revenue bonds to fund airport capital improvements and to refinance \$22.410 million of a non-revolving line of credit obligation for the MoreRNO program. The 2024 Bonds were issued in two series, including Series 2024A (AMT) and Series 2024B (Non-AMT) revenue bonds. “AMT” refers to bonds where the interest earned by the bondholder is subject to the Alternative Minimum Tax reporting requirements of the IRS. AMT bonds are used generally to finance qualified private activity projects, such as terminal facilities associated with the NewGEN A&B project. Non-AMT bonds are not subject to the Alternative Minimum Tax requirements and are generally used to finance government purpose facilities such as the RTAA Headquarters project. The 2024 Bonds are rated A+, A3 and A by Kroll Bond Rating Agency, Moody’s Investor Service, and S&P Global rating, respectively.

Proceeds from the 2024 Bonds are held by a Trustee, U.S. Bank. The fiduciary duties of the Trustee include the safekeeping bond proceeds, facilitating payments of principal and interest to bondholders, investment oversight, recordkeeping and compliance monitoring to ensure RTAA is adhering to its bond covenants. By fulfilling these duties, the bond trustee plays a vital role in maintaining the structural integrity of the bond issue and protects the interests of both RTAA and the bondholders. As of December 31, 2024, the account balances reported by the Trustee were as follows:

Description	2024A Bonds		2024B Bonds		Total
Principal Outstanding	\$	159,855,000	\$	78,405,000	\$ 238,260,000
Account Balances:					
Interest Account Payable		24,399,001		8,346,529	32,745,529
Project Funds		114,183,596		70,178,360	184,361,957
Common Debt Service Reserve Fund		-		-	16,652,790
Total Balances	\$	138,582,597	\$	78,524,889	\$ 233,760,276

The Bond balances above are invested under the direction of RTAA in accordance with the Bond Indenture and Investment Policy approved by the RTAA Board. RTAA utilizes the services of Government Portfolio Advisors to assist with the investment of these assets. Investments are structured in a diversified portfolio to align with project delivery milestones and maximize interest earnings on the bond proceeds until they are utilized for project expenses. Interest earned on the bond proceeds augment the project fund account. Additionally, the 2024 Bonds included funding to pay for transactional costs of issuance associated with the bond underwriting, legal expenses, financial advisory and other fees.

KEY BENCHMARKS

The following are key benchmarks and ratios used to measure financial activities and monitor the financial health and condition of RTAA:

Key Statistics / Benchmarks	YEAR TO DATE Dec 31, 2024						
					50.0% Of Fiscal Year		
	CURRENT YEAR	PRIOR YEAR	VARIANCE	%	Y-T-D BUDGET	VARIANCE	%
Enplaned Passengers	1,272,822	1,192,725	80,097	6.7%	1,202,874	69,948	5.8%
Airline Cost Per Enplaned Passenger	\$ 10.73	\$ 9.97	\$ 0.76	7.6%	\$ 10.95	\$ (0.22)	(2.0%)
Non-Airline Revenues per EPAX (a)	\$ 20.52	\$ 20.22	\$ 0.30	1.5%	\$ 20.77	\$ (0.25)	(1.2%)
Operating Ratio	72.9%	78.7%	(5.8%)	(7.4%)	91.2%	(0.18)	(20.1%)
Revenue Sharing Per Enplaned Passenger	\$ 3.33	\$ 5.08	(174.9%)	(34.4%)	\$ 3.74	\$ (0.41)	(10.9%)
Days Cash On Hand	476	458	18	3.9%	567	(91)	(16.0%)

(a) Excludes cost reimbursement for the Baggage Handling System (BHS) paid by the airlines.

Enplaned Passengers

Enplaned passengers reported for FY 2024-25 through December 2024 were 1,272,822, a 6.7% increase compared to the prior fiscal year and 5.8% greater than the budget forecast. Enplaned passengers are critical to non-airline revenues, such as public parking, rental car concessions, food and beverage concessions, gaming, etc.

