

Salina Airport Authority Board of Directors Regular Meeting

DECEMBER 15, 2021



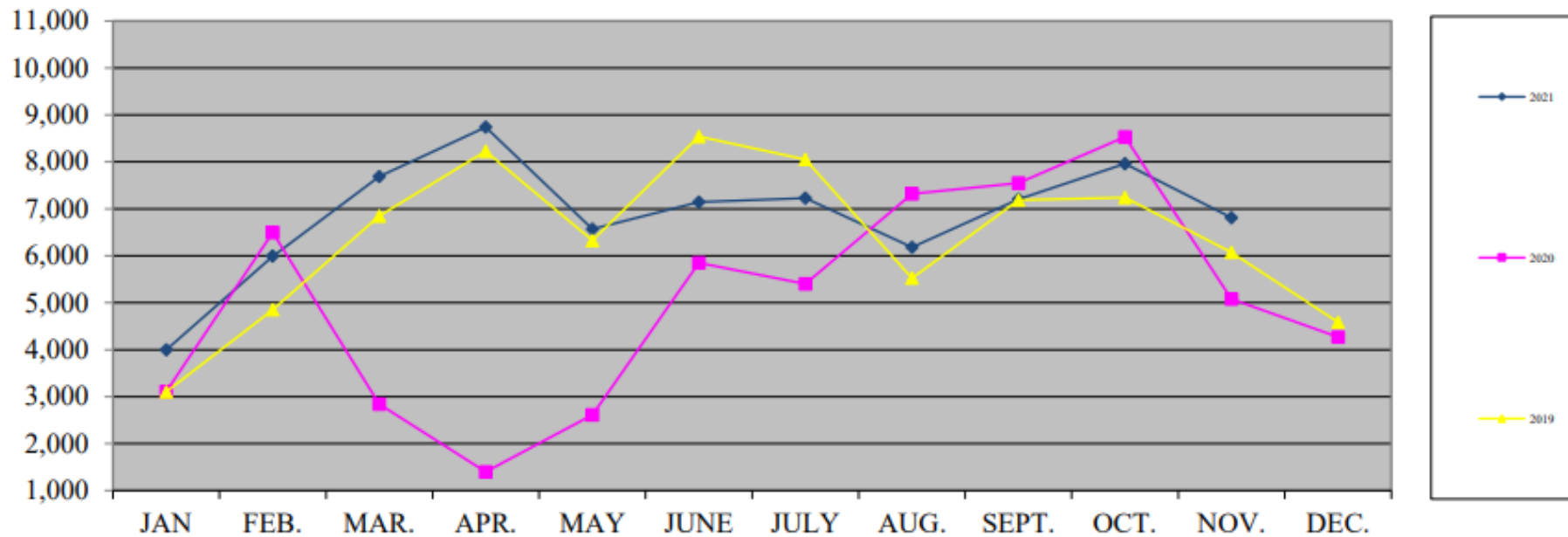
Agenda Review

- Salina Airport Authority financial goals and objectives.
- Approve and adopt the SAA's 2022 Operating Plan and Budget.
- Maintaining property and liability insurance coverage for SAA property and operations.
- Building and hangar maintenance.

Review of Airport Activity and Financial Reports for the Month ending November 30, 2021

