

Assembly

2-0728

GOVERNMENT AFFAIRS COMMITTEE

MINUTES OF THE MEETING

April 11, 1975

MEMBERS PRESENT:

CHAIRMAN DINI
VICE-CHAIRMAN MURPHY
ASSEMBLYMAN CRADDOCK
ASSEMBLYMAN MAY
ASSEMBLYMAN HARMON
ASSEMBLYMAN MOODY
ASSEMBLYMAN FORD
ASSEMBLYMAN YOUNG

MEMBERS ABSENT:

ASSEMBLYMAN SCHOFIELD

ALSO PRESENT:

Mayor Sam DiBitonto
Assemblyman Wittenberg
Randy Capurro
Mr. Taylor, Director of Aviation, Clark County
Mr. John White
Mr. Broadbent
Mr. Lowell Bernard
Mr. Bruno Menicucci
Miss Frances Test

(The following bills were discussed at this meeting: A.B. 498,
A.B. 161 and BDR 21-1670).

Mr. Dini called the meeting to order at 8:00 A.M. He informed those present that the committee feels that they want facts and data at this meeting and that there should be no reflection on anyone or on the bill being introduced.

Testimony on A.B. 498, which creates Washoe County Airport Authority. Assemblyman Wittenberg testified. He stated that A.B. 498 was officially listed as introduced by the Washoe County Delegation. He stated that he was listed as sponsor. He discussed the bill with the committee. Mr. Wittenberg stated that the Reno area has grown and that it is necessary to start to look in the direction of making it a broader based authority representing all of these people. He stated that the airport serves Reno, Sparks, Lake Tahoe and all of Northern Nevada.

Mr. May stated that he did not see it spelled out in the statutes as to who will make the appointments. He asked if it was Mr. Wittenberg's intention that the governing body make the appointments. Mr. Wittenberg indicated that it was the city council that shall make the appointments. Mr. Wittenberg stated that there have been several other bills. They wanted to make sure that the bill had the necessary language and instead of getting into a conflict they thought they would draft a specific act for Washoe County. Mr. Wittenberg stated that they had contacted cities of relatively the same size with port authorities and transit authorities. What they were looking for was tested and proven language that would stand up in court, if necessary. Mr. Wittenberg stated that there was quite a bit of work as far as researching of the language was concerned in this bill. He stated that there would come a time when tourism will increase. He stated that residences have increased. Mr. Wittenberg stated that he did not think that it took a lot of foresight to see that they are going to have to abandon the present airport and create a new airport which will serve as a regional airport. He stated that if this was not done, then we will have to stifle growth as far as tourism goes.

Mr. Wittenberg stated that the tax and bond ability would be much better if it were spread over Washoe County, Sparks and the rest of the area rather than the City of Reno.

Mr. Young stated that the counties were not spelled out. He asked if we were just anticipating Washoe County or whether or not it was more than Washoe County.

Mr. Wittenberg stated that this was a technical error.

Mr. Craddock asked if the airport was presently under a manager that is designated by the city.

Mr. Wittenberg stated yes.

Mr. Dini stated that on the creation of this board, most of the time these boards take someone from existing branches of government and co-mingle. He stated that it was a give and take thing between various boards. He stated that this might not be the right approach. He stated that you did not have coordination in the tax structure.

Mr. Wittenberg stated that the original draft of the bill provided that they would appoint themselves. He stated that they felt that it would be best served to remove it from someone holding an other elected office. He stated that where a continuing direction is hard to obtain, you lose expertise.

Mrs. Ford asked if there was another airport. Mr. Wittenberg stated that there was Stead. Mrs. Ford indicated that she did not see anything relating to master planning. She asked if he thought that there should be language in there. Mr. Wittenberg

stated that that was very possible. Mrs. Ford asked if Reno and Washoe County were at the \$5.00 limit. Mr. Wittenberg stated that he believed that all three entities were at the \$5.00 limit.

Mr. May stated that precedence was being broken by appointing the board.

Mr. Wittenberg stated that he is aware of that. It is a workable solution. Mrs. Ford questioned the police and fire system at the airport. Mr. Dibitonto stated that they had a contract with the National Guard.

Mrs. Ford questioned Mr. Broadbent with regard to the service of police and fire in Clark County.

Mr. Broadbent stated that you have to have uniformed officers out there. You cannot hire private security.

Mr. Randy Capurro testified next. He stated that in 1970 they formed a committee which did some work in studying the problems. He stated that they published a report and that it was given to the city council. The concept of airport authorities is not new. It is very basic to management of a specific problem or specific operation. He indicated that New York has a port authority and that the Bay area has a rapid transit system. They are specifically designed to help manage a specific problem. Most of these authorities are in the field of transportation. He thinks the largest problem is that it looks like it is taking something from someone and giving it to someone else. It looks like the people are not doing a good job. He stated that this was not true. That is not the intent of this legislation in his opinion. The airport is entirely for all people that can possibly use the airport. The burden should be spread on as many people that it can be. He indicated that Mr. Taylor of Las Vegas (airport) would discuss the development of their airport. He stated that the morality of this legislation would be to shift the tax burden. He stated that he does support this legislation.

Mr. Dini asked if in his opinion the city of Reno has moved fast enough in development of the airport in the last ten years.

Mr. Capurro stated that he did not believe so. He thought that it was behind where it should be. He stated that the area that the airport serves is a major one. There is no other transportation in and out of Northern Nevada. He stated that he would like to see a larger airport district. He would like it to include Carson City, Yerington, Fallon included in a regional airport. There is no real long range planning. He stated that he envied the airport in Clark county.

Mayor Sam Dibitonto testified next. He presented a report to the committee, a copy of which is attached hereto and made a part hereof. He stated that as far as Washoe County was concerned, they were given the opportunity to participate in the purchase, lease or any other suitable arrangement with United Airlines but did not. In 1953 Washoe County was not interested and neither was Sparks. Reno went into a full blown agreement.

He discussed the landing fee figures which he had presented to the committee a copy of which is attached hereto and made a part hereof. He stated that the cities of Phoenix and San Jose operate their own airports. He further stated that the City of Reno has expanded the airport. He stated that there was no pressure from anyone for more flights because of inadequate facilities. The airlines have negated the need. The need is not there. He stated that with regard to money, the airport will be self-sufficient. The airport does not have to generate another tax base. Mr. Murphy asked if Mayor Dibitonto was saying that in three years the airport would be self-sufficient.

Mayor Dibitonto stated that the creation of an airport authority would not in any way affect the situation. He stated that contracts were contracts and that the landing fee contract would have to stay the way it was until it was ended. He indicated that the contract has a 25 year period. One stipulation was that it could be opened up for negotiation by mutual agreement. He stated that there must be justification for opening up negotiations on the landing fee. He indicated that we have no way to go further than the granted tax levy. Specifically, the airport is capable of handling everything now. It can until 1980. He stated that the Reno airport had the cheapest parking rate in the west.

Mr. Dini indicated that the airport has been losing money, and that this year there will be a deficit.

Mayor Dibitonto stated that it was due to the 6¢ landing fee which was the lowest in the world and also to poor bookkeeping.

Mr. May asked what the annual tourist flow was. Mayor Dibitonto indicated it was 1.3 million.

Mr. Murphy indicated that he had received a lot of calls from people with regard to this bill and that most of them were not happy with the airport. Mr. Murphy asked if he was so opposed to this bill what alternatives do you have. Mr. Murphy asked if he was waiting for the master plan. Mayor Sam Dibitonto stated that people complained about the parking. He stated that there is room for expansion. There is a contract for concessions. There are four firms that rent cars at the airport.

Mr. Taylor, Director of Aviation for Clark County testified next. He stated that he has worked for 27 years in airports. He represents Clark County. They are here only to give information to this committee. They will not compare one airport to the other. He stated that there are many problems with airports. When airlines come to town and ask to serve what happens is that they ask for many concessions. He stated that in Clark County they have two committee meetings each month and they make reports to the committee which has no authority to make any legal decisions but it goes on the agenda and is passed on at regular meetings of the county commissioners. He stated that McCarren was in debt for \$1,000,000. In 1968 they took McCarren off the tax rolls. There are no taxes paid by Clark County on McCarren airport. He stated that the

\$23,000,000 bond program that was permitted to build an extension on the new terminal and runway system was all revenue bonds. He stated that today they are a multi-million dollar business. More people are looking to do business at the airport. He stated that the airport had a new manager, Bob Manderville and that he is competent. He must have tools to work with and must be able to do his job.

Mr. Murphy asked if Washoe County went with an airport authority if this bill would be a viable vehicle for an airport authority. Mr. Turner indicated that he could not say and that he did not see the necessity for another board. He stated that an elected official is answerable to the people.

Mrs. Ford asked what the landing fee rate was in Clark County. Mr. Turner stated that it was 43¢. Mr. Turner indicated that the tax base had nothing to do with negotiations with the airlines.

Mr. Broadbent testified next. He stated that the City of Reno is tied to the contract until it is ended. He stated that when the contract at McCarren expired they negotiated. He stated that you cannot apply for federal funds.

Mr. Biglieri testified next. He stated that he created the airport commission. They know that they are losing money. He stated that when the contract is finished the city should start making money.

He indicated that the key is to leave it like it is right now. He further indicated that they were negotiating right now with the airlines for a raise in the landing fee.

Mr. John White, a private citizen testified next. He stated that he was seeking an elective office at the present time as City Attorney in Reno. He stated that the bill as presently written will not affect the growth of the airport one way or the other. Two years ago the city council's opponent was Mr. Capurro. The city council was trying to break a monopoly that United Airlines has to the north. To the south Air West has a monopoly. He stated that if we were going to have an authority, those bounds should include Minden.

Mr. Lowell Bernard of Kafoury, Armstrong, Turner & Co. testified next. He referred to the report. He stated that it was critical that everyone know that they were in the middle of negotiating. The present contract runs to November 30, 1978. The next negotiating session is April 24th. The negotiations have indicated that the airlines realize that there is to be an increase from the 6¢ landing fee. They will lose about \$830,000 between now and November 30, 1978. They must be brought up to the 20¢ rate. The airlines are aware that if they don't increase the rates now they would have to make up the loss of all three years.

Mr. Bruno Menicucci testified next. He stated that the present city council has devoted time and effort. He stated that they must negotiate on the landing fee terms. He stated that if the City of Reno does not do the job between now and 1978 to bring this bill back to the legislature in 1979.

Mr. Craddock asked if the committee could get a copy of the contract. Mr. Menicucci stated that he would see that the committee

got a copy of the contract.

2-0713

Mr. May indicated that he is not impressed with the concession contracts. Mr. May asked how long they ran.

Mr. Menicucci indicated that they had 6 more years to run.

Miss Frances Test of the Citizens Advisory Committee of Reno testified next. She stated that there has been much citizen input. Their committee is actually made up of interested citizens in Reno. They are appointed by the mayor. The members have studied it and they have polled their members. While they do not necessarily disagree with the concept of the bill they have reached a consensus. Perhaps there has been too much haste and not enough citizen input.

Miss Pat Hardy Lewis testified next. She stated that the airport was operating with problems. She stated that Bart and the New York Port authority were both in bankruptcy and that this bill has come at a bad time.

Mr. Murphy informed the committee that testimony was concluded on A.B. 498.

The committee then discussed A.B. 161, the communications bill. Mr. May was chairman of the subcommittee. Mr. May moved for a do pass as amended which was seconded by Mr. Craddock. This bill will be referred to Ways and Means. All of the members were in favor. Mr. Harmon, Mr. Dini and Mr. Schofield were not present at the time of the vote.

AB 613
as BDR
Mr. Murphy stated that there was a committee introduction which requires certain tracts may tax property for street projects. This was brought in by Mr. Demers. Mr. Craddock moved for committee introduction which was seconded by Mrs. Ford. All of the members were in favor of the introduction of BDR 21-1670. Mr. Harmon and Mr. Schofield were not present at the time of the vote.

There being no further business to come before the meeting, the adjourned.

Respectfully submitted,

Barbara Gomez,
Committee Secretary.

PLEASE NOTE: The attachment of the City of Reno Presentation to Nevada State Assembly is attached only to the Secretary's Minute Book.

ASSEMBLY

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS

Friday,

Date April 11, 1975 Time 8:00 A.m. Room 214

2-0737

Bills or Resolutions
to be considered

Subject

Counsel
requested*

A.B. 498

Creates Washoe County Airport Authority.

NOTIFY: Mr. Wittenberg, City of Reno (Mayor
Debitonto), City Council, Mr. Latimore

GOVERNMENT AFFAIRS COMMITTEE

GUEST REGISTER

0744

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DATE: April 11, 1975

NAME	BILL #	REPRESENTING	TESTIFYING
SAM DIBONTO		Myself	YES ✓
Walter B. Muzzey	498	Myself	YES ✓
Richard Dunken		County of Clark	NO
ERLE A. TAYLOR	498	COUNTY OF CLARK	YES ✓
Randy Caproni	498	Self -	yes ✓
Karen Warren	498	Self	No
Frank Zahrentopf	498	Washoe Cty	No
ALBERT W. TITENBERG	498	Assemblyman	yes ✓
CLYDE BIGLERI	SB 498		yes ✓
JAMES LAMBERT	SB 107	NEVADA HIGHWAY PATROL	YES -
John White	498	myself	Yes ✓
FRED DAVIS	498	GREATER RENO COFC	YES ✓
Joe H. Latimore	498	City of Reno	No
Robin M. Bogich	498	City of Reno	No
Lewell C. Bernard	498	City of Reno	Yes ✓
Don McPhie	498	-	No

1973

2-0746

<u>CITY</u>	<u>1000 lb. RATE</u>
BIRMINGHAM, ALABAMA	14¢
BOSTON, MASSACHUSETTS	33-67¢
CLEVELAND, OHIO	42¢
DAYTON, OHIO	25¢
HOUSTON, TEXAS	21¢
HUNTSVILLE, MISSISSIPPI	55¢
INDIANA	25¢
JACKSONVILLE, FLORIDA	19¢
KNOXVILLE, TENNESSEE	10¢
LITTLE ROCK, ARKANSAS	17¢
LA INTERNATIONAL	44¢
CLARK COUNTY	25¢ 43¢
NASHVILLE, TENNESSEE	17¢
MILWAUKEE, WISCONSIN	23¢
NEW ORLEANS, LOUISIANA	12-17¢
ORLANDO, FLORIDA	20¢
PORTLAND, OREGON	59¢
SACRAMENTO, CALIFORNIA	16¢
SAN DIEGO, CALIFORNIA	33¢
SEATTLE, WASHINGTON	\$1.55
TUSCON, ARIZONA	18¢
WICHITA, KANSAS	18¢
ATLANTA, GEORGIA	47¢
TULSA, OKLAHOMA	14¢
OMAHA, NEBRASKA	25¢
JACKSON, MISSISSIPPI	13¢
LA GUARDIA, NEW YORK	\$1.28

Reno

~~6.5¢~~
6 1/2¢

AB-161

SUMMARY- An Act Relating to the Creation of the State Communications Board

SECTION 1. Title 18 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 18, inclusive, of this act.

SEC. 2. As used in this chapter, the terms defined in sections 3 to 7, inclusive, of this act have the meanings ascribed to them in such sections.

SEC. 3. "Agency means an officer, board, commission, council, department, division, bureau or any other unit of government except the political subdivisions of this state.

SEC. 4. "Board" means the state communications board.

SEC. 5. "Communication" means any transmission, emission or reception of signs, signals, writings, images or sounds which convey intelligence of any nature by wire, radio, optical or other electromagnetic systems.

SEC. 6. "State communications system" means communication equipment and associated facilities owned, leased or used by state agencies. This definition shall not be construed as removing control from the Department of General Services of the state telephone system intended for use by the public or state agencies.

over

SEC. 7. "Director" means the state communications director.

SEC. 8. The legislature finds and declares that a statewide system of state communications is vital to the security and welfare of the state during times of emergency and in the conduct of its regular business, and that economies may be realized by joint use of the system by all state agencies. It is the purpose of the legislature that a statewide system of communications be developed whereby maximum efficiency in the joint use of existing communications systems is achieved and that all communication functions and activities of state agencies be coordinated.

SEC. 9. There is hereby established a state communications board composed of the:

1. Director of the Civil Defense and Disaster Agency;
2. Director of the Department of General Services;
3. Director of the Department of Law Enforcement Assistance;
4. Director of the Department of Motor Vehicles;
5. Director of the Nevada Department of Fish and Game;
6. Director of the State Department of Conservation and Natural Resources; and
7. State Highway Engineer.

SEC. 10. 1. The board shall elect a chairman and such other officers as it deems necessary from among its members. Each officer shall serve one year and until a successor is elected by the board. Board officers may be reelected.

2. The board shall meet at least quarterly and at such times and places as are specified by a call of the chairman or any two members of the board. Four members of the board constitute a quorum.