Airline Cost per Enplaned Passenger (CPE)

This ratio represents airline payments for use of airport facilities including landing fees, terminal rents, and baggage handling systems, in accordance with the adopted rates and charges methodology as outlined in the new airline lease agreement. RTAA targets to maintain a reasonable cost structure for airlines operating at RNO to attract and maintain air service to our community. With actual operating expenses 15.9% below budget, and the \$3.70 revenue share credit per enplaned passenger, the signatory airline CPE is estimated to be \$10.73 as compared to the FY 2024-25 budget of \$10.95.

Non-Airline Revenue per Enplaned Passenger

This ratio represents operating revenues derived from sources other than the airlines, divided by enplaned passengers for the fiscal year. It measures operating revenue capacity from various sources including terminal rents, rental car concession fees, public parking, and land and building rents from non-airline facilities at both airports. Based on the first six months of FY 2024-25 actual results, the non-airline revenue per enplaned passenger was \$20.52, 1.2% higher than the budgeted amount of \$20.77. This increase is primarily due to higher revenues from concessions, parking, ground transportation, building and land rents, and aircraft fees

Operating Ratio

The Operating Ratio is calculated by dividing operating and maintenance expenses by total operating revenues. This ratio indicates whether the level of operating expenses as a proportion of operating revenues are consistent and tracking with the approved expenditures and revenues adopted in the budget. Generally, a lower ratio of expenses to revenues is positive as it reflects an improvement in the net operating revenues available to pay debt service and generate additional cash flow. Based on the first six months of FY 2024-25 results, the operating ratio was 72.9% as compared to the higher ratio in the prior year of 78.7%, and the budget of 91.2%. These results compared to the budget reflect the lower operating expenses and higher operating revenues in FY 2024-25 through December.

Revenue Sharing per Enplaned Passenger

The revenue-sharing calculation with signatory airlines is determined based on the funds remaining after fulfilling RTAA's annual financial obligations, including a \$3.0 million allocation to the general-purpose fund. The revenue-sharing amount comprises two components:

- Base Revenue Share – \$2 per enplaned passenger will be distributed when the Debt Service Coverage (DSC) ratio meets the minimum threshold within the range of 1.4 to 1.5.
- Additional Revenue Sharing – When the DSC ratio exceeds 1.5, any surplus revenue is distributed equally (50/50) between RTAA and the signatory airlines.

Based on the first six months of FY 2024-25 results, revenue sharing per enplaned passenger reached \$3.33, marking a 175% decrease from the previous fiscal year and 10.9% below the budget forecast.

Days Cash on Hand (DCOH)

DCOH is an important measure of liquidity. It is calculated by dividing unrestricted cash and investments by the daily operating and maintenance expenditure budget (annual operating and maintenance budget divided by 365 days). As of December 31, 2024, RTAA's DCOH was 476 days, approximately 91 days lower than the FY 2024-25 budget forecast. RTAA's policy is a desired target of 365 days.