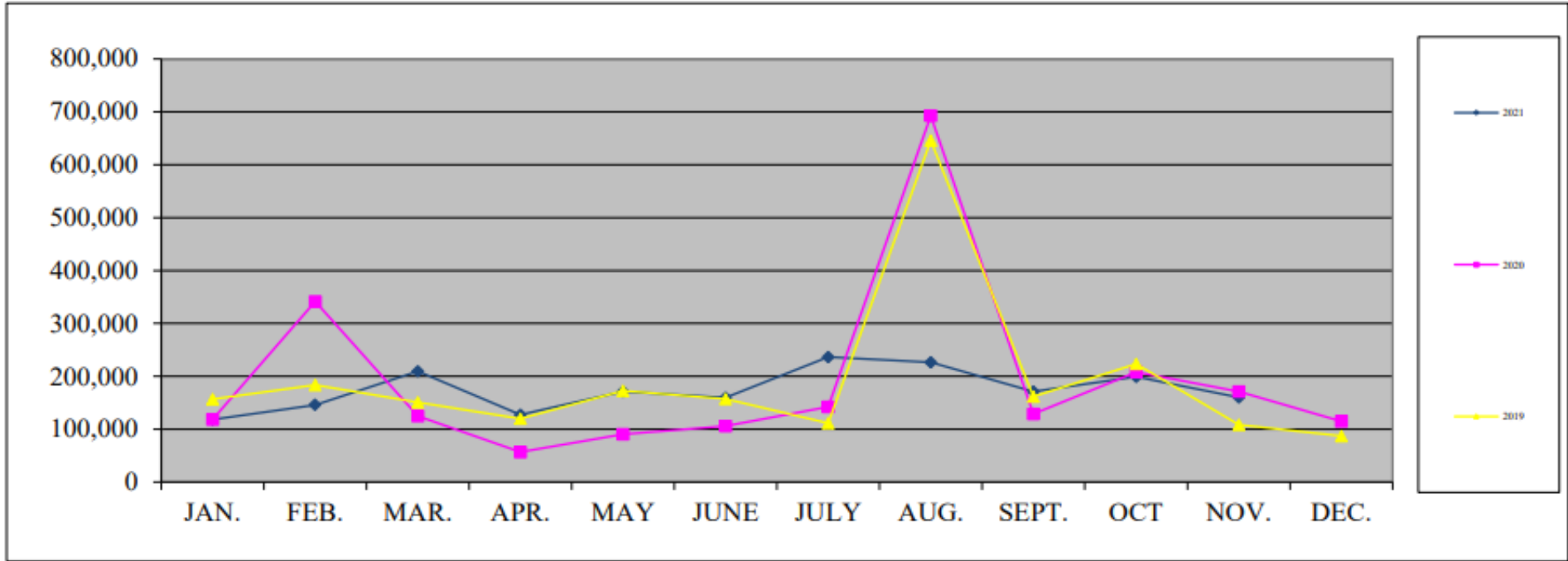
TIM ROGERS, A.A.E.

SHELLI SWANSON, C.M.



