

SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING

Hangar H600, Second Floor Conference Room
2720 Arnold Court
November 21, 2018– 8:00 AM

AGENDA (amended)

Action Items

1. Call to order and determine a quorum is present. (Weisel)
2. Recognition of guests. (Weisel)
3. Additions to the agenda. (Weisel)
4. Approval of the minutes of the October 17, 2018 regular board meeting. (Weisel)
5. Review of airport activity and financial reports for the month ending October 31, 2018. (Rogers & Swanson)
6. Presentation of the Airport Authority's 2019 automobile, equipment, commercial property, environmental, workers' compensation and liability insurance coverages for 2019 (Swanson and Charlesworth)
7. Consideration of the renewal of the insurance broker services agreement with Lockton Companies, LLC, Kansas City, MO. (Rogers & Swanson)
8. Consideration of a facility/tower use agreement with Nex-Tech, LLC, Lenora, KS for radio and communications equipment at 2725 Arnold Ave. (Swanson)
8. (a) Consideration of a Termination Agreement with Tischlerei, LLC for Unit A, Building B655. (Rogers)
9. Presentation of the draft 2019 Operating Plan and Budget Report. (Rogers and Swanson)

Directors' Forum (Weisel)

Visitor's Questions and Comments (Weisel)

Staff Reports (Rogers)

Announcements (Windhorst)

Executive Session (Weisel)

10. An executive session of the board of directors to discuss matters of non-elected personnel. (Weisel)

I move the board recess into executive session for 10 minutes to discuss the subject of the Executive Director's performance evaluation based upon the need to discuss personnel matters of non-elected personnel pursuant to K.S.A. 75-4319(b)(1). The open meeting will resume in this room at ____ a.m.

Adjournment (Weisel)



DATE: November 20, 2018
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **November 21, 2018 Regular Board Meeting – Amended Agenda**

Enclosed is an amended agenda to the Wednesday, November 21 regular Salina Airport Authority board meeting. Please note my comments related to Agenda Item #8(a) that was added to the agenda.

Enclosed are items for your review prior to Wednesday's meeting. Please note that the meeting will be held in the **second-floor conference room, Hangar 600, 2720 Arnold Ct.** A map showing the location of Hangar 600 is enclosed.

Also transmitted is a copy of the draft, 2019 Budget Report and Operating Plan for review prior to the meeting. Hard copies of the report will be available at the meeting.

Please note my comments conceding agenda item #8(a).

Agenda Item #8(a) - Consideration of a Termination Agreement with Tischlerei, LLC (Rogers and Swanson)

Attached is a copy of the proposed Termination Agreement with Tischlerei for Unit A at Building B655. The termination agreement sets a negotiation settlement payment of \$22,000 that will close out all rental obligations. The current rental due is \$29,910. If approved by the board, the settlement payment (bank-certified funds) will be received from Tischlerei by no later than Wednesday, November 28. If the settlement payment is not received by November 28 the Airport Authority will proceed with appropriate legal action.

Unit A has already been shown to a prospective tenant. The prospect has been presented with a draft lease agreement for a January 1 occupancy.

Please contact me if you have any questions or comments.

TERMINATION AGREEMENT

This Termination Agreement (“Agreement”), made this ____ day of November, 2018 by and between the **SALINA AIRPORT AUTHORITY**, a Kansas public corporation, of Salina, Saline County, Kansas, herein (the “Authority”), and **TISCHLEREI—FINE WOODWORKING, LLC.**, a limited liability company, authorized to do business in Kansas, with principal offices located at 2656 Scanlan Ave., Salina, KS (the “Lessee”), WITNESSETH:

Recitals

A. On the 6th day of June 2012, the Authority and Lessee entered into a Lease Agreement (the “Lease”) covering the following Premises:

A portion of the Authority’s multi-tenant facility commonly known as Bldg. 655 containing approximately 43,638 SF and located at 2656 Scanlan Ave., Salina, KS 67401.

for a term of seven (7) years and eight (8) months commencing effective May 1, 2102 and terminating on December 31, 2019 (the “Original Lease Term”).

B. Lessee has notified the Authority that its business operations shall cease on or before November 30, 2018 and it desires to hold a public auction of the Lessee’s personal property on the Premises on or before December 15, 2018 (the “Public Auction”).

C. Lessee is currently in default of the Lease as a result of failure to pay the rent when due; Section 10.2.4 of the Lease sets forth the cumulative remedies available to the Authority in the event of default, including but not limited to acceleration and collection of those rentals remaining to be paid for the unexpired term of the Lease.

D. The parties mutually desire to provide a means for Lessee to hold the Public Auction on the Premises and for the Lease to be terminated effective December 31, 2018 on the basis of Lessee’s payment of bank-certified funds to the Authority simultaneous with execution of this Agreement in the amount \$22,000 as a compromise settlement of all rental obligations of the Lessee under the Lease Agreement for the proposed modified term of the Lease.

THE PARTIES mutually covenant and agree:

1. Payment in Settlement of Rent Obligation. The Authority acknowledges receipt of bank-certified funds from Lessee in the amount of \$22,000 as a compromise settlement of all rental obligations of the Lessee under the Lease Agreement for the modified lease term established under Paragraph 3 below (the “Rental Payment”).

2. Public Auction. Upon the precondition that Lessee remains in compliance with all of its obligations under the Lease, including, but not limited to, its liability insurance obligations set forth in Section 4 of the Lease, Lessee is authorized to conduct the Public Auction on the Premises on or before December 15, 2018.

3. Lease Termination. The parties agree that the Lease shall be mutually terminated as of 12:00 Midnight, December 31, 2018 (the “Modified Lease Term”) and both parties mutually released from any duties or obligations thereunder for the remainder of the Original Lease Term. The parties acknowledge that Lessee is under no further obligation to make any additional rental payments to the Authority for the balance of the Modified Lease Term. The parties agree and acknowledge that all other duties and obligations of the Parties under the Lease remain in full force and effect for the balance of the Modified Lease Term.

4. Binding Effect. This Termination Agreement shall be binding upon the parties and their successors.

IN WITNESS WHEREOF, the parties have hereunto caused this instrument to be properly executed by its duly authorized offices all on the day and year indicated.

SALINA AIRPORT AUTHORITY

By: _____
Brian Weisel, Chairman
Date: _____

ATTEST:

By: _____
Alan Eichelberger, Secretary
Date: _____

TISCHLEREI—FINE WOODWORKING, LLC

By: _____
Olaf Gerhardt, Managing Member
Date: _____

ACKNOWLEDGEMENTS

STATE OF KANSAS, COUNTY OF SALINE, ss:

This instrument was acknowledged before me on November __, 2018 by Brian Weisel as Chairman and Alan Eichelberger as Secretary of the Board of Directors of the Salina Airport Authority.

My appointment expires:

Notary Public

STATE OF KANSAS, COUNTY OF SALINE, ss:

This instrument was acknowledged before me on November __, 2018 by Olaf Gerhardt as Managing Member of Tischlerei – Fine Woodworking, LLC.

My appointment expires:

Notary Public