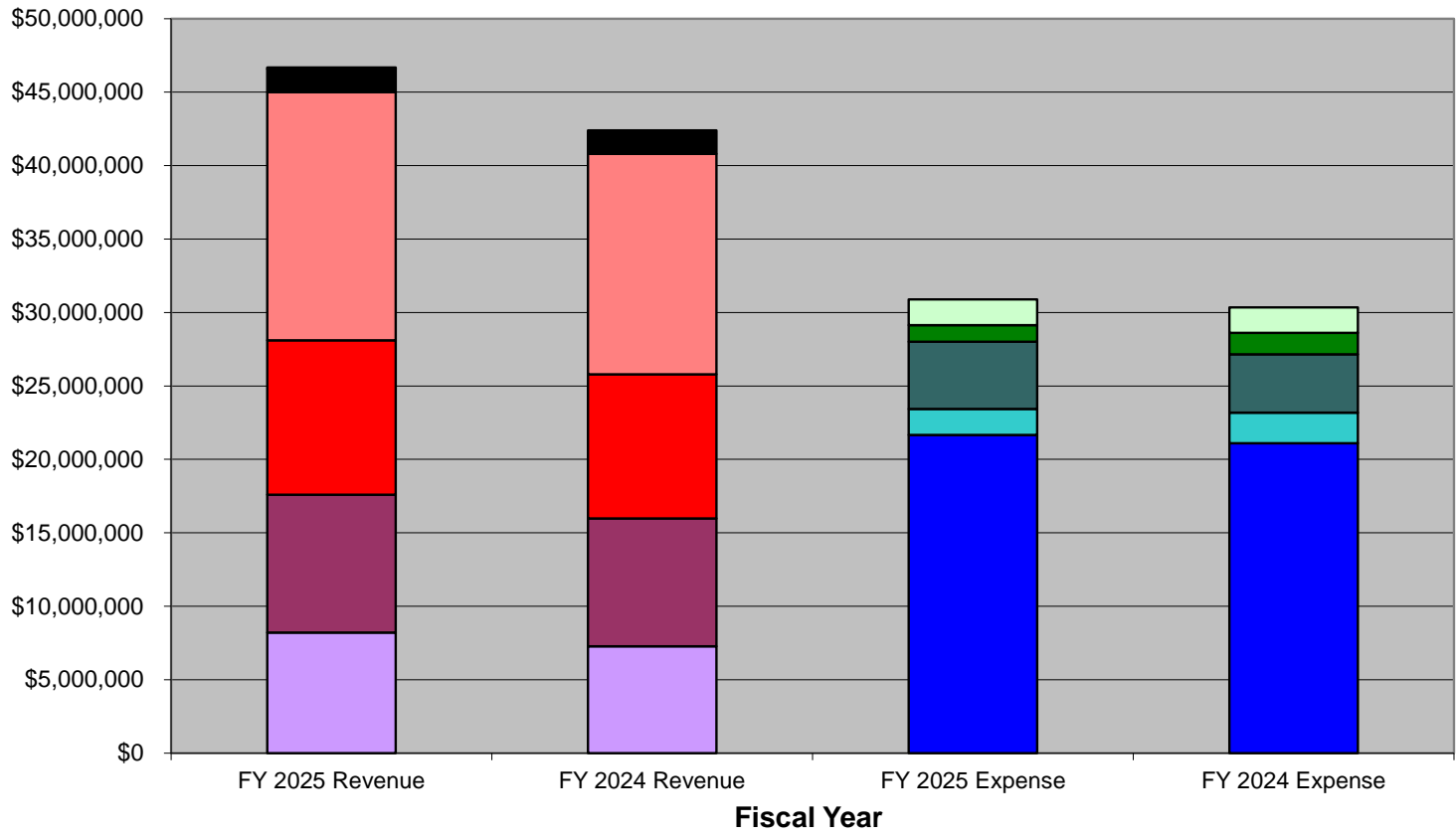
OPERATING STATEMENT
RENO-TAHOE AIRPORT AUTHORITY
For the Six Months Ending December 31, 2024