3. Each member of the board shall:

(a) Designate a permanent voting alternate to represent him at board meetings in his absence.

(b) Appoint a technical representative to serve on a technical advisory committee which is hereby created to serve the board.

4. Members of the board and the technical advisory committee shall serve without compensation.

SEC. 11. 1. The board shall establish and implement policy respecting the development, administration and operation of the state communications system.

2. Regulations governing the joint use of the state communications system shall establish a minimum standard for such use and are supplemental to rules or regulations of the Federal Communication Commission on the same subject.

3. Microwave channels assigned to user agencies by the board prior to July 1, 1975, shall not be re-assigned without the concurrence of the user agency.

4. Microwave channels shall be assigned permanently to the Department of Law Enforcement Assistance for assignment by the Department to local, state and federal law enforcement agencies as the Department may desire. Operating costs will be assumed by the Department of Law Enforcement Assistance with equitable billings charged to user agencies.

SEC. 12. 1. The board shall fix the qualifications of, and shall appoint the State Communications Director who shall serve at the pleasure of the board.

2. The director is in the unclassified service of the state, and is entitled to the per diem expense allowances and travel expenses provided by law.

3. The director shall not engage in any other gainful employment or occupation.

SEC. 13. All state agencies shall provide the state communications board with any information which the board requests for the purpose of implementing the provisions of this chapter, except where the disclosure of such information is expressly prohibited by law, and otherwise cooperate and assist to the maximum extent possible in the development and joint use of the state communications system.

SEC. 14. Except as provided in Section 11 of this act, with the approval of the board, the state communications director shall:

1. Consolidate the communications systems and services of state agencies and provide for their joint use by federal and state agencies.
2. Prepare plans and engineering, conduct studies and review planning for the orderly development of the state communications system.
3. Procure, install and maintain and purchase or lease communications equipment, facilities and services.
4. Consolidate state procurement required on a periodic basis in accordance with specifications approved by the board.
5. Enter into and administer agreements involving the state communications system.
6. Develop a comprehensive system of equitable billings and charges for communications services provided in any consolidated or joint use system of communications. Such charges shall reflect as nearly as practicable the actual share of costs incurred on behalf of or for services rendered to a user agency.
7. Advise agencies of the state as to systems or methods to be used to meet communications requirements efficiently and effectively.
8. Assure that maintenance is performed on the state communications system efficiently and economically.
9. Standardize policies and procedures for the joint use of the state communications system.

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10. Provide within his office a staff, consisting of personnel in the classified service of the state, adequate to carry out the provisions of this chapter.

SEC. 15. 1. Each state agency participating in the state communications system, unless otherwise provided by agreement with the board, shall:

(a) Develop operating procedures and maintain operational control over its radio communications network, including mobile radio systems.

(b) Establish criteria for radio service area coverage within the limits of its authority.

(c) Employ, control and supervise all personnel operating radios, consoles, teletype machines and data terminals and having access to record files and message-handling facilities.

(d) Determine the amount of public safety radio services equipment it requires and which of its vehicles or locations will be radio-equipped.

2-0752

(e) Determine its communications requirements respecting mobile radio equipment, public safety radio services and state-owned communications systems, and budget for such equipment and services.

(f) Maintain its state owned communications equipment.

2. Each state agency may approve use of its radio communications network by others.

SEC. 16. 1. The state communications board may be substituted as the contracting party for any state agency in any existing agreements entered into by such agency respecting shared communications facilities and the board succeeds to all the rights and obligations of the substituted agency created by the agreement.

2. The board may collect and receive fees due on such agreements and any other agreements the board may enter pursuant to this chapter. All such fees shall be deposited in the state communications fund which is hereby created for the use of the board in defraying the costs of the state communications system. All claims against the fund shall be paid in the manner that other claims against the state are paid.

3. The board may accept gifts, bequests, devices, grants or trusts of money or other property to the board or to the State of Nevada for purposes of the state communications system. Any receipts shall be deposited in the fund and used for the purpose specified by the donor or for the purpose of carrying out the provisions of this chapter.

SEC. 17. In the event of any emergency, the Governor may direct civil defense assumption of control over all or part of the state communications system.

SEC. 18. This bill will become effective upon passage.

CITY OF RENO

Presentation to Nevada State Assembly
Committee on Government Affairs

Regarding A.B. 498

(to Create Washoe County Airport Authority)

April 11, 1975

CITY OF RENO

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RENO AIRPORT

EVALUATION OF ASSEMBLY BILL NO. 498

1. The timing of the bill is most inopportune.
 - The airport master plan is currently still under study. The plan is only one-half completed. The City is presently funding one-third of this \$180,000 master plan. Any move to re-organize the airport function, or to plan future airport expansion and operations under the authority is clearly premature without the benefit of the master plan recommendations.
 - The City is negotiating with the airlines for increased landing fees. Some acquiescence has been secured by the knowledge that the City may set landing fees by ordinance after the expiration of the current agreement on November 30, 1978. However, since the very existence of the City of Reno Airport is now called into question, the airlines will most likely express little interest in continuing to negotiate with the City. The lost revenue, if these landing fee negotiations are not satisfactorily completed, will amount to approximately \$830,000 between now and November 30, 1978.
 - A positive indication from this committee prior to the final negotiating session on April 24, to allow the City to continue to operate the airport is essential to the satisfactory conclusion of these negotiations.
 - The increases in landing fees will help to eliminate some of the operating problems that the present bill cites.

2. The bill acknowledges the complexity of operations of the airport and the vastness of capital expenditures required.

However, the bill does not authorize any study of the financial feasibility of new Regional Airport Authority, nor does it propose any plan for upkeep, improvement or expansion of the Reno Airport.

3. The bill fails to recognize that through user charges, residents of Reno, Sparks, Washoe and adjoining areas already pay their share for the use of the airport - as a part of the airfare and use of concession facilities.
4. The bill fails to recognize the fact that the City has operated the airport efficiently in the past - and that the City is the governmental entity with the resources to continue to operate it efficiently in the future. The City Council and City Manager have acted to establish the Airport Department as a separate enterprise fund within the City to measure results of operations and for rate making purposes. In

addition management has been brought in to increase the operating efficiency of the airport facilities. Finally, airline landing fee negotiations have been aggressively pursued, and indications are that they will be resolved to the benefit of the City.

5. The bill does not recognize, directly or indirectly, the additional costs of:
 - A. Setting up a new airport authority.
 - including establishing a separate:
 - administrative/management group
 - security and police
 - fire protection
 - crash and rescue
 - B. Implementing administrative policies, procedures and controls. For example, the airport authority would require its own:
 - accounting system
 - data processing system
 - legal department
 - maintenance personnel
 - new negotiating team

These costs will most certainly exceed the costs currently charged to the airport by the City of Reno.

6. The remuneration for the members of the proposed airport board is inadequate to assure that competent and capable people will be available to serve on the board. A strong informed board must be available to oversee these complex airport operations.
7. The mere creation of the airport authority, where its proposed function is currently being performed by an existing governmental entity, is an absolutely unwarranted proliferation of government and should be avoided.
8. The bill fails to recognize that the revenues of the Reno Airport are not now, nor would they be under an airport authority - large enough to fund both the operation of the airport and the redemption of bonds to be issued for purchase of the airport or the expansion and improvement of its facilities. However under existing City of Reno programs to increase revenues, these will meet the future expansion needs of the airport. Thus the creation of the airport authority will merely result in an additional ad valorem tax burden on the citizens.

The increase in ad valorem taxes, when analyzed with respect to the constitutional property tax limitation, will reduce the amount of tax funds available for other uses in Sparks and Washoe County.

2- 0757

9. Fundamental equity requires that either:

- A. The city be adequately compensated for the value of the property, plant and equipment to be transferred to the new airport authority or
- B. That the city be allowed to operate the airport and attempt to recoup its previous losses.

10. Finally the bill as presently written only provides that the authority may reimburse the City of Reno for its obligations issued for airport purposes. It does not provide for reasonable compensation for purchase of the airport's land and operating plant, acquired and paid for by City of Reno taxpayers, at either book value or appraised value.

HISTORY OF CITY OF RENO AIRPORT

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- 1920: The first Reno area airport was located on the site of Washoe County Golf Course on Plumas Street. This was known as Blanchfield Airport.
- The airport was originally purchased by Washoe County. The City of Reno shared $\frac{1}{2}$ ownership since 1930.
- 1935: The airport was converted into a Golf Course.
- April 1936: Washoe County entered into an agreement with United Airlines for an airport at the present location. Washoe County was to contribute \$18,000, United Airlines was to contribute \$7,000.
- October 1936: Washoe County entered into an option to purchase 300 acres of land to enlarge the airport.
- November 1936: The agreement of April 1936 was rescinded, and the option to purchase the land (300 acres) was assigned to United Airlines. The County had the option to purchase for \$25,000 but apparently did not wish to enter into the agreement.
- November 1936: United Airlines purchased the land and operated the airport until 1955, when it was sold to the City of Reno.
- Prior to 1936, United Airlines and its associated company; Boeing Air Transport, had purchased approximately 175 acres in the present location. This land was all purchased from private individuals.
- 1943-1947: In addition to the purchase of the 300 acre, (Damonte) property; United Airlines continued to purchase property for the airport, and in 1943 to 1947 had acquired an additional 72 acres. This land was also all acquired from private individuals.

June 1953: The City arranged to purchase "Hubbard Field" from United Airlines for \$914,700, to be financed by Civil Aeronautics Administration Grants and City of Reno, General Obligation Bonds.

The City tried to enlist the help of the County and other agencies. Since help was not forthcoming, the City could not meet the downpayment. The airline then leased the airport to the City.

October 1953: A second agreement was developed in October of 1953. The City still could not meet the agreement.

December 1953: The City continued to operate the airport under lease. A lease agreement was negotiated for a 25 year period and set the landing fee schedules that are still in effect today.

May 1955: The City amended the purchase agreement to allow the purchase of the airport for \$914,700. This was paid for:

\$250,000	Airport Bonds - General Obligation
150,000	CAA Grant
<u>98,000</u>	City of Reno General Fund Monies
<u>\$498,000</u>	

The remaining \$416,700 was paid for by a note from the City of Reno to United Airlines, payable annually, with payments depending on operating results of the airport.

The City of Reno purchased approximately 570 acres in 8 specific parcels from United Airlines in this transaction.

1956: The note was paid in full for \$313,000 plus certain rental concessions to United. The money was a loan from the Sewer Fund to the Airport Fund. This loan from the Sewer Fund was subsequently repaid from Federal Grants (62.5%) and City of Reno General Obligation Bonds (37.5%).

April 1956: The City acquired the Matley property (212 acres) for approximately \$425,000. This land was to increase the airport size, provide land for a new terminal in expectation of heavy traffic from the Winter Olympics to be held in Squaw Valley. This acquisition was also financed by Federal Grants and General Obligation Bonds and a contribution of the State of Nevada for \$54,616.

1956-1961: Various additional land parcels were added for runway extensions and clear approach areas.

1963: The remainder of the Matley Ranch was acquired for \$535,500 under the same Federal Grant and General Obligation Bond Funding arrangements.

1963-Present: Approximately \$700,000 of additional land was acquired.
The total airport is approximately 1098 acres, excluding clear zones of the North-South Runway.

As of June 30, 1974 the City's investment in the airport (for complete description of plant acquisition see attached audit report of Airport Department) was:

Land cost	\$ 2,741,531
Improvements (runways, taxiways, aprons, runway lighting and drainage)	7,659,074
Buildings & equipment	1,416,703
Construction in progress	<u>201,536</u>
	<u>\$12,018,844</u>

This amount was financed by:

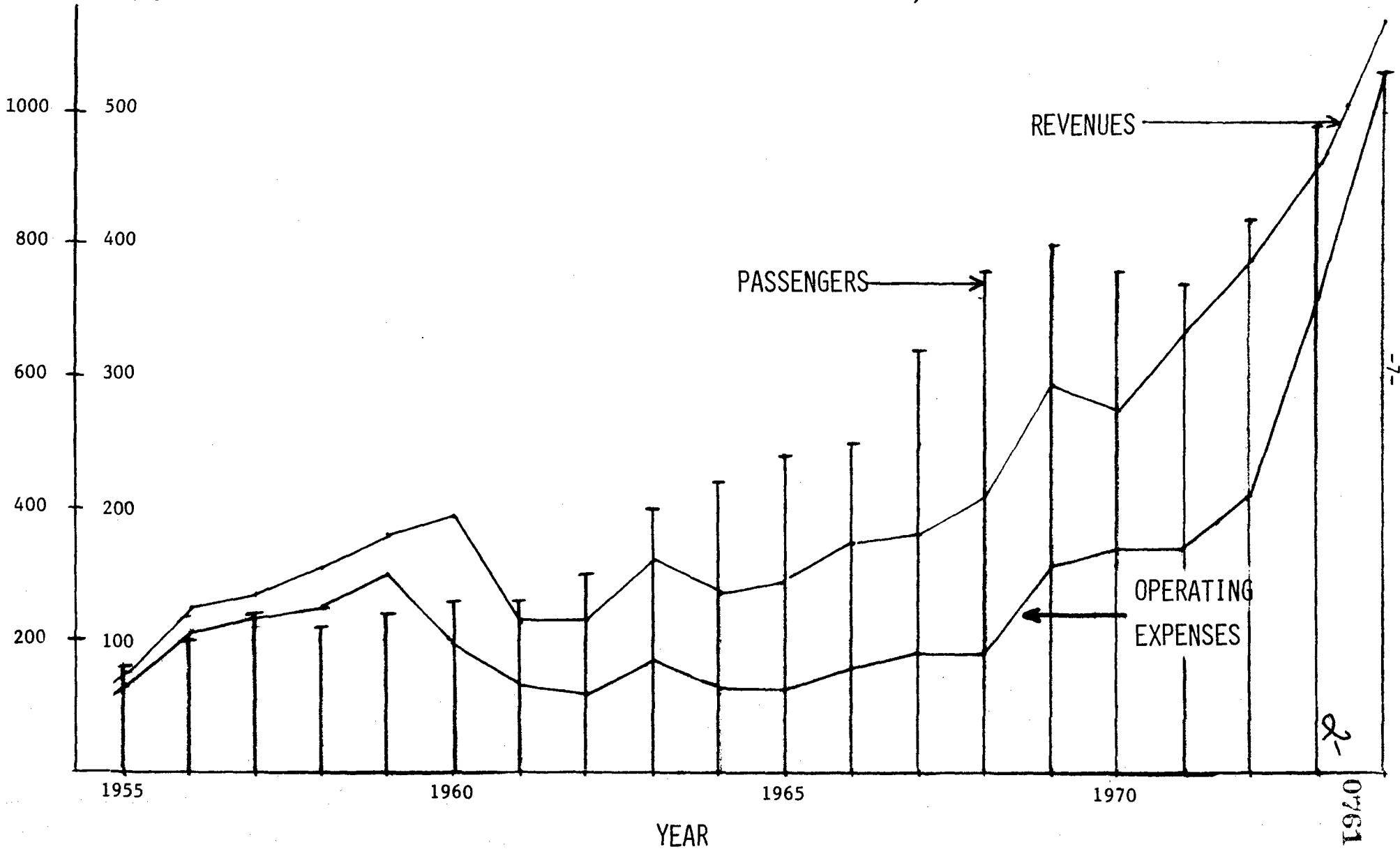
Federal Grants	\$ 6,708,079
State of Nevada Grant	54,616
City of Reno - General Obligation Bonds* and Direct Contributions	<u>5,256,149</u>
	<u>\$12,018,844</u>

*General Obligation Bonds have been partially repaid by the City through an ad valorem tax rate. The net contribution of the City of Reno as of June 30, 1974 is \$4,202,154.

CITY OF RENO AIRPORT

REVENUES, PASSENGERS, & OPERATING EXPENSES
 (Not Including Depreciation
 and Debt Service)

DOLLARS
 000's PASSENGERS
 000's



2-
 0761

2- 0762

RENO INTERNATIONAL AIRPORT
ENPLANING PASSENGERS
1955 THROUGH 1974

	<u>UNITED</u>	<u>WESTERN</u>	<u>AIR WEST AND PREDECESSOR AIRLINES</u>	<u>OTHER</u>	<u>TOTAL</u>
1955	83,364	-	468	-	83,832
1956	86,256	7,785	8,161	-	102,202
1957	90,007	8,743	8,637	-	117,387
1958	95,540	8,226	8,587	-	112,353
1959	103,325	9,623	12,093	-	125,041
1960	107,537	8,967	14,160	-	130,664
1961	103,698	7,058	15,218	-	125,974
1962	107,148	14,870	23,534	-	145,552
1963	129,371	21,438	46,259	-	197,068
1964	146,602	24,422	49,434	-	220,458
1965	173,218	23,283	45,673	-	242,174
1966	171,256	25,358	52,968	544	250,126
1967	238,251	25,336	55,515	-	319,102
1968	293,041	29,254	57,674	25	379,994
1969	303,681	31,699	63,465	1,029	399,874
1970	262,637	51,097	64,535	368	378,637
1971	222,028	84,108	64,340	-	370,476
1972	257,009	98,159	62,214	-	417,382
1973	298,471	110,726	83,388	-	492,585
1974*	340,043	97,313	88,487	-	525,843

* 1974 was the first year that the City of Reno Airport was a "Medium Hub" Airport (500,000 to 2 Million enplaning passengers).