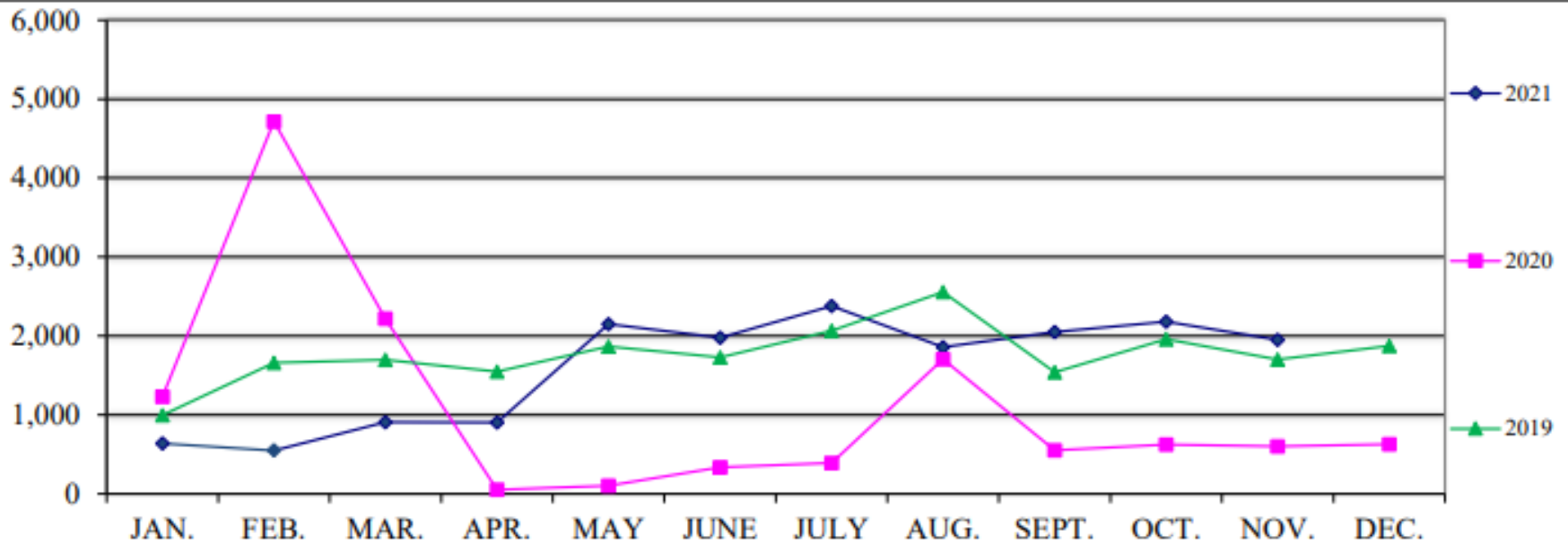


Fuel Flowage



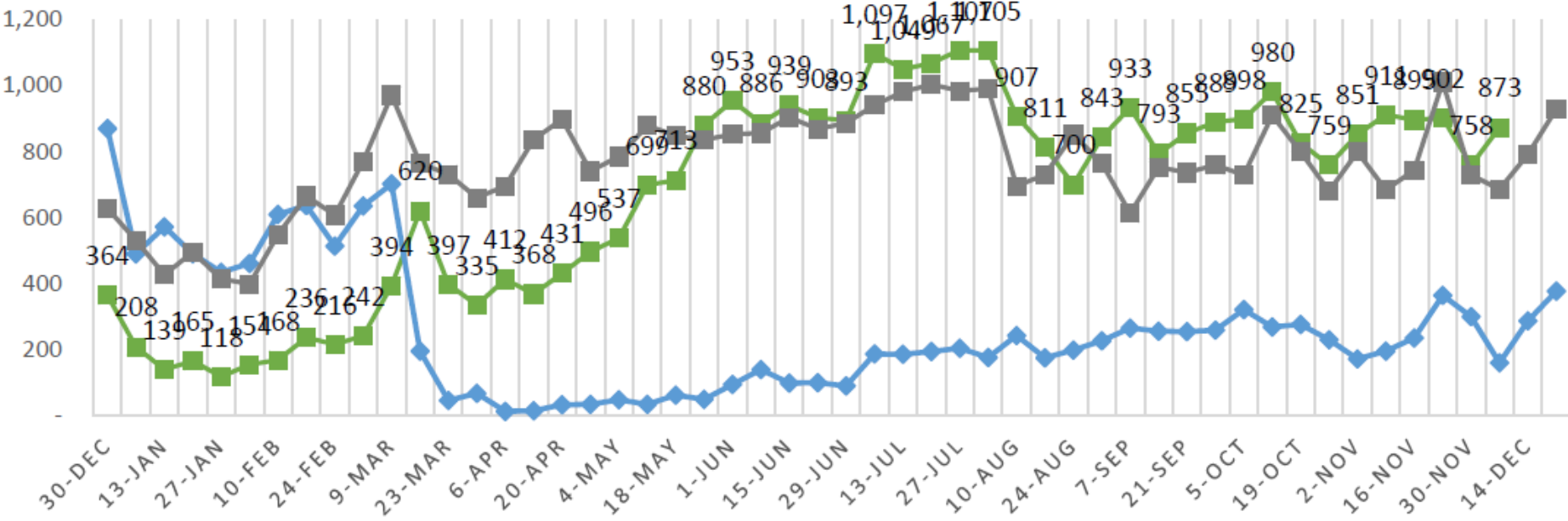


Enplanements



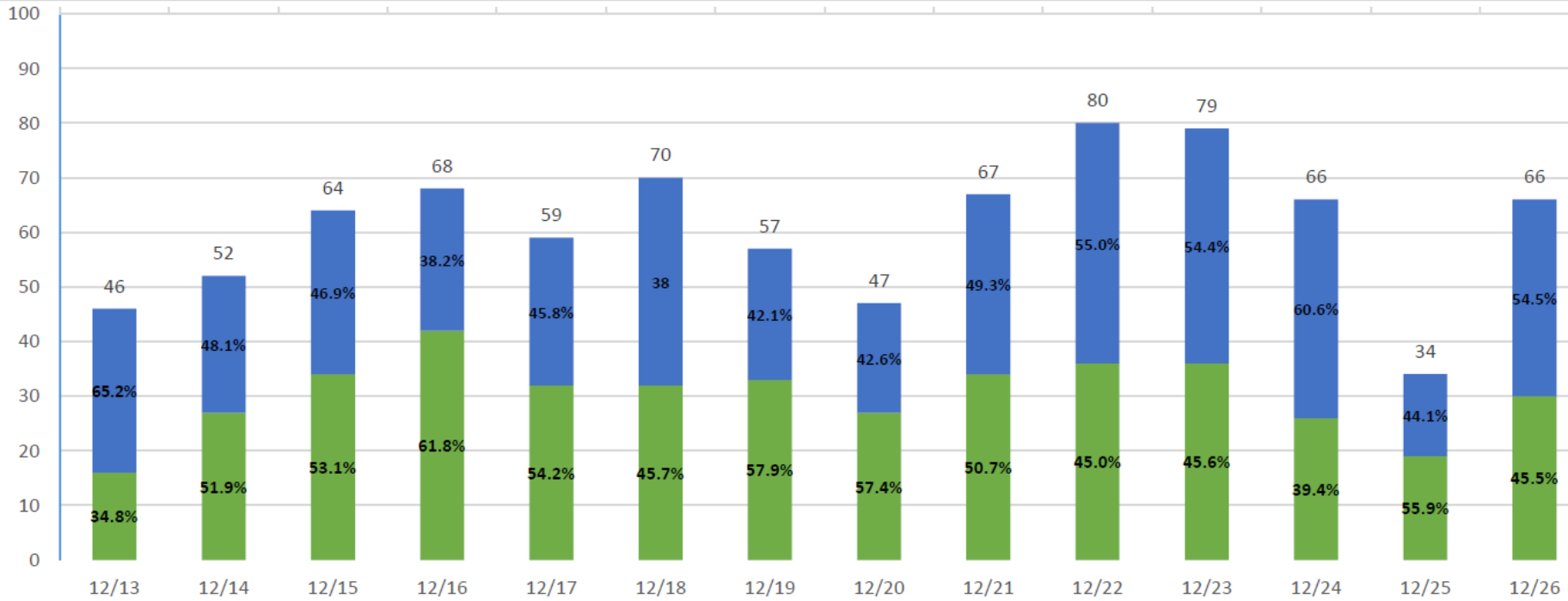
TOTAL SLN PASSENGERS - PER WEEK

2021 TOTAL 2020 TOTAL 2019 TOTAL

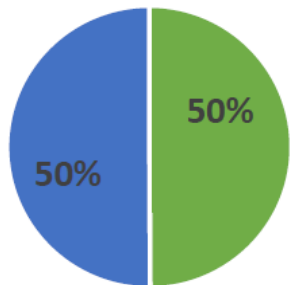


* Passenger numbers reported are unaudited by SKW and subject to change

Advanced Bookings

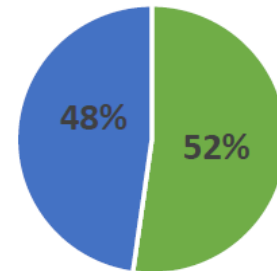


Advanced Bookings
December 13 - December 26



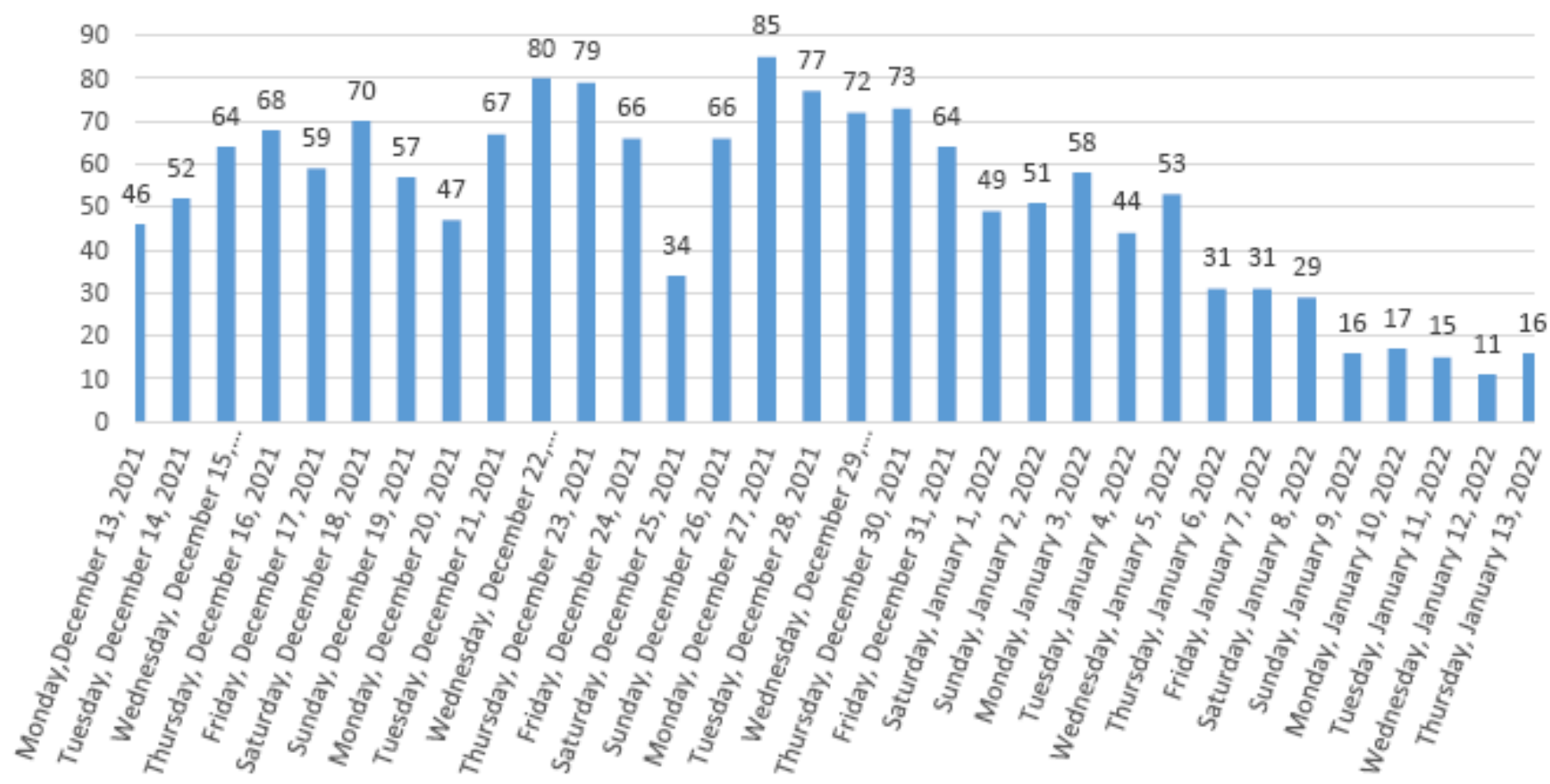
■ DEN ■ ORD

Advanced Bookings
Year-To-Date



■ DEN ■ ORD