	<i>CURRENT MONTH</i>				<i>For the Six Months Ending December 31, 2024</i>							
	CURRENT YEAR	PRIOR YEAR	VARIANCE	%	CURRENT YEAR	PRIOR YEAR	VARIANCE	%	50.00%		OF FISCAL YEAR	
									Y-T-D BUDGET		VARIANCE	%
REVENUES												
Landing Fees	\$ 1,199,929	\$ 1,118,183	\$ 81,746	7.3%	\$ 7,378,732	\$ 6,599,433	\$ 779,300	11.8%	\$ 7,120,208	\$ 258,525	3.6%	
Terminal Rent, Airline	1,896,907	1,675,499	221,408	13.2%	11,548,631	10,179,996	1,368,634	13.4%	10,766,450	782,181	7.3%	
Airline Revenue Sharing	(652,107)	(583,538)	(68,568)	11.8%	(4,219,339)	(3,937,300)	(282,040)	7.2%	(4,195,388)	(23,951)	0.6%	
Aircraft Fees	123,564	113,473	10,091	8.9%	824,345	677,043	147,302	21.8%	678,905	145,440	21.4%	
Concession Revenue	602,742	512,286	90,456	17.7%	3,766,879	3,344,885	421,994	12.6%	3,538,252	228,627	6.5%	
Auto Rental	604,956	553,866	51,090	9.2%	5,631,891	5,354,873	277,018	5.2%	5,214,981	416,911	8.0%	
Parking & Ground Transportation	1,685,784	1,485,844	199,940	13.5%	10,505,196	9,812,157	693,039	7.1%	10,265,932	239,264	2.3%	
Reno-Tahoe Building/ Land Rents	764,881	741,926	22,955	3.1%	4,603,032	4,142,403	460,629	11.1%	4,533,576	69,456	1.5%	
Reno-Stead Rents	123,036	113,291	9,745	8.6%	752,314	689,749	62,565	9.1%	702,450	49,864	7.1%	
Reimbursed Services	283,320	255,551	27,769	10.9%	1,576,183	1,590,840	(14,657)	-0.9%	1,592,330	(16,147)	-1.0%	
Miscellaneous	5,312	29,304	(23,992)	-82%	30,249	91,187	(60,938)	-66.8%	50,100	(19,851)	-39.6%	
OPERATING REVENUE	\$ 6,638,326	\$ 6,015,685	\$ 622,640	10.4%	\$ 42,398,114	\$ 38,545,267	\$ 3,852,847	10.0%	\$ 40,267,796	\$ 2,130,318	5.3%	
EXPENSES												
Personnel Services	\$ 3,735,779	\$ 3,548,558	\$ 187,221	5.3%	\$ 21,660,879	\$ 21,095,919	\$ 564,960	2.7%	\$ 23,432,256	\$ (1,771,377)	-7.6%	
Utilities and Communications	284,625	334,958	(50,333)	-15.0%	1,783,813	2,085,273	(301,459)	-14.5%	2,215,460	(431,646)	-19.5%	
Purchased Services	686,265	704,995	(18,730)	-2.7%	4,562,618	3,980,336	582,282	14.6%	7,169,287	(2,606,668)	-36.4%	