CITY OF RENO - AIRPORT FUND
 RECAP OF REVENUES
 1954-1974

	<u>GAS AND OIL SALES</u>	<u>CONTRACT AND LEASE RENTALS</u>	<u>LANDING FEES</u>	<u>VENDING MACHINES</u>	<u>GASOLINE TAX REFUNDS</u>	<u>ELECTRICAL ENERGY REFUNDS</u>	<u>MISCELLANEOUS</u>	<u>PARKING RECEIPTS</u>	<u>FUEL FLOWAGE FEES</u>
1954	\$ 44,506	\$ 8,920	\$ 6,315	\$ 11,777	\$ -	\$ -	\$ 3,639	\$ -	\$ -
1955	96,607	19,361	13,709	25,562	-	-	4,473	-	-
1956	150,647	30,191	21,377	39,863	-	-	6,976	-	-
1957	162,938	32,287	17,361	44,251	-	-	10,787	-	-
1958	191,900	42,960	22,843	42,275	-	-	13,218	-	-
1959	225,918	47,784	30,198	43,106	-	-	17,066	-	-
1960	81,754	151,477	30,657	13,654	-	-	13,387	-	-
1961	-	169,446	46,293	3,058	16,659	-	1,659	-	-
1962	-	168,724	41,664	2,993	13,718	6,538	1,418	-	-
1963	-	183,218	47,664	3,817	13,594	6,142	1,450	-	-
1964	-	197,279	45,357	4,390	21,977	7,284	1,250	-	-
1965	-	204,794	47,134	4,967	21,446	7,858	4,961	-	-
1966	-	253,433	58,078	5,425	21,097	7,386	1,752	-	-
1967	-	245,943	73,128	5,664	25,101	8,143	1,891	-	-
1968	-	269,663	80,737	7,163	41,727	10,631	1,591	-	-
1969	-	431,971	85,378	9,080	48,336	11,682	6,671	-	-
1970	-	410,884	92,255	9,163	46,866	11,854	9,487	-	-
1971	-	531,956	83,535	9,369	28,506	12,135	2,394	-	-
1972	-	627,429	82,185	7,348	34,089	13,193	6,764	-	-
1973	-	636,561	96,124	8,736	21,097	14,244	4,627	108,878	35,718
1974	-	887,469	96,285	13,109	28,619	16,071	7,823	177,498	75,583

* In the years 1954 through 1960, the City of Reno operated the Slot Machines in the terminal and sold gas and oil. Subsequent to 1960, concessionaires operated both the slot machines and the gas and oil sales.

2-
0763

2-0764

CITY OF RENO - AIRPORT FUND
RECAP OF EXPENSES
1954-1974

	<u>SALARIES</u>	<u>SERVICES AND SUPPLIES</u>
1954	\$ 9,354	\$ 60,841
1955	21,806	115,716
1956	34,573	179,218
1957	40,220	194,345
1958	48,727	210,114
1959	50,333	245,051
1960	53,439	141,567
1961	56,081	74,460
1962	54,048	64,474
1963	54,673	91,553
1964	54,487	72,090
1965	56,668	70,835
1966	61,165	77,891
1967	68,610	108,818
1968	73,788	91,698
1969	167,434	144,913
1970	179,510	163,166
1971	175,624	166,376
1972	201,300	214,524
1973	226,580	498,302
1974	321,742	741,880

* In the years 1954 through 1960, the City of Reno operated the Slot Machines in the terminal and sold gas and oil. Subsequent to 1960, concessionaires operated both the slot machines and the gas and oil sales. Services and supplies for those years (1954 through 1960) include gas and oil purchases.

2-0765

RENO AIRPORT

COMPARISON TO AIRPORTS OF SIMILAR SIZE

The Airport Operators Council International collects data on airports throughout the United States.

Airports are categorized according to the number of passengers enplaned per year. The Civil Aeronautic Board classifications are:

	<u># of Passengers</u>
Non Hub	Below 100,000
Small Hub	100,000 to 500,000
Medium Hub	500,000 to 2 million
Large Hub	Over 2 million

The Reno Airport has only recently moved from the small hub to medium hub category.

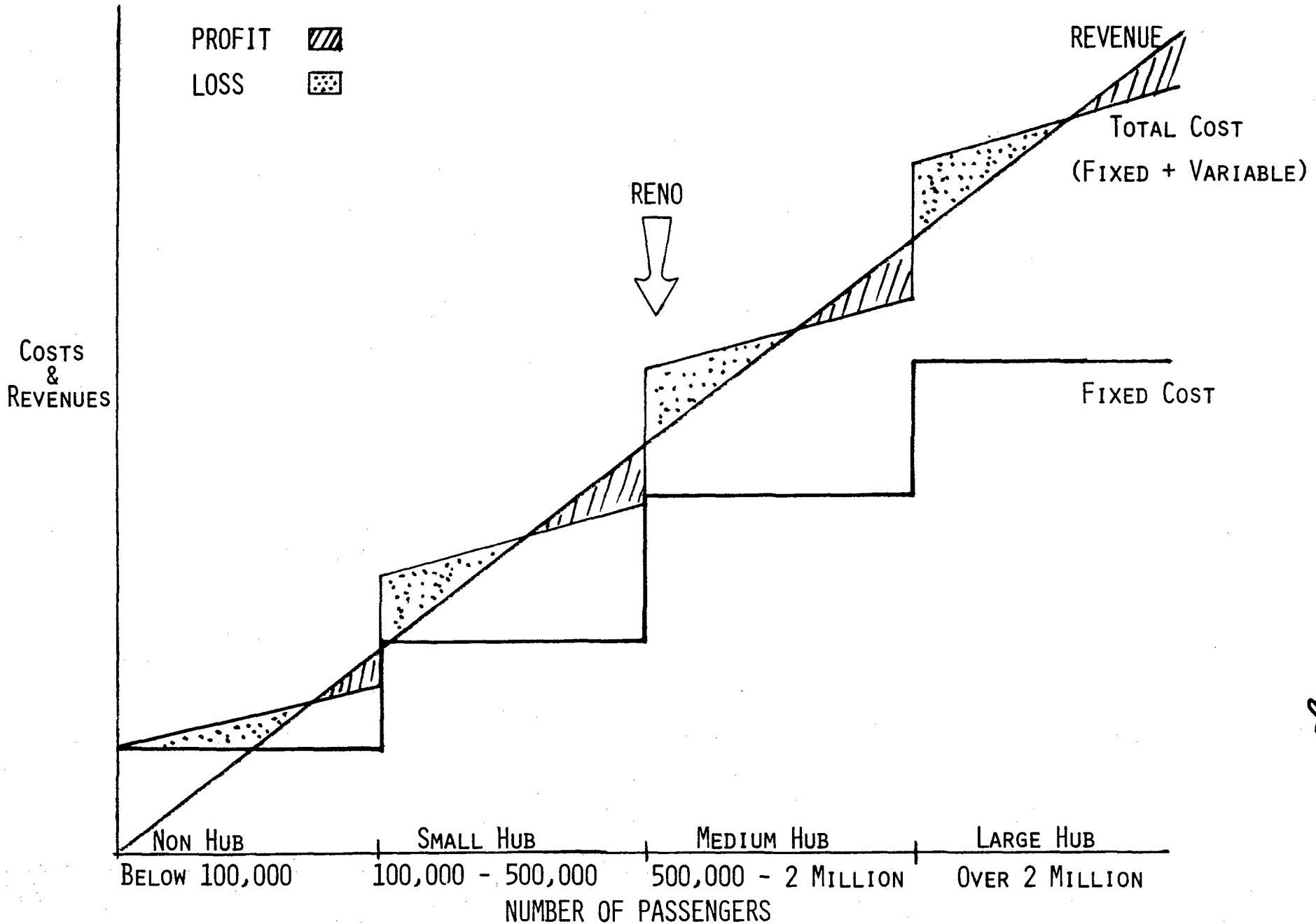
Because of the large amount of fixed expenses involved in an airport operation, only a small proportion of the medium hub airports operate at a profit.

- Non Hub - very few profitable airports
- Small Hub - airports can meet current debt from profits but not enough to finance growth
- Medium Hub - airports can meet current debt from profits and with proper management can finance growth, particularly with the assistance of Federal Airport Aid programs
- Large Hub - Profitable and able to finance continued growth

The lack of profit in the Reno airport is not a result of inefficient operations, but rather is part of a larger problem of the cost structure of airport operations together with binding long-term contracts which operate to the detriment of the airport. These contracts are now being renegotiated.

The following chart pictures the general nature of the relationships between fixed costs for different sized airports and their revenues.

AIRPORT PROFIT



2-0766

2- 0767

OTHER REGIONAL AIRPORTS SIMILAR TO
THE RENO AIRPORT

<u>Location</u>	<u>Operating Authority</u>
Seattle	Port of Seattle Authority
Portland	Port of Portland
Spokane	City/County of Spokane
Sacramento	County of Sacramento
San Francisco	City of San Francisco
San Jose	City of San Jose
Los Angeles	City of Los Angeles
Orange County	Orange County
Ontario	City of Los Angeles
San Diego	City of San Diego
Las Vegas	Clark County
Salt Lake	City of Salt Lake
Denver	City and County of Denver
Phoenix	City of Phoenix
Eugene	Lane County
Albuquerque	City of Albuquerque
Reno	City of Reno

It should be noted that:

- 9 of 17 are operated by the City
- 4 of 17 are operated by the County
- 2 of 17 are operated by Citys and County cooperatively
- 2 of 17 are operated by Authorities

2-0768

RENO INTERNATIONAL AIRPORT
BALANCE SHEET AS COMPARED
TO PROFILE OF AIRPORTS WITH 250M TO 500M
ENPLANING PASSENGERS PER YEAR

ASSETS

	RENO INTERNATIONAL AIRPORT	PROFILE*OF AIRPORT 250,000 TO 500,000 ENPLANING PASSENGERS
OPERATING ASSETS	<u>\$ 1,862,271</u>	<u>\$ 945,724</u>
LONG-TERM DEBT		
Retirement assets	<u>1,000,000</u>	<u>1,234,503</u>
OPERATING PLANT		
Land	2,741,531	904,649
Land improvements	7,659,074	5,217,964
Buildings and equipment	<u>1,416,703</u>	<u>3,997,770</u>
Total Operating Plant	<u>11,817,308</u>	<u>10,120,383</u>
Less: Accumulated depreciation	<u>3,206,053</u>	<u>1,445,813</u>
	8,611,255	8,674,570
CONSTRUCTION IN PROGRESS	<u>201,536</u>	<u>66,544</u>
	<u>8,812,791</u>	<u>8,741,114</u>
Total Assets	<u>\$11,675,062</u>	<u>\$10,921,331</u>

*Profile Source:

Airport Operators Council, International 1972 AOCI Uniform Airport
Financial Report.

2- 0769

LIABILITIES, CONTRIBUTION AND EQUITY

	RENO INTERNATIONAL AIRPORT	PROFILE*OF AIRPORT 250,000 TO 500,000 ENPLANING PASSENGERS
OPERATING LIABILITIES	\$ 692,111	\$ 1,205,884
LONG-TERM DEBT	2,931,000	-
DEFERRED INCOME	157,219	-
CONTRIBUTION FROM FEDERAL GOVERNMENT	6,708,079	2,279,887
Less: Accumulated depreciation	1,984,397	401,798
	4,723,682	1,878,089
EQUITY		
Equity arising from operations	(1,031,104)	2,124,745
Equity arising from contribution from governmental unit	4,202,154	5,712,613
Total Liabilities, Contribution and Equity	<u>\$11,675,062</u>	<u>\$10,921,331</u>

*Profile Source:

Airport Operators Council, International 1972 AOCI Uniform Airport
Financial Report.

CITY OF RENO

ESTIMATED ACQUISITION COST OF AIRPORT

2- 0770

The City of Reno - Airport Department currently has assets net of depreciation of \$11,675,062. These assets were acquired from the following sources:

Liabilities	\$ 692,111
Deferred Income	157,219
Long-Term Debt	2,931,000
Contributions - Federal	
Aviation Administration	4,723,682
Contributions - City of Reno	4,202,154
Retained Earnings Deficit	<u>(1,031,104)</u>
	<u>\$11,675,062</u>

Under the proposed Regional Airport Authority, the assets of the airport would be transferred to the new authority. At the same time, the City of Reno should be reasonably compensated for the purchase of the airport. The present bill only provides that the authority may reimburse the City of Reno for its obligations issued for airport purposes.

Since the burden of previous airport financing has been borne by the City - and citizens of Reno, it is reasonable to assume that this amount would be repaid.

If book values are assumed the amount due and payable to the City of Reno before any consideration of the anticipated fiscal 1975 operating loss would be:

Long-Term Debt - General	
Obligation Bond	\$ 2,931,000
City of Reno Contributions	<u>4,202,154</u>
	<u>\$ 7,133,154</u>

Although the city and airlines are currently negotiating for an upward adjustment of landing fees, the current rates are set by contract which does not expire until December 1, 1978. Because of this ill-timed legislative action, there is expected to be an adverse impact on the City's position in these negotiations.

It is assumed that the new regional airport authority would be in far less favorable position to negotiate a substantial increase in the landing fees than the City of Reno would be.

Any successfully negotiated increases in the landing fees which may occur prior to 1978 will reduce any cumulative deficit now accruing to the City of Reno.

It must be recognized that the wording of the bill to create the regional airport authority requires the authority to set up its own executive organization, its own fire protection, police and crash and rescue services, as well as to hire and retain such competent professional advisors as may be required.

The addition of another new governmental entity cannot hope to increase the overall efficiency of airport operations to the point of actually reducing the costs below the levels currently being charged by the various City of Reno departments to the airport.

The reasonable expectation is that the overall cost of operating the airport will increase substantially under the proposed new regional airport authority.

2- 0772

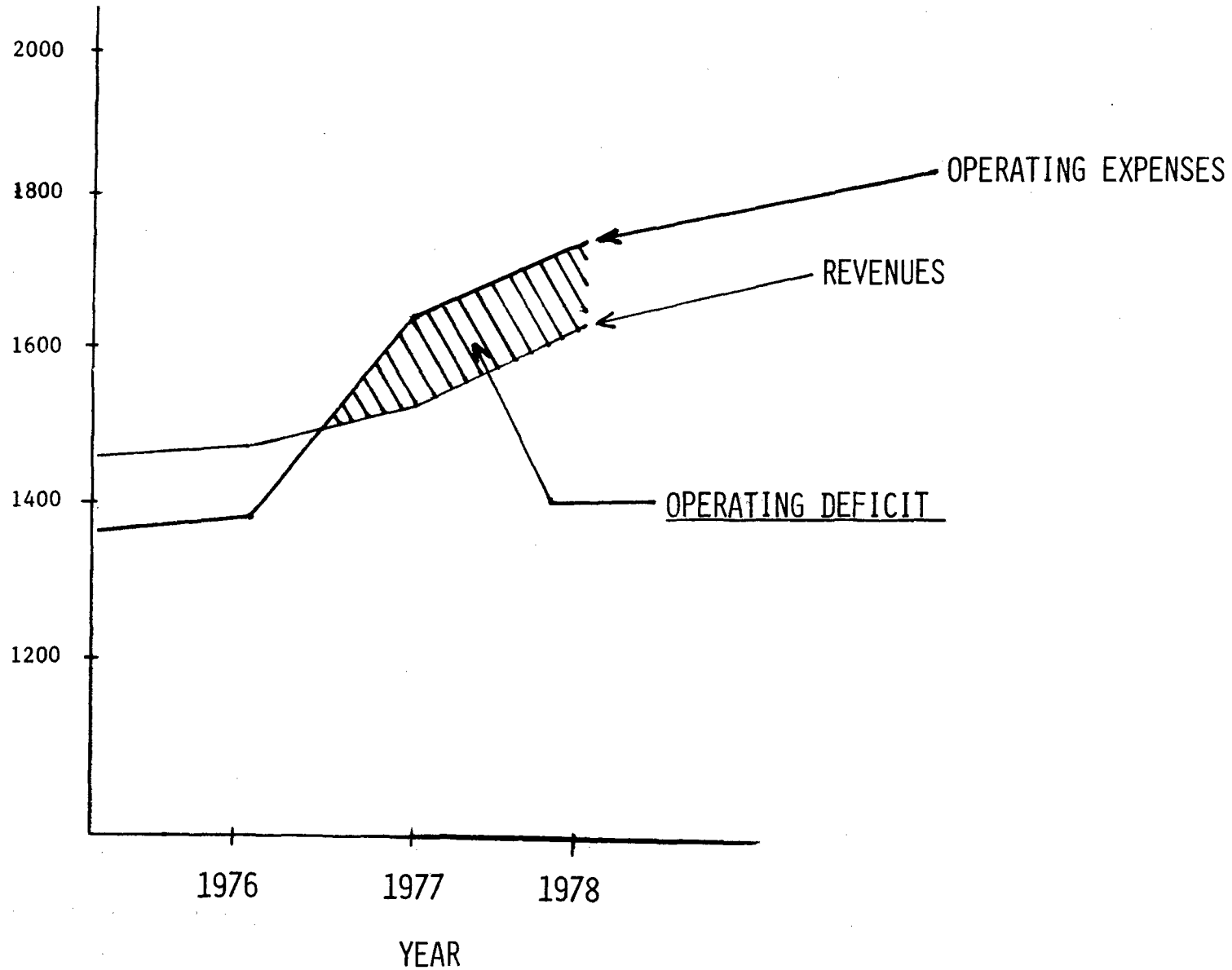
RENO AIRPORT
ANALYSIS OF FEASIBILITY OF REGIONAL
AIRPORT AUTHORITY

Under this analysis there are several important assumptions.

1. The Airport Authority will assume a refinance of the City of Reno - General Obligation bonds.
2. The Airport Authority will operate the airport and finance its operations by Revenue bonds - to the extent of available revenues - and then by General Obligation bonds.
3. General Obligation bonds will be financed by an ad valorem tax bill.
4. The Airport Authority will purchase the City of Reno's interest at book value as of June 30, 1975.
5. The Airport Authority will be required to operate at a profit, when accounted for as an Enterprise Fund. This means that all debt service and depreciation must be recovered from operations.
6. There is an assumed expansion plan for the terminal facilities, as set forth in the attached schedules.

PROPOSED WASHOE COUNTY AIRPORT AUTHORITY

DOLLARS
000's



2-0773

RENO AIRPORT
ASSUMING REGIONAL AUTHORITY OPERATIONS
3 YEAR PROJECTION OF OPERATING INCOME
(in Thousands)

2- 0774

	FISCAL YEAR ENDED JUNE 30		
	1976	1977	1978
OPERATING INCOME			
Landing fees	\$ 105	\$ 110	\$ 115
Parking lot fees	100	105	110
Service and sales concessions	748	755	824
Slot machine concessions	400	420	441
Vending machine receipts	12	13	14
Aviation gas tax refunds	38	40	42
Fuel flowage fees	72	76	80
Other	9	10	11
	<u>1,484</u>	<u>1,529</u>	<u>1,637</u>
OPERATING EXPENSE - Schedule attached	<u>1,386</u>	<u>1,646</u>	<u>1,739</u>
Net Operating Income (Loss) Before Depreciation	<u>98</u>	<u>(117)</u>	<u>(102)</u>
DEPRECIATION			
Federal grants	328	328	328
Authority outlay	<u>222</u>	<u>222</u>	<u>222</u>
Total	<u>550</u>	<u>550</u>	<u>550</u>
Net Operating Income (Loss)	<u>(452)</u>	<u>(667)</u>	<u>(652)</u>
OTHER INCOME (EXPENSE)			
Interest earned on investments	21	23	26
Interest expense on general obligation bonds - Schedule attached	<u>(292)</u>	<u>(365)</u>	<u>(478)</u>
Net Income (Loss)	<u>(723)</u>	<u>(1,007)</u>	<u>(1,104)</u>
CASH FLOW			
Add: Depreciation	550	550	550
Less: Bond redemption	<u>(181)</u>	<u>(181)</u>	<u>(181)</u>
Net Cash Excess (Deficit)	<u>\$ (354)</u>	<u>\$ (638)</u>	<u>\$ (735)</u>

CITY OF RENO
ASSUMING REGIONAL AUTHORITY OPERATIONS
PROJECTED SCHEDULE OF OPERATING EXPENSE
YEARS ENDED JUNE 30
(in Thousands)

	<u>1976</u>	<u>1977</u>	<u>1978</u>
Salaries	\$ 396	\$ 425	\$ 450
Employee benefits	39	43	45
Airport security (net of estimated airline reimbursement of \$140,000)	17	19	20
Fire protection	61	67	71
Finance and personnel services	24	26	27
Engineering, street maintenance	162	178	188
Management and legal services	49	54	57
Management/overhead expenses	89	97	102
Insurance	57	63	66
Repairs and maintenance	63	69	73
Utilities	104	114	120
Telephone	3	4	4
Consulting engineers	5	6	6
Other services and supplies	187	206	218
Fire station	130	275	292
Total	<u>\$1,386</u>	<u>\$1,646</u>	<u>\$1,739</u>

Expenses increase 10% 1976 to 1977
Expenses increase 6% 1977 to 1978

2- 0776

RENO AIRPORT
SCHEDULE OF ASSUMED PURCHASE PRICE

Contribution of Citizens of Reno (including the retained earnings deficit) as of 6-30-74	\$4,202,154
Fiscal 1975 Loss (estimated)	<u>360,000</u>
	<u>\$4,562,154</u>
General Obligation Bonds to be Re-Financed as of 6-30-74	<u>\$2,931,000</u>
Total	<u>\$7,493,154</u>

2- 0777

RENO AIRPORT
SCHEDULE OF BONDS ISSUED
REDEMPTION AND INTEREST EXPENSE
(in Thousands)

	<u>1976</u>	<u>1977</u>	<u>1978</u>
Opening balance	\$ -	\$7,319	\$ 9,138
Bonds issued - purchase of airport	4,500	-	-
Bonds issued - City of Reno bonds assumed	3,000	-	-
Bonds issued - new terminal	-	2,000	3,000
Bonds redeemed	<u>(181)</u>	<u>(181)</u>	<u>(181)</u>
Balance Outstanding	7,319	9,138	11,957
Interest at 4%	292	365	478

Bonds issued for:

- Purchasing of City of Reno interest in airport 1976;
amount \$4,500,000
- City of Reno - General Obligation Bonds assumed - 1976;
amount \$3,000,000
- New Terminal Construction

Assumed 1977	\$ 2,000,000
1978	3,000,000
1979	<u>5,000,000</u>
	<u>\$10,000,000</u>

2- 0778

RENO AIRPORT

PROPOSED TERMINAL EXPANSION

It is assumed that an expansion of the terminal facilities will take place in 1977-1979.

The estimated cost will be approximately \$10,000,000.

The new terminal will be opening in 1979.

2- 0179

City of Reno

AIRPORT DEPARTMENT

June 30, 1974

KAFOURY, ARMSTRONG, TURNER & Co.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF RENO
AIRPORT DEPARTMENT
JUNE 30, 1974

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Statement of Retained Earnings	5
Statement of Changes in Financial Position	6
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KAFOURY, ARMSTRONG, TURNER & Co.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

2- 0781

To the City Council of
the City of Reno

We have examined the balance sheet of the City of Reno Airport Department as of June 30, 1974 and the related statements of income, retained earnings, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances except that we have relied upon the City of Reno's Airport consultants in determining the interdepartmental expenses for services provided the Airports by other City of Reno departments.

As explained in the statement of significant accounting policies, these financial statements are presented on the basis of an enterprise fund, whereas the previously issued financial statements were presented on the basis of a special revenue fund. These statements constitute a special report for the purposes of evaluating the financial position, results of operations and changes in financial position of the City of Reno Airport Department on an enterprise basis and do not represent a revision or retraction of our report dated September 27, 1974, which report expressed an unqualified opinion on the funds consolidated therein.

In our opinion the aforementioned financial statements present fairly on an enterprise fund basis the financial position of the City of

2- 0782

Reno Airport Department at June 30, 1974 and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles.

The accompanying supplemental schedules are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data. This information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Kafoury Armstrong
Turner & Co.*

Reno, Nevada
September 27, 1974

As to restatement on enterprise basis
February 7, 1975

2- 0783

2- 0784

LIABILITIES, CONTRIBUTIONS AND RETAINED EARNINGS

CURRENT LIABILITIES

Accounts payable	\$ 40,765
Accrued payroll	6,841
Current maturities of long-term debt	188,000
Construction contracts payable	-
Interest payable	28,614
Due to City of Reno - Note 3	<u>427,891</u>
	<u>692,111</u>

LONG-TERM DEBT

General Obligation Bonds payable - Note 4	<u>2,931,000</u>
---	------------------

DEFERRED INCOME

157,219

CONTRIBUTIONS

Federal Aviation Administration, less accumulated depreciation of \$1,984,397 on related property - Note 5	4,723,682
City of Reno	<u>4,202,154</u>
	<u>8,925,836</u>

RETAINED EARNINGS (Deficit)

(1,031,104)
\$11,675,062

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

2- 0785

CITY OF RENO
AIRPORT DEPARTMENT
STATEMENT OF INCOME
YEAR ENDED JUNE 30, 1974

OPERATING INCOME	
Landing fees	\$ 96,285
Parking lot fees	92,138
Service and sales concessions	591,193
Slot machine concession	296,276
Vending machine receipts	13,109
Aviation gas tax refunds	28,619
Fuel flowage fees	75,583
Other	7,823
	<u>1,201,026</u>
OPERATING EXPENSE (Schedule No. 1)	<u>1,063,622</u>
NET OPERATING INCOME BEFORE DEPRECIATION	<u>137,404</u>
DEPRECIATION	
Federal grants	287,624
City of Reno outlay	177,923
	<u>465,547</u>
NET OPERATING (LOSS)	(328,143)
OTHER INCOME (EXPENSE)	
Interest earned on investments	87,537
Interest expense on general obligation bonds	<u>(116,886)</u>
NET (LOSS)	<u>\$ (357,492)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

2- 0786

CITY OF RENO
AIRPORT DEPARTMENT
STATEMENT OF RETAINED EARNINGS
YEAR ENDED JUNE 30, 1974

RETAINED EARNINGS (Deficit), July 1, 1973 (Date of restatement from Special Revenue Fund to Enterprise Fund) - Note 6	\$ (961,236)
Net loss for year ended June 30, 1974	(357,492)
Current year's depreciation on federal government grants transferred to contributions	<u>287,624</u>
RETAINED EARNINGS (Deficit), June 30, 1974	<u>\$ (1,031,104)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

CITY OF RENO
AIRPORT DEPARTMENT
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 1974

2- 0787

FINANCIAL RESOURCES WERE PROVIDED BY

Proceeds from issuance of General Obligation Bonds	\$1,000,000
Federal Aviation Administration grants received	218,865
Contribution from City of Reno	221,139
Decrease in construction in progress	135,727
Reimbursement of prior year security costs	71,333
Decrease in working capital	<u>38,738</u>
	<u>\$1,685,802</u>

FINANCIAL RESOURCES WERE APPLIED TO

Operations:

Net loss	\$ 357,492
Less expenses not requiring outlay of working capital for the year:	
Depreciation	465,547
Realization of deferred income	<u>(217,302)</u>
Total To Operations	109,247
Additions to property, plant and equipment	200,019
Additions to construction in progress	201,536
Repayment of long-term debt	175,000
Increase in restricted assets	<u>1,000,000</u>
	<u>\$1,685,802</u>

WORKING CAPITAL WAS INCREASED OR (DECREASED)
BY CHANGES IN ITS COMPONENTS AS FOLLOWS:

Cash	\$ 10,531
Short-term investments	340,490
Accounts receivable	5,767
Federal Aviation Administration grants receivable	1,634
Interest receivable	46,320
Accounts payable	(33,014)
Accrued payroll	(2,499)
Interest payable	(11,666)
Due to City of Reno	<u>(396,301)</u>
Net Change in Working Capital	<u>\$ (38,738)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

2. 0788

CITY OF RENO
AIRPORT DEPARTMENT
STATEMENT OF CONTRIBUTIONS
YEAR ENDED JUNE 30, 1974

FEDERAL AVIATION ADMINISTRATION

BALANCE, July 1, 1973	\$4,792,441
Add: Grants received	<u>218,865</u>
	5,011,306
Less: Current year's depreciation on federal government grants transferred from retained earnings	<u>287,624</u>
BALANCE, June 30, 1974	<u>\$4,723,682</u>

CITY OF RENO

BALANCE, July 1, 1973	\$3,981,015
Add: Payment of airport general obligation bond principal and interest by debt service fund of the City of Reno	<u>221,139</u>
BALANCE, June 30, 1974	<u>\$4,202,154</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

2-0789

CITY OF RENO
AIRPORT DEPARTMENT
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1974

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

. Organization - The Reno International Airport and Reno/Stead Airport have been operated as a "Special Revenue Fund" of the City of Reno, Nevada, under the name City of Reno Airport Department from 1955 through June 30, 1973.

NRS 354.570 defines a "Special Revenue Fund" as meaning a fund used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government. After the fund is established it is usually continued year after year until discontinued or revised by proper Legislative authority.

The records of the department have been maintained on the modified accrual basis of accounting.

NRS 354.550 "MODIFIED ACCRUAL BASIS" Defined. "Modified accrual basis" means the basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material or available revenues, or both, which should be accrued to reflect properly the taxes levied and other revenues earned.

RESTATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR
CONVERSION FROM SPECIAL REVENUE FUND BASIS TO ENTERPRISE FUND BASIS

. Organization - The financial position and results of operations of the Reno International Airport and Reno/Stead Airport have herein been restated as of July 1, 1973 as an "Enterprise Fund" of the City of Reno, under the name City of Reno Airport Department.

NRS 354.517 "ENTERPRISE FUND" Defined. "Enterprise fund" means a fund established to finance and account for the acquisition, operations and maintenance of governmental facilities and services which are entirely or predominantly self-supported by user charges such as, and without limitation by enumeration, water, gas, sewer and electric utilities, swimming pools, airports, parking garages and transit systems.

2- 0790

CITY OF RENO
AIRPORT DEPARTMENT
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1974

The records of the department have been restated on the accrual basis of accounting as of July 1, 1973.

NRS 354.479 "ACCRUAL BASIS" Defined. "Accrual basis" means the basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of the revenue or the payment of the expenditure may take place, in whole or in part, in another accounting period.

- . Investments are carried at cost which approximates market value.
- . Inventories are valued at an estimated cost basis established by airport management.
- . Property, plant and equipment is carried at cost. Depreciation is computed using the straight-line method over the useful lives of the assets (see Note 1).
- . Construction Interest - The City follows the policy of not capitalizing interest during the period of construction of airport assets.
- . Engineering Costs - The City follows the policy of capitalizing engineering costs that are directly attributable to a particular construction project. All other engineering costs are expensed during the period the service is provided.
- . Bonding Cost - The City follows the policy of expensing bonding costs during the period the bonds are sold.
- . Prior to July 1, 1972, no attempt was made to measure the attributable cost of other City departments providing services to the Airports, nor had any charges been estimated for such costs. For the year ended June 30, 1974, these costs have been included as costs of operations (see Note 3).

CITY OF RENO
AIRPORT DEPARTMENT
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1974

2- 0791

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Depreciation:

Depreciation of property, plant and equipment is charged to income for fiscal year ended June 30, 1974 at rates based on the assets estimated useful lives computed by the straight-line method over the useful lives of the assets. Accumulated depreciation from the year of acquisition of the asset was computed by establishing the original acquisition cost and depreciating such assets through June 30, 1974, as follows:

	Accumulated Depreciation June 30, 1973	Depreciation For The Year Ended June 30, 1974	Accumulated Depreciation June 30, 1974	Rates
Runways, taxiways and aprons	\$2,094,173	\$413,873	\$2,508,046	4-5%
Buildings and structures	620,664	46,325	666,989	3%
Furniture & fixtures	13,897	4,349	18,246	10-33%
Machinery & equipment	11,772	1,000	12,772	10-33%
	<u>\$2,740,506</u>	<u>\$465,547</u>	<u>\$3,206,053</u>	

No depreciation is computed for the year an asset is placed in service and no salvage value has been established for airport assets.

Depreciation on federally aided projects is allocated between "depreciation, federal grants" and "depreciation, City of Reno outlay", based upon the project grant sharing percentage of 62.5% for federal funding, 37.5% for City of Reno funding.