Materials and Supplies	173,562	287,831	(114,268)	-39.7%	1,137,134	1,460,691	(323,556)	-22.2%	1,548,011	(410,877)	-26.5%	
Administrative Expense	284,461	257,227	27,235	10.6%	1,749,044	1,716,191	32,852	1.9%	2,354,905	(605,862)	-25.7%	
OPERATING EXPENSES	\$ 5,164,693	\$ 5,133,568	\$ 31,125	0.6%	\$ 30,893,488	\$ 30,338,410	\$ 555,079	1.8%	\$ 36,719,918	\$ (5,826,430)	-15.9%	
NET OPERATING INC. BEFORE DEPR.	\$ 1,473,632	\$ 882,117	\$ 591,515	67.1%	\$ 11,504,626	\$ 8,206,857	\$ 3,297,769	40.2%	\$ 3,547,878	\$ 7,956,748	224.3%	
Depreciation and Amortization	1,966,749	1,976,587	(9,838)	-0.5%	11,873,636	11,873,588	49	0.0%	13,999,440	(2,125,804)	-15.2%	
OPERATING INCOME	\$ (493,117)	\$ (1,094,470)	\$ 601,353	54.9%	\$ (369,011)	\$ (3,666,731)	\$ 3,297,720	89.9%	\$ (10,451,562)	\$ 10,082,552	96.5%	
NON-OPERATING INCOME (EXPENSE)												
Interest Income	\$ 1,134,009	\$ 299,635	\$ 834,374	278.5%	\$ 5,164,795	\$ 3,588,063	\$ 1,576,732	43.9%	\$ 1,348,450	3,816,345	283.0%	
Passenger Facility Charge	912,054	747,463	164,591	22.0%	5,037,975	4,758,683	279,292	5.9%	4,538,350	499,625	11.0%	
Customer Facility Charge	-	682,823	(682,823)	-100.0%	-	5,393,457	(5,393,457)	-100.0%	-	-	n.a.	
Jet Fuel Tax Revenue	23,000	23,583	(583)	-2.5%	168,945	152,911	16,035	10.5%	151,450	17,495	11.6%	
Federal Grant Revenue	1,888	1,008	880	87.3%	5,199,284	6,436,919	(1,237,634)	-19.2%	-	5,199,284	n.a.	
G/L on Sale of Capital Assets	10,023	-	10,023	n.a.	36,100	65,836	(29,736)	-45.2%	-	36,100	n.a.	
Other Non-Operating Revenue (Expense)	(182,378)	0	(182,378)	n.a.	3,426,008	19,861	3,406,147	17150.0%	(99,996)	3,526,004	-3526.1%	
Interest Expense	(998,871)	(64,229)	(934,642)	1455.2%	(4,196,724)	(276,564)	(3,920,160)	1417.5%	(555,237)	(3,641,486)	655.8%	
Total	\$ 899,725	\$ 1,690,284	\$ (790,559)	-46.8%	\$ 14,836,384	\$ 20,139,166	\$ (5,302,782)	-26.3%	\$ 5,383,017	\$ 9,453,367	175.6%	
Net Income Before Capital Contributions	\$ 406,608	\$ 595,813	\$ (189,206)	-31.8%	\$ 14,467,373	\$ 16,472,435	\$ (2,005,062)	-12.2%	\$ (5,068,546)	\$ 19,535,919	385.4%	

OPERATING STATEMENT
RENO-TAHOE AIRPORT AUTHORITY
For the Six Months Ending December 31, 2024

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET	
	ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		TOTAL	ANNUAL BUDGET % TO DATE
			\$	%			\$	%		
REVENUES										
Landing Fees	\$ 1,199,929	\$ 1,197,487	\$ 2,442	0.2%	\$ 7,378,732	\$ 7,120,208	\$ 258,525	3.6%	\$ 14,122,892	52%
Terminal Rent, Airline	1,896,907	1,794,408	102,498	5.7%	11,548,631	10,766,450	782,181	7.3%	21,532,900	54%
Airline Revenue Sharing	(652,107)	(525,677)	(126,429)	24.1%	(4,219,339)	(4,195,388)	(23,951)	0.6%	(8,297,900)	51%
Aircraft Fees	123,564	113,151	10,413	9.2%	824,345	678,905	145,440	21.4%	1,357,811	61%
Concession Revenue	602,742	579,970	22,772	3.9%	3,766,879	3,538,252	228,627	6.5%	7,022,854	54%
Auto Rental	604,956	849,071	(244,115)	-28.8%	5,631,891	5,214,981	416,911	8.0%	10,319,270	55%
Parking & Ground Transportation	1,685,784	1,672,842	12,942	0.8%	10,505,196	10,265,932	239,264	2.3%	20,321,707	52%
Reno-Tahoe Building/ Land Rents	764,881	755,596	9,285	1.2%	4,603,032	4,533,576	69,456	1.5%	9,067,152	51%
Reno-Stead Rents	123,036	117,075	5,961	5.1%	752,314	702,450	49,864	7.1%	1,404,900	54%
Reimbursed Services	283,320	260,752	22,569	8.7%	1,576,183	1,592,330	(16,147)	-1.0%	3,159,116	50%
Miscellaneous	5,312	8,350	(3,038)	-36.4%	30,249	50,100	(19,851)	-39.6%	100,200	30%
OPERATING REVENUE	\$ 6,638,326	\$ 6,823,026	\$ (184,701)	-2.7%	\$ 42,398,114	\$ 40,267,796	\$ 2,130,318	5.3%	\$ 80,110,903	53%
EXPENSES										
Personnel Services	\$ 3,735,779	\$ 3,875,859	\$ (140,080)	-3.6%	\$ 21,660,879	\$ 23,432,256	\$ (1,771,377)	-7.6%	\$ 45,219,168	48%
Utilities and Communications	284,625	421,738	(137,112)	-32.5%	1,783,813	2,215,460	(431,646)	-19.5%	4,658,400	38%
Purchased Services	686,265	1,319,671	(633,406)	-48.0%	4,562,618	7,169,287	(2,606,668)	-36.4%	11,279,064	40%
Materials and Supplies	173,562	237,422	(63,860)	-26.9%	1,137,134	1,548,011	(410,877)	-26.5%	2,983,930	38%
Administrative Expense	284,461	469,881	(185,420)	-39.5%	1,749,044	2,354,905	(605,862)	-25.7%	4,527,473	39%
OPERATING EXPENSES	\$ 5,164,693	\$ 6,324,571	\$ (1,159,877)	-18.3%	\$ 30,893,488	\$ 36,719,918	\$ (5,826,430)	-15.9%	\$ 68,668,035	45%
NET OPERATING INC. BEFORE DEPR.	\$ 1,473,632	\$ 498,455	\$ 975,177	195.6%	\$ 11,504,626	\$ 3,547,878	\$ 7,956,748	224.3%	\$ 11,442,868	101%
Depreciation and Amortization	1,966,749	2,333,333	(366,584)	-15.7%	11,873,636	13,999,440	(2,125,804)	-15.2%	28,000,000	42%
OPERATING INCOME	\$ (493,117)	\$ (1,834,878)	\$ 1,341,761	73.1%	\$ (369,011)	\$ (10,451,562)	\$ 10,082,552	96.5%	\$ (16,557,132)	2%
NON-OPERATING INCOME (EXPENSE)										
Interest Income	\$ 1,134,009	\$ 224,742	\$ 909,268	404.6%	\$ 5,164,795	\$ 1,348,450	\$ 3,816,345	283.0%	\$ 2,696,400	192%
Passenger Facility Charge	912,054	756,392	155,662	20.6%	5,037,975	4,538,350	499,625	11.0%	9,076,700	56%
Customer Facility Charge	-	-	-	n.a.	-	-	-	n.a.	-	n.a.
Jet Fuel Tax Revenue	23,000	25,242	(2,242)	-8.9%	168,945	151,450	17,495	11.6%	302,900	56%
Federal Stimulus	1,888	416,667	(414,779)	-99.5%	5,199,284	-	5,199,284	n.a.	5,000,000	104%
G/L on Sale of Capital Assets	10,023	-	10,023	n.a.	36,100	-	36,100	n.a.	-	n.a.
Other Non-Operating Revenue (Expense)	(182,378)	(16,666)	(165,712)	994.3%	3,426,008	(99,996)	3,526,004	-3526.1%	(200,000)	-1713%
Interest Expense	(998,871)	(92,540)	(906,331)	979.4%	(4,196,724)	(555,237)	(3,641,486)	655.8%	(1,915,560)	219%
Total	\$ 899,725	\$ 1,313,836	\$ (414,111)	-31.5%	\$ 14,836,384	\$ 5,383,017	\$ 9,453,367	175.6%	\$ 14,960,440	99%
Net Income Before Capital Contributions	\$ 406,608	\$ (521,042)	\$ 927,650	178.0%	\$ 14,467,373	\$ (5,068,546)	\$ 19,535,919	385.4%	\$ (1,596,692)	-906%