2- 0792

CITY OF RENO
AIRPORT DEPARTMENT
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1974

NOTE 2 - Construction In Progress:

Represents the portion completed through June 30, 1974, for capital projects as follows:

	Projected Cost	Cost To Date	Unearned Balance
Holding rooms	\$314,900	\$177,993	\$136,907
Taxi lights North-South runway	238,789	-	238,789
Reroof Stead building	4,097	3,688	409
Repaving Stead runway	7,302	6,978	324
Fire rescue building design		<u>12,877</u>	
			<u>\$201,536</u>

NOTE 3 - Due to City of Reno:

This amount represents the balance due the City of Reno for estimated cost of services provided the Airport after offsetting interest due the airport department and parking meter receipts due the general fund. The cost of services was computed by using the basis established by Airport consultants employed by the City of Reno. Their estimate determined that 3% of certain City functions were expended on behalf of the Airport as follows:

City of Reno Function	Services Provided	Total Amount	Allocated To Airport Department
General Government	Management and legal	\$1,034,313	\$ 31,030
Finance & Personnel	Finance & personnel services	823,388	24,702
Police Department	Security	4,929,835	147,895
Fire Department	Fire protection	2,804,080	84,122
Public Works	Engineering, street, traffic	2,599,795	77,994
Parks	General shop	1,366,617	40,999
Nondepartmental	Share of City overhead	2,177,273	<u>65,318</u>
Total Services Provided			472,060
Net Offsets of Interest, Parking Receipts, etc.			<u>(44,169)</u>
			<u>\$427,891</u>

2- 0793

CITY OF RENO
AIRPORT DEPARTMENT
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1974

NOTE 4 - LONG-TERM DEBT

Long-term debt consists of:

GENERAL OBLIGATION BONDS:	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Term (Years)</u>	<u>Interest Rate</u>
1955 Muncipal Airport	1955	\$ 250,000	20	2.75%
1958 Muncipal Airport	1958	1,000,000	20	3.25% on first 9 years' maturities, 3.50% on last 10 years' maturities.
1961 Muncipal Airport	1961	500,000	20	3.50% on maturities 1963 through 1966, 3.25% on maturities 1967 through 1971, 3.75% on maturities 1972 through 1978, 3.80% through 1981.
1966 Airport Bonds	9/01/66	1,000,000	15	6.00% on bonds maturing 1967 through 1976, 5.00% on bonds maturing 1977 through 1980, 4.50% on bonds maturing 1981.
1971 Airport Improvement Bonds	7/27/71	1,000,000	20	6.50% on bonds maturing 1973 through 1976, 6.00% on bonds maturing 1977, 5.75% on bonds maturing 1978 through 1986, 5.90% on bonds maturing 1987 through 1988, 6.00% on bonds maturing 1989 through 1992 and 5.00% on bonds maturing 1993.
1974 Airport Multi-Purpose Bonds	4/08/74	1,000,000	19	7.00% on bonds maturing 1975 through 1980, 5.90% on bonds maturing 1981 through 1983, 5.60% on bonds maturing 1984 and 1985, 5.70% on bonds maturing 1986 and 1987, 5.80% on bonds maturing 1988 and 1989 and 5.90% on bonds maturing 1990 through 1993.

<u>Maturity</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>	<u>Total</u>
\$13,000 annually, June 1	\$ 13,000	\$ -	\$ 13,000
\$53,000 annually, June 1	53,000	159,000	212,000
\$27,000 annually, June 1	27,000	162,000	189,000
\$60,000 due September 1, 1971 with increasing amounts thereafter	70,000	645,000	715,000
\$10,000 starting August 1, 1973 with increasing amounts thereafter	25,000	965,000	990,000
\$17,692 starting May 1, 1976 with increasing amounts thereafter	-	1,000,000	1,000,000
	<u>\$188,000</u>	<u>\$2,931,000</u>	<u>\$3,119,000</u>

2- 0795

CITY OF RENO
AIRPORT DEPARTMENT
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1974

NOTE 5 - Contributions Federal Aviation Administration:

Following is a summary of contributions made by the Federal Aviation Administration for capital projects at Reno International Airport:

<u>Fiscal Year</u>	<u>Amount</u>
6/55	\$ 148,517
6/56	655,228
6/57	316,320
6/58	951,847
6/59	158,799
6/60	86,445
6/61	193,212
6/62	121,838
6/63	428,628
6/66	202,188
6/68	280,991
6/69	95,020
6/70	830,560
6/71	401,846
6/72	1,617,775
6/74	<u>218,865</u>
	6,708,079
Less accumulated depreciation through June 30, 1974	<u>1,984,397</u>
	<u>\$4,723,682</u>

NOTE 6 - Retained Earnings:

The deficit in the retained earnings account at June 30, 1973 of \$(961,236) represents the results of operations of the airports from July 1, 1956 through June 30, 1973 after provision for accumulated depreciation of \$1,043,733 on City of Reno funded capital assets, interest of \$839,016 on airport related debt and capitalization for construction of \$600,000 of airport earnings.

2- 0796

CITY OF RENO
AIRPORT DEPARTMENT
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1974

NOTE 7 - Commitments:

The Department has commitments as follows:

Purchase of fire equipment	\$285,409
Unearned balance of capital projects contracts (see Note 2)	\$376,429

NOTE 8 - Contingencies:

The City of Reno is presently defendant in a suit claiming damages for Airport noise. Claimants are seeking damages in the amount of approximately \$700,000.

The ownership of certain general aviation buildings and hangars is presently under study by the Reno City Attorney's office. The amounts involved are not considered by management to be material in relation to the overall presentation of the Airport Department's financial condition. Although included in the airport plant records, no value has been assigned to them at this time.

2-0797

CITY OF RENO
AIRPORT DEPARTMENT
OPERATING EXPENSES
YEAR ENDED JUNE 30, 1974

Salaries	\$ 321,742
Employee benefits	21,070
Airport security (net of airline reimbursement of \$130,868) - Note 3	17,027
Fire protection - Note 3	84,122
Finance and personnel services - Note 3	24,702
Engineering, street, maintenance and shop services - Note 3	118,993
Management and legal services - Note 3	31,030
Airport share of city overhead expenses - Note 3	65,318
Insurance	56,819
Repairs and maintenance	29,009
Utilities	88,785
Telephone	2,366
Bond consultants	8,116
Consulting engineers	5,888
Other services and supplies	<u>188,635</u>
	<u>\$1,063,622</u>

CITY OF RENO
AIRPORT DEPARTMENT
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
JUNE 30, 1974

<u>DESCRIPTION</u>	<u>FISCAL YEAR</u>	<u>COST</u>
LAND	5/54	\$ 125,000
	6/55	416,700
	6/56	623,333
	6/57	333,497
	6/58	6,267
	6/61	44,612
	6/63	535,594
	6/64	12,000
	6/70	264,532
	6/71	200,010
	6/72	162,010
	6/73	17,976
		<u>2,741,531</u>
 BUILDINGS		
Maintenance building	6/57	1,964
Airport terminal	6/59	1,202,142
Terminal addition	6/62	30,453
Maintenance equipment building	6/63	30,848
Government facilities building	6/63	89,995
Terminal addition	6/68	10,150
Hangars and general aviation buildings - Note 8		-
		<u>1,365,552</u>
 IMPROVEMENTS		
Terminal apron paving	6/58	545,621
Parking lot paving	6/59	412,194
Curbs and gutters	6/59	196,118
East-West runway reconstruction	6/61	253,034
Fencing	6/61	3,286
Miscellaneous construction	6/62	20,370
Drainage ditch reconstruction	6/63	18,656
Apron drains	6/63	453,657
Terminal apron floodlights	6/64	5,300
Parking lot paving	6/64	800
Taxiway lighting	6/66	105,468
Taxiway lighting	6/66	318,270
Taxiway lighting	6/66	6,641
North-South runway drains	6/67	3,587
East-West runway lighting	6/68	48,286
East-West runway additions	6/68	338,052
Control cable	6/68	2,394
Runway improvements	6/68	683,932

2-

0799

CITY OF RENO
 AIRPORT DEPARTMENT
 SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
 JUNE 30, 1974

<u>DESCRIPTION</u>	<u>FISCAL YEAR</u>	<u>COST</u>
Power plant	6/70	141,584
Drains	6/70	73,021
Fencing	6/70	73,021
Apron	6/70	829,766
East-West runway addition	6/70	238,867
East-West runway lighting	6/70	23,485
Parking lot reconstruction	6/70	115,812
North-South runway reconstruction	6/72	2,091,717
Fencing	6/72	90,566
Taxiway lighting	6/72	73,552
Fencing, Stead	6/72	28,501
Power system	6/72	6,612
Paving	6/72	18,646
Stead runway reconstruction	6/72	195,574
U.S. Customs Center	6/73	40,797
Runway lighting	6/73	4,029
Parking lot	6/74	54,012
Fencing	6/74	61,040
Fencing	6/74	45,882
Baggage conveyor	6/74	36,924
Total Improvements		<u>\$ 7,659,074</u>
FURNITURE AND FIXTURES		<u>32,880</u>
MACHINERY AND EQUIPMENT		<u>18,271</u>
Total Property, Plant and Equipment in Service		11,817,308
CONSTRUCTION IN PROGRESS - Note 2		<u>201,536</u>
Total Property, Plant and Equipment		<u>\$12,018,844</u>

2- 0800

CITY OF RENO
AIRPORT DEPARTMENT
SUPPLEMENTARY SCHEDULES
JUNE 30, 1974

KAFOURY, ARMSTRONG, TURNER & Co.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

KAFOURY, ARMSTRONG, TURNER & Co.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

2- 0801

To the Honorable City Council
of the City of Reno

Our examination of the basic financial statements of the City of Reno Airport Department as of June 30, 1974 (presented under separate cover dated February 7, 1975) was made to form an opinion on such financial statements taken as a whole. The accompanying supplementary information is not considered essential for the fair presentation of the financial position of the City of Reno Airport Department, or the results of its operations or the changes in its financial position. However, the following schedules were subjected to the audit procedures applied in the examination of the basic financial statements, except that we relied upon the City of Reno's airport consultants in determining the allocation of income expense by area.

In our opinion, subject to the allocation described above, the following schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kafoury Armstrong
Turner & Co.*

Reno, Nevada
March 10, 1975

CITY OF RENO
AIRPORT DEPARTMENT
STATEMENT OF INCOME BY AREAS
YEAR ENDED JUNE 30, 1974

	TOTAL	STEAD	RENO			
			TOTAL	AIRFIELD	TERMINAL	OTHER
OPERATING INCOME						
Landing fees	\$ 96,285	\$ -	\$ 96,285	\$ 96,285	\$ -	\$ -
Parking lot fees	92,138	-	92,138	-	-	92,138
Service and sales concessions - Schedule No. 2	591,193	147,874	443,319	29,178	399,797	14,344
Slot machine concession	296,276	-	296,276	-	296,276	-
Vending machine receipts	13,109	-	13,109	-	13,109	-
Aviation gas tax refunds	28,619	-	28,619	28,619	-	-
Fuel flowage fees	75,583	5,743	69,840	69,840	-	-
Other	7,823	1,673	6,150	-	-	6,150
	<u>1,201,026</u>	<u>155,290</u>	<u>1,045,736</u>	<u>223,922</u>	<u>709,182</u>	<u>112,632</u>
OPERATING EXPENSE - Schedule No. 3	<u>1,063,622</u>	<u>156,579</u>	<u>907,043</u>	<u>319,280</u>	<u>498,872</u>	<u>88,891</u>
Net Operating Income (Loss) Before Depreciation	<u>137,404</u>	<u>(1,289)</u>	<u>138,693</u>	<u>(95,358)</u>	<u>210,310</u>	<u>23,741</u>
DEPRECIATION						
Federal grants	287,624	-	287,624	217,731	58,675	11,218
City of Reno outlay	177,923	13,796	164,127	124,338	33,910	5,879
	<u>465,547</u>	<u>13,796</u>	<u>451,751</u>	<u>342,069</u>	<u>92,585</u>	<u>17,097</u>
Net Operating Income (Loss)	<u>(328,143)</u>	<u>(15,085)</u>	<u>(313,058)</u>	<u>(437,427)</u>	<u>117,725</u>	<u>6,644</u>
OTHER INCOME (EXPENSE)						
Interest earned on investments	87,537	11,292	76,245	-	-	76,245
Interest expense on general obligation bonds	<u>(116,886)</u>	<u>(8,416)</u>	<u>(108,470)</u>	<u>(82,980)</u>	<u>(23,430)</u>	<u>(2,060)</u>
Net Income (Loss)	<u>\$ (357,492)</u>	<u>\$ (12,209)</u>	<u>\$ (345,283)</u>	<u>\$ (520,407)</u>	<u>\$ 94,295</u>	<u>\$ 80,829</u>

2- 0803

CITY OF RENO
 RENO INTERNATIONAL AIRPORT
 SCHEDULE OF SERVICE AND SALE CONCESSIONS
 JUNE 30, 1974

	<u>TOTAL</u>	<u>TERMINAL</u>	<u>AIRFIELD</u>	<u>OTHER</u>
RENTALS				
Rent-a-car	\$ 9,695	\$ 9,695	\$ -	\$ -
Airline	56,753	56,753	-	-
Federal aviation administration	11,471	-	-	11,471
Fixed base operations	21,278	-	21,278	-
Nevada Air National Guard	7,000	-	7,000	-
Shaws Candy	4,322	4,322	-	-
Others	5,318	4,418	900	-
	<u>115,837</u>	<u>75,188</u>	<u>29,178</u>	<u>11,471</u>
CONCESSIONS				
Rent-a-car	191,911	191,911	-	-
Taxis and limousines	13,648	13,648	-	-
Insurance	352	352	-	-
Mapes restaurant	26,084	26,084	-	-
Mapes lounge	34,383	34,383	-	-
Mapes newstand	39,553	39,553	-	-
Mapes display advertising	18,678	18,678	-	-
	<u>324,609</u>	<u>324,609</u>	<u>-</u>	<u>-</u>
OTHER	<u>2,873</u>	<u>-</u>	<u>-</u>	<u>2,873</u>
Total	<u>\$443,319</u>	<u>\$399,797</u>	<u>\$29,178</u>	<u>\$14,344</u>

CITY OF RENO
AIRPORT DEPARTMENT
OPERATING EXPENSES
YEAR ENDED JUNE 30, 1974

	RENO					
	TOTAL	STEAD	TOTAL	AIRFIELD	TERMINAL	OTHER
Salaries	\$ 321,742	\$ 61,646	\$260,096	\$ 91,554	\$143,053	\$25,489
Employee benefits	21,070	8,972	12,098	4,258	6,654	1,186
Airport security (net of airline reimbursement of \$130,868)	17,027	-	17,027	5,994	9,365	1,668
Fire protection	84,122	15,983	68,139	23,985	37,476	6,678
Finance and personnel services	24,702	4,693	20,009	7,043	11,005	1,961
Engineering, street maintenance and shop services	118,993	2,396	116,597	41,042	64,128	11,427
Management and legal services	31,030	5,896	25,134	8,847	13,824	2,463
Airport share of city overhead expenses	65,318	12,410	52,908	18,624	29,099	5,185
Insurance	56,819	11,668	45,151	15,893	24,833	4,425
Repairs and maintenance	29,009	584	28,425	10,006	15,634	2,785
Utilities	88,785	19,986	68,799	24,217	37,839	6,743
Telephone	2,366	1,327	1,039	366	571	102
Bond consultants	8,116	-	8,116	2,857	4,464	795
Consulting engineers	5,888	-	5,888	2,073	3,238	577
Other services and supplies	188,635	11,018	177,617	62,521	97,689	17,407
	<u>\$1,063,622</u>	<u>\$156,579</u>	<u>\$907,043</u>	<u>\$319,280</u>	<u>\$498,872</u>	<u>\$88,891</u>

2-0805

CITY OF RENO
RENO INTERNATIONAL AIRPORT DEPARTMENT
GENERAL OBLIGATION BONDS
TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY

<u>YEAR END JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL REQUIREMENT</u>
1975	\$ 188,000	\$ 173,777	\$ 361,777
1976	194,359	166,698	361,057
1977	218,718	158,578	377,296
1978	224,744	149,313	374,057
1979	205,975	139,469	345,444
1980	212,000	130,473	342,473
1981	226,231	120,555	346,786
1982	231,154	88,943	320,097
1983	102,051	79,750	181,801
1984	162,564	73,910	236,474
1985	264,231	63,241	327,472
1986	306,410	47,759	354,169
1987	87,179	32,853	120,032
1988	53,461	27,693	81,154
1989	55,898	24,574	80,472
1990	57,564	21,227	78,791
1991	69,487	17,642	87,129
1992	87,436	13,399	100,835
1993	104,871	7,394	112,265
1994	66,667	1,667	68,334
	<u>\$3,119,000</u>	<u>\$1,538,915</u>	<u>\$4,657,915</u>

2- 0806

080

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTION OF ESTIMATED OPERATING RESULTS
JUNE 30, 1975 and 1976
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

KAFOURY, ARMSTRONG, TURNER & Co.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTION OF ESTIMATED OPERATING RESULTS
JUNE 30, 1975 AND 1976

0807

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2-

KAFOURY, ARMSTRONG, TURNER & Co.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

To the City Manager of
the City of Reno

We have prepared, at your request, a projection of estimated operating results for the City of Reno, Airport Department for the years ending June 30, 1975 and 1976. These projections assume that aircraft landing fees will remain constant. In preparing this projection, we relied upon information furnished by the Finance and Airport Departments of the City of Reno and we did not perform independent testing or verification of this data.