Operating Revenue and Expense YTD through December 31, 2024



- Landing fees revenue
- Parking and ground transportation revenue
- Reimbursements for services revenue
- Employee wages and benefits expense
- Purchase of services expense
- Administrative expenses
- Concession revenue
- Rentals revenue
- Other revenue
- Utilities and communications expense
- Materials and supplies expense

SUMMARY OF NON-AIRLINE REVENUES

Reno-Tahoe Airport Authority

	12/31/2024	12/31/2023	Over	%	12/31/2024	Over	%	2024-25	% of
	YTD Actual	YTD Actual	(Under)	Variance	Year to Date	(Under)	Variance	Annual Budget	Annual Budget
			Prior Year		Budget	Budget			
Aircraft Fees - Reno	\$ 769,897	\$ 666,537	\$ 103,360	15.5%	666,905	\$ 102,991	15.4%	1,333,811	57.7%
Aircraft Fees - Stead	54,448	10,506	43,942	418.2%	12,000	42,448	353.7%	24,000	226.9%
Gaming Concession	813,753	720,783	92,970	12.9%	732,192	81,561	11.1%	1,448,842	56.2%
Food & Beverage	1,150,009	1,015,667	134,342	13.2%	1,124,218	25,792	2.3%	2,224,574	51.7%
Retail/Merchandise	690,486	666,250	24,236	3.6%	671,176	19,310	2.9%	1,328,105	52.0%
Advertising	505,496	400,374	105,122	26.3%	450,126	55,369	12.3%	900,253	56.2%
Other Concessions	107,766	84,053	23,712	28.2%	91,890	15,876	17.3%	183,780	58.6%
FBO and Ground Handlers	476,268	428,492	47,776	11.1%	445,750	30,518	6.8%	891,500	53.4%
Stead Concessions	23,100	29,265	(6,165)	-21.1%	22,900	200	0.9%	45,800	50.4%
Auto Rental	5,631,891	5,354,873	277,018	5.2%	5,214,981	416,911	8.0%	10,319,270	54.6%
Ground Transportation	806,900	524,911	281,989	53.7%	655,136	151,764	23.2%	1,299,560	62.1%
Auto Parking	9,698,296	9,287,246	411,050	4.4%	9,610,796	87,500	0.9%	19,022,147	51.0%
Other Terminal Rents	588,703	530,625	58,078	10.9%	565,231	23,473	4.2%	1,130,461	52.1%
Reno-Tahoe Building Rents	1,586,936	1,653,545	(66,609)	-4.0%	1,661,426	(74,490)	-4.5%	3,322,853	47.8%
Reno-Tahoe Land Rents	2,427,393	1,958,233	469,160	24.0%	2,306,919	120,474	5.2%	4,613,838	52.6%
Reno-Stead Rents	752,314	689,749	62,565	9.1%	702,450	49,864	7.1%	1,404,900	53.5%
Reimbursed Services	1,576,183	1,590,840	(14,657)	-0.9%	1,592,330	(16,147)	-1.0%	3,159,116	49.9%
Miscellaneous	30,249	91,187	(60,938)	-66.8%	50,100	(19,851)	-39.6%	100,200	30.2%
Total Non-Airline Operating Revenue	27,690,090	25,703,137	1,986,953	7.7%	26,576,526	1,113,564	4.2%	52,753,011	52.5%
Non Operating Revenue (a)	9,798,410	9,979,134	(180,725)	-1.8%	844,667	8,953,743	1060.0%	2,991,900	327.5%
TOTAL NON-AIRLINE REVENUE	\$ 37,488,500	\$ 35,682,272	\$ 1,806,228	5.1%	\$ 27,421,193	\$ 10,067,307	36.7%	\$ 55,744,911	67.3%
Year to Date Enplaned Passengers	1,272,822	1,192,725			1,202,874			2,496,862	
Non-Airline Revenue Per EPAX	\$ 20.52	\$ 20.22			\$ 20.77	-1.2%		\$ 19.86	

(a) Excludes PFC and CFC revenues

SUMMARY OF ENPLANED PASSENGERS BY AIRLINE

Reno-Tahoe International Airport

	Month			Year-to-date		
	Dec-24	Dec-23	Percent change	YTD 2024-25	YTD 2023-24	Percent change
Enplaned passengers by Airline						
Major/national carriers (Signatory)						
Alaska	18,036	10,944	64.8%	116,031	96,372	20.4%
American	25,840	25,267	2.3%	187,487	174,345	7.5%
Delta	18,576	14,677	26.6%	124,093	102,727	20.8%
Southwest	79,865	77,655	2.8%	511,184	506,936	0.8%
United	33,928	29,170	16.3%	201,567	183,755	9.7%
Total	176,245	157,713	11.8%	1,140,362	1,064,135	7.2%
Non-Signatory and Charter						
Allegiant Air	-	902	-100.0%	-	6,527	-100.0%
JetBlue	1,325	4,138	-68.0%	5,811	27,600	-78.9%
Spirit Airlines	12,746	8,484	50.2%	95,107	59,915	58.7%
Sun Country Airlines	1,208	1,066	13.3%	14,143	16,612	-14.9%
Volaris	3,688	3,462	6.5%	17,399	17,449	-0.3%
Total	18,967	18,322	3.5%	132,460	128,590	3.0%
Total enplaned passengers	195,212	176,035	10.9%	1,272,822	1,192,725	6.7%