The terms of our engagement are such that we have no obligation to update this report because of events and transactions occurring after March 10, 1975.

Since these projections represent assumptions concerning income, and expenses which are subject to change and since variations of such assumptions could significantly affect the projections, we express no independent accountants' opinion as to the reasonableness of these assumptions or the achievement of the indicated results.

*Kafoury Armstrong,
Turner & Co.*

Reno, Nevada
March 10, 1975

2-0809

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTION OF ESTIMATED OPERATING RESULTS
JUNE 30, 1975
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTED SCHEDULE OF INCOME BY AREA
YEAR ENDED JUNE 30, 1975
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

	RENO					
	TOTAL	STEAD	TOTAL	AIRFIELD	TERMINAL	OTHER
OPERATING INCOME						
Landing fees	\$ 100,250	\$ -	\$ 100,250	\$ 100,250	\$ -	\$ -
Parking lot fees	95,000	-	95,000	-	-	95,000
Service and sales concessions - Schedule No. 2	648,142	148,000	500,142	29,178	456,493	14,471
Slot machine concessions	345,330	-	345,330	-	345,330	-
Vending machine receipt	10,400	-	10,400	-	10,400	-
Aviation gas tax refunds	36,396	-	36,396	36,396	-	-
Fuel flowage fees	70,298	5,000	65,298	65,298	-	-
Other	8,000	2,000	6,000	-	-	6,000
	<u>1,313,816</u>	<u>155,000</u>	<u>1,158,816</u>	<u>231,122</u>	<u>812,223</u>	<u>115,471</u>
OPERATING EXPENSE - Schedule No. 3	<u>1,152,965</u>	<u>172,735</u>	<u>980,230</u>	<u>345,040</u>	<u>539,126</u>	<u>96,064</u>
Net Operating Income (Loss) Before Depreciation	<u>160,851</u>	<u>(17,735)</u>	<u>178,586</u>	<u>(113,918)</u>	<u>273,097</u>	<u>19,407</u>
DEPRECIATION						
Federal grants	288,331	-	288,331	221,315	57,200	9,816
City of Reno outlay	212,179	14,306	197,873	143,573	47,924	6,376
	<u>500,510</u>	<u>14,306</u>	<u>486,204</u>	<u>364,888</u>	<u>105,124</u>	<u>16,192</u>
Net Operating Income (Loss)	(339,659)	(32,041)	(307,618)	(478,806)	167,973	3,215
OTHER INCOME (EXPENSE)						
Interest earned on investments	54,000	6,480	47,520	-	-	47,520
Interest expense on general obligation bonds	(173,777)	(8,416)	(165,361)	(128,485)	(33,899)	(2,977)
Net Income (Loss)	<u>\$ (459,436)</u>	<u>\$ (33,977)</u>	<u>\$ (425,459)</u>	<u>\$ (607,291)</u>	<u>\$ 134,074</u>	<u>\$ 47,758</u>

(See attached statement of assumptions.)

2- 0811

CITY OF RENO
 AIRPORT DEPARTMENT
 PROJECTED SCHEDULE OF SERVICE AND SALES CONCESSIONS
 JUNE 30, 1975
 (UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

	RENO			
	TOTAL	TERMINAL	AIRFIELD	OTHER
RENTALS				
Rent-a-car	\$ 15,940	\$ 15,940	\$ -	\$ -
Airlines	56,753	56,753	-	-
Federal Aviation Administration	11,471	-	-	11,471
Fixed base operation	21,278	-	21,278	-
Nevada Air National Guard	7,000	-	7,000	-
Shaws Candy	4,322	4,322	-	-
Other	5,736	4,836	900	-
	<u>122,500</u>	<u>81,851</u>	<u>29,178</u>	<u>11,471</u>
CONCESSIONS				
Rent-a-car	234,036	234,036	-	-
Taxis, limousines	14,314	14,314	-	-
Insurance	350	350	-	-
Mapes - restaurant	27,062	27,062	-	-
Mapes - lounge	37,388	37,388	-	-
Mapes - newsstand	38,938	38,938	-	-
Mapes - display advertising	22,554	22,554	-	-
	374,642	374,642	-	-
OTHER	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$500,142</u>	<u>\$456,493</u>	<u>\$29,178</u>	<u>\$14,471</u>

(See attached statement of assumptions.)

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTED SCHEDULE OF OPERATING EXPENSE
YEAR ENDED JUNE 30, 1975
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

	RENO					
	TOTAL	STEAD	TOTAL	AIRFIELD	TERMINAL	OTHER
Salaries	\$ 364,169	\$ 69,192	\$294,977	\$103,832	\$162,237	\$28,908
Employee benefits	37,745	16,230	21,515	7,573	11,833	2,109
Airport security (net of estimated airline reimbursement of \$140,000)	35,298	-	35,298	12,425	19,414	3,459
Fire protection	91,751	17,433	74,318	26,160	40,875	7,283
Finance and personnel services	22,053	4,190	17,863	6,288	9,825	1,750
Engineering, street maintenance and shop services	146,218	2,924	143,294	50,439	78,812	14,043
Management and legal services	39,640	7,532	32,108	11,302	17,659	3,147
Airport share of city overhead expenses	64,480	12,251	52,229	18,385	28,726	5,118
Insurance	52,220	10,444	41,776	14,705	22,977	4,094
Repairs and maintenance	30,114	602	29,512	10,388	16,231	2,893
Utilities	90,415	20,795	69,620	24,506	38,291	6,823
Telephone	2,107	1,180	927	326	510	91
Consulting engineers	5,000	-	5,000	1,760	2,750	490
Other services and supplies	171,755	9,962	161,793	56,951	88,986	15,856
	<u>\$1,152,965</u>	<u>\$172,735</u>	<u>\$980,230</u>	<u>\$345,040</u>	<u>\$539,126</u>	<u>\$96,064</u>

(See attached statement of assumptions.)

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2-0812

2-0813

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTION OF ESTIMATED OPERATING RESULTS
JUNE 30, 1976
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTED SCHEDULE OF INCOME BY AREA
YEAR ENDED JUNE 30, 1976
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

	RENO					
	TOTAL	STEAD	TOTAL	AIRFIELD	TERMINAL	OTHER
OPERATING INCOME						
Landing fees	\$ 104,580	\$ -	\$ 104,580	\$ 104,580	\$ -	\$ -
Parking lot fees	100,000	-	100,000	-	-	100,000
Service and sales concessions - Schedule No. 2	747,601	150,000	597,601	29,278	553,852	14,471
Slot machine concessions	400,000	-	400,000	-	400,000	-
Vending machine receipts	12,000	-	12,000	-	12,000	-
Aviation gas tax refunds	38,000	-	38,000	38,000	-	-
Fuel flowage fees	72,000	5,000	67,000	67,000	-	-
Other	9,000	2,500	6,500	-	-	6,500
	<u>1,483,181</u>	<u>157,500</u>	<u>1,325,681</u>	<u>238,858</u>	<u>965,852</u>	<u>120,971</u>
OPERATING EXPENSE - Schedule No. 3	<u>1,382,251</u>	<u>194,430</u>	<u>1,187,821</u>	<u>418,111</u>	<u>653,301</u>	<u>116,409</u>
Net Operating Income (Loss) Before Depreciation	<u>100,930</u>	<u>(36,930)</u>	<u>137,860</u>	<u>(179,253)</u>	<u>312,551</u>	<u>4,562</u>
DEPRECIATION						
Federal grants	328,399	-	328,399	235,419	79,239	13,741
City of Reno outlay	222,570	14,306	208,264	147,231	53,637	7,396
	<u>550,969</u>	<u>14,306</u>	<u>536,663</u>	<u>382,650</u>	<u>132,876</u>	<u>21,137</u>
Net Operating Income (Loss)	<u>(450,039)</u>	<u>(51,236)</u>	<u>(398,803)</u>	<u>(561,903)</u>	<u>179,675</u>	<u>(16,575)</u>
OTHER INCOME (EXPENSE)						
Interest earned on investments	21,000	2,709	18,291	-	-	18,291
Interest expense on general obligation bonds	<u>(166,698)</u>	<u>(8,416)</u>	<u>(158,282)</u>	<u>(124,568)</u>	<u>(33,714)</u>	<u>-</u>
Net Income (Loss)	<u>\$ (595,737)</u>	<u>\$ (56,943)</u>	<u>\$ (538,794)</u>	<u>\$ (686,471)</u>	<u>\$ 145,961</u>	<u>\$ 1,716</u>

(See attached statement of assumptions.)

2- 0815

CITY OF RENO
 AIRPORT DEPARTMENT
 PROJECTED SCHEDULE OF SERVICE AND SALES CONCESSIONS
 JUNE 30, 1976
 (UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

	RENO			
	TOTAL	TERMINAL	AIRFIELD	OTHER
RENTALS				
Rent-a-car	\$ 15,940	\$ 15,940	\$ -	\$ -
Airlines	102,400	102,400	-	-
Federal Aviation Administration	11,471	-	-	11,471
Fixed base operation	21,278	-	21,278	-
Nevada Air National Guard	7,000	-	7,000	-
Shaws Candy	4,322	4,322	-	-
Other	6,000	5,000	1,000	-
	<u>168,411</u>	<u>127,662</u>	<u>29,278</u>	<u>11,471</u>
CONCESSIONS				
Rent-a-car	269,140	269,140	-	-
Taxis, limousines	15,000	15,000	-	-
Insurance	350	350	-	-
Mapes restaurant	32,200	32,200	-	-
Mapes lounge	43,000	43,000	-	-
Mapes newsstand	43,500	43,500	-	-
Mapes display advertising	23,000	23,000	-	-
	426,190	426,190	-	-
OTHER	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Total	<u>\$597,601</u>	<u>\$553,852</u>	<u>\$29,278</u>	<u>\$14,471</u>

(See attached statement of assumptions.)

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTED SCHEDULE OF OPERATING EXPENSE
YEAR ENDED JUNE 30, 1976
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

	TOTAL	STEAD	RENO			
			TOTAL	AIRFIELD	TERMINAL	OTHER
Salaries	\$ 396,055	\$ 75,250	\$ 320,805	\$112,923	\$176,443	\$ 31,439
Employee benefits	39,790	17,110	22,680	7,983	12,474	2,223
Airport security (net of estimated airline reimbursement of \$140,000)	17,162	-	17,162	6,041	9,439	1,682
Fire protection (six months expenses for Reno)	60,980	19,480	41,500	14,608	22,825	4,067
Finance and personnel services	24,219	4,602	19,617	6,905	10,789	1,923
Engineering, street maintenance and shop services	162,183	3,244	158,939	55,946	87,416	15,577
Management and legal services	49,204	9,349	39,855	14,029	21,920	3,906
Airport share of city overhead expenses	88,858	16,883	71,975	25,335	39,586	7,054
Insurance	57,300	11,460	45,840	16,135	25,212	4,493
Repairs and maintenance	62,500	1,250	61,250	21,560	33,688	6,002
Utilities	103,500	23,805	79,695	28,053	43,832	7,810
Telephone	2,500	1,400	1,100	387	605	108
Consulting engineers	4,500	-	4,500	1,584	2,475	441
Other services and supplies	182,700	10,597	172,103	60,580	94,657	16,866
Operation of fire station (six months expenses)	130,800	-	130,800	46,042	71,940	12,818
	<u>\$1,382,251</u>	<u>\$194,430</u>	<u>\$1,187,821</u>	<u>\$418,111</u>	<u>\$653,301</u>	<u>\$116,409</u>

(See attached statement of assumptions.)

2-0826

CITY OF RENO
AIRPORT DEPARTMENT
OTHER DATA
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

2- 0818

CITY OF RENO
 AIRPORT DEPARTMENT
 PROJECTED LANDING FEE REQUIREMENTS
 JUNE 30, 1974
 (UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

Based upon 125% debt requirement before depreciation & interest

OPERATING INCOME	\$1,201,026
Less: Landing fees	<u>96,285</u>
	1,104,741
OPERATING EXPENSE	<u>1,063,622</u>
Net Income Before Depreciation and Interest	41,119
125% OF BOND REQUIREMENTS 1973/74	<u>381,108</u>
Landing Fees Required 1973/74	<u>\$ 339,989</u>
Landing Fees Per 1,000 Pounds Landed Weight	<u>26c</u>

(See attached statement of assumptions.)

2 0819

CITY OF RENO
 AIRPORT DEPARTMENT
 PROJECTED LANDING FEE REQUIREMENTS
 JUNE 30, 1975
 (UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

Based upon 125% debt requirement before depreciation & interest

OPERATING INCOME	\$1,313,816
Less: Landing fees	<u>100,250</u>
	1,213,566
OPERATING EXPENSE	<u>1,152,965</u>
Net Income Before Depreciation and Interest	60,601
125% OF BOND REQUIREMENTS 1974/75	<u>452,221</u>
Landing Fees Required 1974/75	<u>\$ 391,620</u>
Landing Fees Per 1,000 Pounds Landed Weight	<u>30c</u>

(See attached statement of assumptions.)

2- 0820

CITY OF RENO
 AIRPORT DEPARTMENT
 PROJECTED LANDING FEE REQUIREMENTS
 JUNE 30, 1976
 (UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

Based upon 125% debt requirement before depreciation & interest

OPERATING INCOME	\$1,483,181
Less: Landing fees	<u>104,580</u>
	1,378,601
OPERATING EXPENSE	<u>1,382,251</u>
Net Loss Before Depreciation and Interest	(3,650)
125% OF BOND REQUIREMENTS 1975/76	<u>451,321</u>
Landing Fees Required 1975/76	<u>\$ 454,971</u>
Landing Fees Per 1,000 Pounds Landed Weight	<u>35c</u>

(See attached statement of assumptions.)

2- 0821

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTED LANDING FEE REQUIREMENTS
JUNE 30, 1974
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

Based upon airfield operations

OPERATING REVENUE (Net of Landing Fees)	\$127,637
OPERATING EXPENSES	<u>319,280</u>
OPERATING LOSS	191,643
CITY OF RENO OUTLAY DEPRECIATION	124,338
INTEREST EXPENSE	<u>82,980</u>
Landing Fees Required	<u>\$398,961</u>
Landing Fees Per 1,000 Pounds Landed Weight	<u>31c</u>

(See attached statement of assumptions.)

2- 0822

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTED LANDING FEE REQUIREMENTS
JUNE 30, 1975
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

Based upon airfield operations

OPERATING REVENUE (Net of Landing Fees)	\$130,872
OPERATING EXPENSES	<u>345,040</u>
OPERATING LOSS	214,168
CITY OF RENO OUTLAY DEPRECIATION	143,573
INTEREST EXPENSE	<u>128,485</u>
Landing Fees Required	<u>\$486,226</u>
Landing Fees Per 1,000 Pounds Landed Weight	<u>37c</u>

(See attached statement of assumptions.)

2- 0823

CITY OF RENO
AIRPORT DEPARTMENT
PROJECTED LANDING FEE REQUIREMENTS
JUNE 30, 1976
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

Based upon airfield operations

OPERATING REVENUE (Net of Landing Fees)	\$134,278
OPERATING EXPENSES	<u>418,111</u>
OPERATING LOSS	283,833
CITY OF RENO OUTLAY DEPRECIATION	147,231
INTEREST EXPENSE	<u>124,568</u>
Landing Fees Required	<u>\$555,632</u>
Landing Fees Per 1,000 Pounds Landed Weight	<u>43c</u>

(See attached statement of assumptions.)

CITY OF RENO
AIRPORT DEPARTMENT
STATEMENT OF ASSUMPTIONS
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

2- 0824

These financial projections are based on assumptions by management concerning future events and circumstances. The assumptions disclosed herein are those which management believes are crucial or significant to the forecast or are key factors upon which the financial results of the enterprise depend. Unanticipated events and circumstances may occur subsequent to March 10, 1975, the date of this projection. Therefore, the actual results achieved during the period may vary from the projection.

OPERATING INCOME

. Landing fees are projected at those rates in effect at March 10, 1975 of: 0 to 130,000 pounds per month 8½ cents per 1,000 pounds landed weight

130,000 to 260,000 pounds per month 8½ cents less 12% discount

260,000 to 390,000 pounds per month 8½ cents less 24% discount

Over 390,000 pounds per month 8½ cents less 35% discount

. The amounts are calculated using estimated commercial airline landing weights projected by the Airport Department of 1,306,200,000

pounds per year. This amount is comprised of: United 934,167,500
Air West 152,889,000
Western 219,143,500

. Rental rates are calculated as provided by the City of Reno Finance Department.

. Concession income and other income items are as projected by the City of Reno Airport Department.

. Parking meter receipts and fines are not included in these projections, the finance department projects these amounts as follows:

1974/75 - \$87,000
1975/76 - 91,000

2- 0825

CITY OF RENO
AIRPORT DEPARTMENT
STATEMENT OF ASSUMPTIONS
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

OPERATING EXPENSES

The following expenses were obtained from estimates prepared by the City of Reno Finance Department.

- Salaries
- Employee benefits
- Insurance
- Repairs and maintenance
- Utilities (net of estimated \$18,000 electric energy refunds)
- Telephone
- Consulting engineers
- Other services and supplies

Costs of services were computed by using the basis established by Airport consultants employed by the City of Reno. Their estimate determined that 3% of certain City functions were expanded on behalf of the Airport as follows:

<u>City of Reno Function</u>	<u>Services Provided</u>	<u>Total Amount Per 74-75 Budget</u>	<u>Allocated to Airport Department</u>
1975:			
General government	Management and legal	\$1,321,334	\$ 39,640
Finance & personnel	Finance & personnel services	735,113	22,053
Police department	Security	5,843,279	175,298
Fire department	Fire protection	3,058,364	91,751
Public works	Engineering, street, traffic	3,153,429	94,603
Parks	General shop	1,720,484	51,615
Nondepartmental	Share of City overhead	2,149,334	64,480
		<u>Per 75-76</u>	
General government	Management and legal	\$1,640,128	\$ 49,204
Finance & personnel	Finance & personnel services	807,315	24,219
Police department	Security	5,238,742	157,162
Fire department	Fire protection	3,417,480	102,524
Public works	Engineering, street, traffic	3,976,086	119,283
Parks	General shop	1,430,007	42,900
Nondepartmental	Share of City overhead	2,961,922	88,858

CITY OF RENO
AIRPORT DEPARTMENT
STATEMENT OF ASSUMPTIONS
(UNAUDITED - SEE ACCOMPANYING DISCLAIMER OF OPINION)

Expenses associated with the operation of the fire station for the six months ending June 30, 1976 were determined as follows:

Salaries - Estimated number of employees at an average salary per employee	\$120,000
Charge for services and supplies - Based on the ratio of 1975-76 budgeted services and supplies to salaries for the fire department, applied to salary cost of \$120,000	<u>10,800</u>
	<u>\$130,800</u>

Allocation of expenses to Stead, Reno Airfield, Reno Terminal and Other, are based on ratios used for June 30, 1974 expense allocation.

Depreciation, except for depreciation on the fire station and equipment, was based on acquisition cost as determined at June 30, 1974.

Depreciation for the fire station and equipment was based upon estimated cost provided by Airport Department personnel. This depreciation was allocated to Airfield, Terminal and Other based on expense ratios determined by the airport consultants employed by the City of Reno.

Carol T. Nevin, Director of the Game Commission and the
Department of Law Enforcement Assistance.

2- 0827

We have provided you with the last
revision of AB-161 which was prepared after
our meeting with Mr. Stan Warren on April 9 last.

It appears that the only remaining point of
disagreement with Mr. Warren lies in Section 6 which
was amended by the Board to reflect that we had
no intention of developing a Statute Telephone System.

Mr. Warren will undoubtedly explain his objections
to some segments of Section 6. However the Board
was unanimous in its decision that we have made all
the concessions we can and still meet the responsibilities
we have to the people of the state of Nevada.

We have a positive responsibility to law enforcement
civil defense and disaster agencies, the Highway Department
Emergency Medical Services School Boards and other
agencies who will utilize the microwave system.

We intend to and will utilize the most economical
and best utilities to effectuate the System. If public
utilities can provide the best and cheapest connections
they will be used if our microwave system is better and
cheaper that will be used.

The bill is the result of numerous technical studies
directed by two Governors and mandated by and reported to
three sessions of the legislature.

Our responsibilities lie with the people of Nevada
and it is our honest intention to fulfill that responsibility
in providing the best and most economical communication
system possible. A great deal of time and money has
already been expended in the System.

We feel that the Bill as amended will allow us to
meet our responsibilities but that anything less will
greatly hamper our ability to effect savings and still
provide the services law enforcement, civil defense
and other state agencies need.



Fred Davis

2- 0828

A Statement regarding creation of a Washoe County Airport Authority:

The Board of Directors of the Greater Reno Chamber of Commerce takes the position that the Reno airports, regardless of the governing body, should become self-supporting and not be a burden on the taxpayers of any local area served.

In recent months, there have been many changes in the attitude and personnel at City Hall involved with the airport. Our current Council is more involved and interested in the airport than it has been in the past; there is a new City Manager; there is a new Airport Manager; there is a \$250,000 master plan that will soon be completed; landing fees are being renegotiated with the airlines; and there is an active Airport Advisory Committee. All of these activities are an encouraging indication that vital steps are being taken in an effort to make the airport self-supporting.

For these reasons, the Board of Directors of the Greater Reno Chamber of Commerce believes that the City of Reno should be given more time to achieve the goal of vastly improving the financial operation of Reno International Airport.

If there is no definite improvement in the airport's financial position, then there should be serious consideration of spreading the tax responsibilities through an Airport Authority. However, the City of Reno, because of the above factors, should be allowed more time to improve the financial base of the airport unless the Airport Advisory Committee indicates otherwise.



2- 0829

A Statement regarding creation of a Washoe County Airport Authority:

The Board of Directors of the Greater Reno Chamber of Commerce takes the position that the Reno airports, regardless of the governing body, should become self-supporting and not be a burden on the taxpayers of any local area served.

In recent months, there have been many changes in the attitude and personnel at City Hall involved with the airport. Our current Council is more involved and interested in the airport than it has been in the past; there is a new City Manager; there is a new Airport Manager; there is a \$250,000 master plan that will soon be completed; landing fees are being renegotiated with the airlines; and there is an active Airport Advisory Committee. All of these activities are an encouraging indication that vital steps are being taken in an effort to make the airport self-supporting.

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If there is no definite improvement in the airport's financial position, then there should be serious consideration of spreading the tax responsibilities through an Airport Authority. However, the City of Reno, because of the above factors, should be allowed more time to improve the financial base of the airport unless the Airport Advisory Committee indicates otherwise.



2- 0830

A Statement regarding creation of a Washoe County Airport Authority:

The Board of Directors of the Greater Reno Chamber of Commerce takes the position that the Reno airports, regardless of the governing body, should become self-supporting and not be a burden on the taxpayers of any local area served.

In recent months, there have been many changes in the attitude and personnel at City Hall involved with the airport. Our current Council is more involved and interested in the airport than it has been in the past; there is a new City Manager; there is a new Airport Manager; there is a \$250,000 master plan that will soon be completed; landing fees are being renegotiated with the airlines; and there is an active Airport Advisory Committee. All of these activities are an encouraging indication that vital steps are being taken in an effort to make the airport self-supporting.

For these reasons, the Board of Directors of the Greater Reno Chamber of Commerce believes that the City of Reno should be given more time to achieve the goal of vastly improving the financial operation of Reno International Airport.

If there is no definite improvement in the airport's financial position, then there should be serious consideration of spreading the tax responsibilities through an Airport Authority. However, the City of Reno, because of the above factors, should be allowed more time to improve the financial base of the airport unless the Airport Advisory Committee indicates otherwise.



2- 0831

A Statement regarding creation of a Washoe County Airport Authority:

The Board of Directors of the Greater Reno Chamber of Commerce takes the position that the Reno airports, regardless of the governing body, should become self-supporting and not be a burden on the taxpayers of any local area served.

In recent months, there have been many changes in the attitude and personnel at City Hall involved with the airport. Our current Council is more involved and interested in the airport than it has been in the past; there is a new City Manager; there is a new Airport Manager; there is a \$250,000 master plan that will soon be completed; landing fees are being renegotiated with the airlines; and there is an active Airport Advisory Committee. All of these activities are an encouraging indication that vital steps are being taken in an effort to make the airport self-supporting.

For these reasons, the Board of Directors of the Greater Reno Chamber of Commerce believes that the City of Reno should be given more time to achieve the goal of vastly improving the financial operation of Reno International Airport.

If there is no definite improvement in the airport's financial position, then there should be serious consideration of spreading the tax responsibilities through an Airport Authority. However, the City of Reno, because of the above factors, should be allowed more time to improve the financial base of the airport unless the Airport Advisory Committee indicates otherwise.



April 11, 1975

2- 0832

A Statement regarding creation of a Washoe County Airport Authority:

The Board of Directors of the Greater Reno Chamber of Commerce takes the position that the Reno airports, regardless of the governing body, should become self-supporting and not be a burden on the taxpayers of any local area served.

In recent months, there have been many changes in the attitude and personnel at City Hall involved with the airport. Our current Council is more involved and interested in the airport than it has been in the past; there is a new City Manager; there is a new Airport Manager; there is a \$250,000 master plan that will soon be completed; landing fees are being renegotiated with the airlines; and there is an active Airport Advisory Committee. All of these activities are an encouraging indication that vital steps are being taken in an effort to make the airport self-supporting.

For these reasons, the Board of Directors of the Greater Reno Chamber of Commerce believes that the City of Reno should be given more time to achieve the goal of vastly improving the financial operation of Reno International Airport.

If there is no definite improvement in the airport's financial position, then there should be serious consideration of spreading the tax responsibilities through an Airport Authority. However, the City of Reno, because of the above factors, should be allowed more time to improve the financial base of the airport unless the Airport Advisory Committee indicates otherwise.

1st Amendment

2-0833

BILL NO. 12-28-73-1

SUMMARY - Fixes rates, fees and charges for air carriers and air transportation companies at McCarran International Airport.

ORDINANCE NO. 421
(of Clark County, Nevada)

LAS VEGAS
LANDING FEE
ORDINANCE
ADJUSTED YEARLY

AN ORDINANCE ESTABLISHING RATES, FEES AND CHARGES FOR SCHEDULED AIR CARRIERS AND AIR TRANSPORTATION COMPANIES AT MCCARRAN INTERNATIONAL AIRPORT AT CLARK COUNTY, STATE OF NEVADA AND OTHER MATTERS RELATING THERETO.

WHEREAS, the County of Clark, State of Nevada is the owner and operator of a municipal airport known as McCarran International Airport; and

WHEREAS, the policy of the County of Clark is that McCarran International Airport owned and operated by the County of Clark shall be self-supporting; and

WHEREAS, the costs of maintaining, expanding and operating said airport varies over a period of time; and

WHEREAS, it is necessary to establish certain rates and charges for the air carriers' and air transportation companies' use of McCarran International Airport to accomplish the aforesaid; and

WHEREAS, the rates and charges established are subject to review by the County of Clark from time to time to properly reflect the economics of the Airport's operation, maintenance and expansion; and

WHEREAS, some air carriers or air transportation companies may from time to time be utilizing McCarran International Airport without having a current lease and operating agreement with the County of Clark; and

WHEREAS, it is necessary to set the rates and charges to be charged air carriers and air transportation companies not under a lease or operating agreement.

NOW, THEREFORE, THE BOARD OF COUNTY COMMISSIONERS OF THE

COUNTY OF CLARK, STATE OF NEVADA, DOES HEREBY ORDAIN AS FOLLOWS:

2- 0834

SECTION 1. Schedule and effective date. Effective February 1, 1974, air carriers and air transportation companies shall pay the following rates, charges and fees at McCarran International Airport:

Each scheduled air carrier and air transportation company shall pay for designated space in the Passenger Terminal Building that is occupied exclusively by the company at the rate of \$11.50 per square foot per year, payable monthly in advance.

Each air carrier and air transportation company shall pay in monthly installments its pro rata share of the baggage claim area it utilizes or uses in the Passenger Terminal Building computed according to the following formula:

20% thereof equally and 80% thereof according to the number of passengers enplaned at McCarran International Airport by each air carrier or air transportation company during the six (6) month period preceding each January 1 and July 1 during their tenancy.

The County shall issue monthly billings for the aforesaid rental.

The air carrier or air transportation company shall certify to the County, within 15 days of each January 1 and July 1, the number of passengers enplaned by it during the preceding six (6) month period.

Any air carrier or air transportation company shall pay all utilities and utility services used at or in the Passenger Terminal Building, including electricity, water and telephone services, as billed by County of Clark, State of Nevada.

All scheduled air carriers or air transportation companies shall pay to the County of Clark .32¢ per 1000 pounds, or fraction thereof, of licensed maximum gross landing weight of each aircraft for every arrival at McCarran International Airport as a landing fee and terminal area apron charge.

SECTION 2. Any person violating any of the provisions of this ordinance shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than \$500.00 or by imprisonment in the County Jail for a term of not more than six months, or by any combination of such fine and imprisonment. Whenever in this ordinance any act is prohibited or is made or declared to be unlawful or an offense or a misdemeanor, or whenever in such ordinance the doing of any act is required or the failure to do any such required act shall

constitute a violation of this ordinance. Any day of any violation of this ordinance shall constitute a separate offense.

SECTION 3. If any section of this ordinance or portion thereof is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such holding shall not invalidate the remaining portions of this ordinance.

SECTION 4. All ordinances, parts of ordinances, chapters, sections, subsections, clauses, phrases or sentences contained in the Clark County Code in conflict herewith are hereby repealed.

SECTION 5. This ordinance shall take effect and be in force from and after its passage and the publication thereof by title only, together with the names of the County Commissioners voting for or against its passage, in a newspaper published in and having a general circulation in Clark County, Nevada, at least once a week for a period of two weeks.

PROPOSED on the 28th day of December, 1973.

PROPOSED BY Commissioner Jack R. Petitti

PASSED on the 7th day of January, 1974.

VOTE:

- AYES: Robert N. Broadbent
- Myron E. Leavitt
- Jack R. Petitti
- Richard J. Ronzone
- James G. Ryan
- Tom Wiesner
- Aaron Williams

NAYS: None

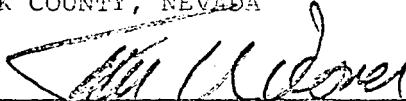
2- 0837

0834


ABSENT: None

BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY, NEVADA

By


Chairman - Tom Wiesner

ATTEST:


LORETTA BOWMAN, County Clerk

This ordinance shall be in force and effect from and after
the 18th day of January, 1974.

THE INITIAL REPORT FROM THE BETTER RENO AIR SERVICE STUDY COMMITTEE

The enclosed report is intended for the use of the City of Reno, City Council and the Airport Management. The concept of this study group was to try to find some alternative, if a need exists for an alternative, to the present political structure of the Reno Municipal Airport. Included in the report are various apparent problems, as the committee saw them. Also enclosed are several alternatives, the least of which is not the formation of a district-wide airport authority, with full managerial and taxing powers. It is important to note that the Reno Municipal Airport is the sole major air terminal and facility for all of northern Nevada, and northeastern California.

This report is compiled from information received from the Federal Aviation Agency, Airplane Owners' and Pilots' Association, and Auditing Division of the Legislative Council Bureau, from testimony received from numerous people, including Gordon C. Reddall, Manager, Tahoe-Truckee Airport District; Frank Daykin, Chief Deputy, Legislative Council Bureau; and also, information received from numerous airport districts and people interested in the problem. This report is not intended, nor does it, berate or question previous airport decisions and airport management. It's intentions are for the future growth with equitable distribution of the tax base for the Reno Airport. It is not the intention of the committee to remove the authority that Reno has to this airport, but rather broaden it to encompass a wider area.

The BRAS Committee initially investigated positive approaches toward improving RMA, and the legality and possible advantages of creating a regional airport district, or authority. In the course of its considerations, the committee found that air facility improvement problems were not strictly the province of the City of Reno. Nationwide, it was found, that the task of weaving airport administration into the organic structure of municipal or county government has been a "ball of snakes". In some cities, airport management has been incorporated into an existing department, generally because the cost of establishing a new aviation department was considered prohibitive, and because the quality of personnel required was present in existing city departments. Although the City of Reno does have an airport manager and staff, certain deficiencies over which RMA management apparently has no control, seem to exist.

o Service Area

An airport originally intended to serve a population of some 50,000, which has expanded in growth to an estimated 72,000, now serves an ever expanding region within a radius of 30 to 50 miles. Figure 2, "Possible Major Airline Flights Into and Out of the RMA Service Area", implies a considerable interface between Reno and other cities in the United States. A glance at the area surrounding Reno makes it obvious that all of those benefitting by this air traffic business are not supporting the RMA. It is quite possible that about 80% of the population of the extended area, representing roughly three-fourths of the assessed valuation, pays essentially nothing for RMA services.

o RMA Management Constraints

The activity of RMA management appears limited to the actual operation of the airport; the RMA manager must turn to the city administrative offices on matters affecting the airport's overview. The complexity of details in airport operation and a related public relations problem cannot be dealt with on a part-time basis, and the danger of this occurring cannot be avoided under the existing city administration - airport relationship.

o Authority and Freedom of Action

The FAA has established that effective airport management requires a great deal of authority and freedom of action. In many communities local political pressures have seriously hindered aviation system development. Without flexibility and the authority to implement broad plans, there can be no systematic approach to airport development. Any plans generated without a systems approach are made without adequate consideration for surrounding environs, the local community, and economic needs.

following problems surrounding the RMA do exist:

- o Tax Base
Due to existing ownership characteristics, the RMA, which serves ² 0840 the City of Reno, Washoe and adjoining counties, is supported by roughly only ² of the available assessed valuation of the served area (exclusive of California counties' usage).
- o City Airport Management
The City of Reno, by virtue of the fact that RMA is city owned, finds itself laden with the responsibility of managing a complex airport operation in addition to the normal city management duties demanded by an industrious and growing urban area. Airport management is highly specialized due to the rapidly advancing aerospace state-of-the-art, coupled with a greatly expanded, service-oriented population.
- o RMA Terminal Facilities
Terminal facilities appear to be of minimal adequacy in meeting the demands of existing air operations, passenger on/off-loading, parking, and general 24-hour accommodations.
- o Air Cargo Operations
Though warehousing is a major Nevada industry, air freight is only slightly utilized. RMA cargo facilities appear to be minimal.
- o General Aviation
Private aircraft owners seem dissatisfied over costs and general aviation facilities.
- o RMA Internal Management
Because of RMA management's need to rely on city management for decisions, it is possible that normal day-to-day air terminal problems are referred to the city administration, rather than being expeditiously resolved by RMA management.
- o Master Planning
No master architectural and engineering plan for the airport appears to exist -- nor is there a master long range plan to match the general plan of Reno, although Reno anticipated a growth of from three to five times its present size by 1980. The airport, situated so closely to the present city, must plan its activities, growth, transportation and other facilities to be consistent with that planned growth. In addition, no master plan for aviation in the total region of Northwest Nevada exists.
- o Environmental Impact
With the Reno-Sparks-Carson City-Tahoe area presently experiencing the greatest increase in air pollution in its history, and with the planned freeway and promotion bringing ever-increasing numbers of automobiles to the area, much must be made of the air facilities in an attempt to decrease land vehicular traffic. It appears as if there is neither a long, nor a short range plan to bring about this decrease in auto influx.

Additionally, noise, land and water pollution problems are presently under broad discussion in the state. Any plan for the airport, present

are described as follows:

2- 0841

o Gross Data

Inventory of data pertaining to the RMA and other airports in the study area will be made. The information initially essential to the existing airport problem will be collected wherever available and assembled into a data base which can be used and expanded in subsequent airport development studies.

o Definition

The immediate problems associated with RMA's management, financial support, existing capabilities, and its interface with surrounding urban areas will be itemized, categorized and integrated into as concise a problem definition as possible.

o Demand/Use

An analysis of the demand and use of RMA and other air facilities in the Northwestern Nevada Area (area to be defined prior to study go-ahead) will be made. This analysis should provide a basis for the current and projected needs for air facilities. It should indicate quantitatively which communities now benefit from the RMA, and what these respective communities can expect in the future from a central regional air facility capable of receiving national and international commercial air traffic. Short range air and ground feeder systems will be considered within the region studied, and general aviation and air cargo/demand/use factors will be analyzed.

o Impact

Without computer simulation, the total impact, on the region studied, of changing from the current RMA ownership and management system will be estimated. Although this impact evaluation will not be in the detailed complexity of a computer simulation, it will provide a rough indication of what the impact of each of the alternative airport management systems will be on the communities involved. Alternatives evaluated will be:

- the existing RMA ownership/management system.
- a regional airport authority which manages the airports but relies on other authority for funding.
- a regional aviation district possessing both management and taxation powers.
- possible combinations of the preceding ownership/management concepts.

o Tax Base

The criteria for developing an equitable taxation formula to support each of the ownership/management concepts, described above, will be developed. These criteria will be useful after some kind of ownership/management concept has been selected.

o Management System

Irrespective of what RMA ownership characteristics are adopted, certain airport management system requirements will be common to each alternative. Those basic management system requirements pertinent to each alternative ownership concept will also be identified

SUMMARY

During a recent meeting in Reno between Nevada Assemblyman Randall V. Capurro and EOR staff members, the subject of the Reno Municipal Airport (RMA) was discussed. Basic to the discussion was the desire of Assemblyman Capurro and the Better Reno Air Service (BRAS) Committee, a private group, to investigate the possibilities of an airport district or authority, encompassing Northwestern Nevada, as the governing body of the airport, as opposed to the existing sole proprietorship by the City of Reno. It was felt that many RMA problems stem from a narrow tax base and the restricted management allowed under the present system. These problems involve terminal facilities, internal management, air cargo, general aviation, financing and accounting, and the need for a masterplan of development of air facilities at RMA and in Northwestern Nevada.

Based upon EOR's understanding of the discussion, and a review of available information, this proposal is submitted for the assumed initial phase of study. Figure 1, Required Task Phases to Develop a Northwestern Nevada Aviation System, is EOR's initial estimate of what it will take to arrive at a regional aviation system. Although this figure covers what EOR considers to be the total task, this proposal covers only the initial study phase, Phase 0. The initial study (Phase 0) is necessary in order to provide a basis upon which the people of Northwestern Nevada may decide whether to:

- (1) retain the exiting RMA and the present individual general airport system, or
- (2) create a regional airport authority which manages the RMA and other airports within the region, but relies on other authority for funding, or
- (3) create an airport or aviation district with both the powers of regional management and taxation, or
- (4) provide some type of optimized legal compromise, consisting of elements of any or all of the preceding alternatives.

Reno City Charter

LEGISLATIVE DEPARTMENT 2-0843 2.130-2.160

the adoption of the ordinance or an amendment.

of the city council to committee, such council. Thereafter, and thereupon the ordinance shall be of a kind specified in the ordinance, final action may be taken for that purpose, and no conflict with the city

attested by the city clerk with the names of the persons so qualified pursuant to the ordinance shall be by title only. A book kept for that purpose by the publisher.

ordinance. An ordinance for fire code, in pamphlet form, may be made such changes as may be necessary in the city, by reference thereto. It shall be printed, with such changes by the public in the book of the ordinance

of code. 1. The city council shall publish all ordinances in the book of the city and such additional ordinances as are published, two copies shall be deposited in the court law library. The appropriate chapters, sections, signature of the

ordinance and shall not be a repeal of existing ordinances. The ordinance shall be, "An

ordinance for codifying and compiling the general ordinances of the City of Reno."

4. The codification may be amended or extended by ordinance.

Sec. 2.130 Ordinances: Judicial notice. This charter and all ordinances, rules, resolutions or other regulations of the city shall be received as prima facie evidence in all courts without pleading the contents thereof. Such charter, ordinances, rules, resolutions or other regulations may be pleaded by title only and may be proved by introduction of:

1. The original entry thereof on the records of the city council; or
2. A copy of such original entry certified by the city clerk; or
3. A printed copy published or purported to have been published by the authority of the city council.

Sec. 2.140 Powers of city council: Public property, buildings. 1. The city council may:

- (a) Control the property of the corporation.
- (b) Erect and maintain all buildings necessary for the use of the city.
- (c) Purchase, receive, hold, sell, lease, convey and dispose of property, wherever situated, for the benefit of the city, improve and protect such property and do all other things in relation thereto which natural persons might do.

2. No lease, for a term more than 1 year or for a rental of \$500 to \$1,500, inclusive, per month may be made until such lease has been appraised by one qualified appraiser who is a resident and taxpayer within the city. No lease with a monthly rental in excess of \$1,500, or sale of real property belonging to the city may be made until such lease or sale has been appraised by three qualified appraisers who are residents and taxpayers within the city. Such appraisal must be at the actual market or rental value of the property. Such property shall not be sold or leased for less than 75 percent of such appraised value. However, any property belonging to the city may be sold to the United States of America, the State of Nevada or any political subdivision thereof at a nominal consideration whenever the public interest requires such a sale.

3. The city council may not, except as otherwise specifically provided by this charter or any other law, mortgage, hypothecate or pledge any property of the city for any purpose.

Sec. 2.150 Powers of the city council: Lease of public property. 1. The city council may lease any municipal property, or portion thereof, to any person or association for the purpose of providing services to the public or the city.

2. Such leased property shall not be used for the direct operation of any industrial or profit-making project not incidental to the public benefit.

Sec. 2.160 Powers of city council: Eminent domain. The city council

U. S. CONSTITUTION

Amend. XIV

AMENDMENT XIII

[SLAVERY AND INVOLUNTARY SERVITUDE]

Section 1. Slavery, involuntary servitude abolished. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

Section 2. Enforcement. Congress shall have power to enforce this article by appropriate legislation.

[Proposed and adopted in 1865.]

AMENDMENT XIV

[RIGHTS OF CITIZENS]

Section 1. Citizenship; privileges and immunities; due process; equal protection. All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Section 2. Apportionment of representation. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

Section 3. Disqualification of officers. No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to

U. S. CONSTITUTION

Amend. X

be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

[Proposed in 1789; adopted in 1791.]

AMENDMENT VII

[CIVIL TRIALS]

Trial by jury in civil cases. In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

[Proposed in 1789; adopted in 1791.]

AMENDMENT VIII

[PUNISHMENT FOR CRIME]

Excessive bail, fines; cruel and unusual punishments. Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

[Proposed in 1789; adopted in 1791.]

AMENDMENT IX

[RIGHTS RETAINED BY THE PEOPLE]

Rights retained by the people. The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

[Proposed in 1789; adopted in 1791.]

AMENDMENT X

[RESERVED STATE POWERS]

Powers reserved to states, people. The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

[Proposed in 1789; adopted in 1791.]

and every such law shall provide for levying an annual tax sufficient to pay the interest semiannually, and the principal within twenty years from the passage of such law, and shall specially appropriate the proceeds of said taxes to the payment of said principal and interest; and such appropriation shall not be repealed nor the taxes postponed or diminished until the principal and interest of said debts shall have been wholly paid. Every contract of indebtedness entered into or assumed by or on behalf of the state, when all its debts and liabilities amount to said sum before mentioned, shall be void and of no effect, except in cases of money borrowed to repel invasion, suppress insurrection, defend the state in time of war, or, if hostilities be threatened, provide for the public defense.

The state, notwithstanding the foregoing limitations, may, pursuant to authority of the legislature, make and enter into any and all contracts necessary, expedient or advisable for the protection and preservation of any of its property or natural resources, or for the purposes of obtaining the benefits thereof, however arising and whether arising by or through any undertaking or project of the United States or by or through any treaty or compact between the states, or otherwise. The legislature may from time to time make such appropriations as may be necessary to carry out the obligations of the state under such contracts, and shall levy such tax as may be necessary to pay the same or carry them into effect.

[Amended in 1916 and 1934. The first amendment was proposed and passed by the 1913 legislature; agreed to and passed by the 1915 legislature; and approved and ratified by the people at the 1916 general election. See: Statutes of Nevada 1913, p. 585; Statutes of Nevada 1915, p. 516. The second amendment was proposed and passed by the 1931 legislature; agreed to and passed by the 1933 legislature; and approved and ratified by the people at the 1934 general election. See: Statutes of Nevada 1933, p. 357.]

Sec: 4. Assumption of county, city, corporation debts by state. The State shall never assume the debts of any county, town, city or other corporation whatever, unless such debts have been created to repel invasion [.] suppress insurrection or to provide for the public defense.

Section 5. Proceeds of motor vehicle license, registration fees and motor vehicle fuel excise taxes reserved for public highway construction, repair; vehicle privilege tax. The proceeds from the imposition of any license or registration fee and other charge with respect to the operation of any motor vehicle upon any public highway in this state and the proceeds from the imposition of any excise tax on gasoline or other motor vehicle fuel shall, except costs of administration, be used exclusively for the construction, maintenance, and repair of the public highways of this state. The provisions of this section do not apply to the proceeds of any tax imposed upon motor vehicles by the legislature in lieu of an ad valorem property tax.

[Added in 1940 and amended in 1961. The addition was proposed and passed by the 1937 legislature; agreed to and passed by the 1939 legislature; and approved and ratified by the people at the 1940 general election. See: Statutes of Nevada 1937, p. 567; Statutes of Nevada 1939, p. 359. The amendment was proposed and passed by the 1960 legislature; agreed to and passed by the 1961 legislature; and approved and ratified by the people at the 1962 general election. See: Statutes of Nevada 1960, p. 509; Statutes of Nevada 1961, p. 825.]

Art. 7, § 2 **NEVADA CONSTITUTION**

Senators shall be upon Oath or Affirmation, to do justice according to Law and Evidence. The Chief Justice of the Supreme Court, shall preside over the Senate while sitting to try the Governor or Lieutenant Governor upon impeachment. No person shall be convicted without the concurrence of two thirds of the Senators elected.

Sec: 2. Who may be impeached. The Governor and other State and Judicial Officers, except Justices of the Peace shall be liable to impeachment for Misdemeanor or Malfeasance in Office; but judgment in such case shall not extend further than removal from Office and disqualification to hold any Office of honor, profit, or trust under this State. The party whether convicted or acquitted, shall, nevertheless, be liable to indictment, trial, judgment and punishment according to law.

Sec: 3. Removal of supreme court justices, district judges. For any reasonable cause to be entered on the journals of each House, which may, or may not be sufficient grounds for impeachment, the Chief Justice and Associate Justices of the Supreme Court and Judges of the District Courts shall be removed from Office on the vote of two thirds of the Members elected to each branch of the Legislature, and the Justice or Judge complained of, shall be served with a copy of the complaint against him, and shall have an opportunity of being heard in person or by counsel in his defense, Provided, that no member of either branch of the Legislature shall be eligible to fill the vacancy occasioned by such removal.

Sec: 4. Removal of other civil officers. Provision shall be made by law for the removal from Office of any Civil Officer other than those in this Article previously specified, for Malfeasance, or Nonfeasance in the Performance of his duties.

ARTICLE. 8.

MUNICIPAL AND OTHER CORPORATIONS.

- SEC. 1.** Corporations formed under general laws; municipal corporations formed under special acts.
2. Corporate property subject to taxation; exemptions.
 3. Individual liability of corporators.
 4. Regulation of corporations incorporated under territorial law.
 5. Corporations may sue and be sued.
 6. Circulation of certain banknotes, paper as money prohibited.
 7. Eminent domain by corporations.
 8. Municipal corporations formed under general laws.
 9. Lending public credit; gifts to corporations.
 10. Loans of public credit by counties, municipal corporations to corporations.

Section. 1. Corporations formed under general laws; municipal corporations formed under special acts. The Legislature shall pass no Special Act in any manner relating to corporate powers except for Municipal purposes; but corporations may be formed under general laws; and all such laws may from time to time, be altered or repealed.

NEVADA CONSTITUTION

Art. 8, § 9

Sec: 2. Corporate property subject to taxation; exemptions. All real property, and possessory rights to the same, as well as personal property in this State, belonging to corporations now existing or hereafter created shall be subject to taxation, the same as property of individuals; Provided, that the property of corporations formed for Municipal, Charitable, Religious, or Educational purposes may be exempted by law.

Sec: 3. Individual liability of corporators. Dues from corporations shall be secured by such means as may be prescribed by law; Provided, that corporators in corporations formed under the laws of this State shall not be individually liable for the debts or liabilities of such corporation.

Sec: 4. Regulation of corporations incorporated under territorial law. Corporations created by or under the laws of the Territory of Nevada shall be subject to the provisions of such laws until the Legislature shall pass laws regulating the same, in pursuance of the provisions of this Constitution[.]

Sec: 5. Corporations may sue and be sued. Corporations may sue and be sued in all courts, in like manner as individuals.

Sec. 6. Circulation of certain banknotes, paper as money prohibited. No bank notes or paper of any kind shall ever be permitted to circulate as money in this State, except the Federal currency, and the notes of banks authorized under the laws of Congress.

Sec: 7. Eminent domain by corporations. No right of way shall be appropriated to the use of any corporation until full compensation be first made or secured therefor.

Section 8. Municipal corporations formed under general laws. The legislature shall provide for the organization of cities and towns by general laws and shall restrict their power of taxation, assessment, borrowing money, contracting debts and loaning their credit, except for procuring supplies of water; *provided, however,* that the legislature may, by general laws, in the manner and to the extent therein provided, permit and authorize the electors of any city or town to frame, adopt and amend a charter for its own government, or to amend any existing charter of such city or town.

[Amended in 1924. Proposed and passed by the 1921 legislature; agreed to and passed by the 1923 legislature; and approved and ratified by the people at the 1924 general election. See: Statutes of Nevada 1921, p. 420; Statutes of Nevada 1923, p. 403.]

Sec: 9. Lending public credit; gifts to corporations. The State shall not donate or loan money, or its credit, subscribe to or be, interested in the Stock of any company, association, or corporation, except corporations formed for educational or charitable purposes.