SLN Pax per day



Financial Reports

Salina Airport Authority Profit & Loss Prev Year Comparison January through November 2021

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12/09/2021

Accrual Basis

	Jan - Nov 21	Jan - Nov 20	\$ Change	% Change
Ordinary Income/Expense				
Income				
Total Airfield revenue	1,001,525.82	876,868.26	124,657.56	14.22%
Total Other revenue	110,980.43	163,512.12	-52,531.69	-32.13%
Total Income	2,673,762.13	2,470,561.50	203,200.63	8.23%
Gross Profit	2,673,762.13	2,470,561.50	203,200.63	8.23%
Expense				
Total Administrative expenses	1,563,418.85	1,430,590.23	132,828.62	9.29%
Total Maintenance expenses	972,549.93	766,508.01	206,041.92	26.88%
Total Expense	2,535,968.78	2,197,098.24	338,870.54	15.42%
Net Ordinary Income	137,793.35	273,463.26	-135,669.91	-49.61%
Total Other Income	3,817,755.45	1,558,067.44	2,259,688.01	145.03%
Total Other Expense	3,284,666.59	3,187,566.05	97,100.54	3.05%
Net Other Income	533,088.86	-1,629,498.61	2,162,587.47	132.72%
Net Income	670,882.21	-1,356,035.35	2,026,917.56	149.47%

November Market Review

Salina Regional Airport

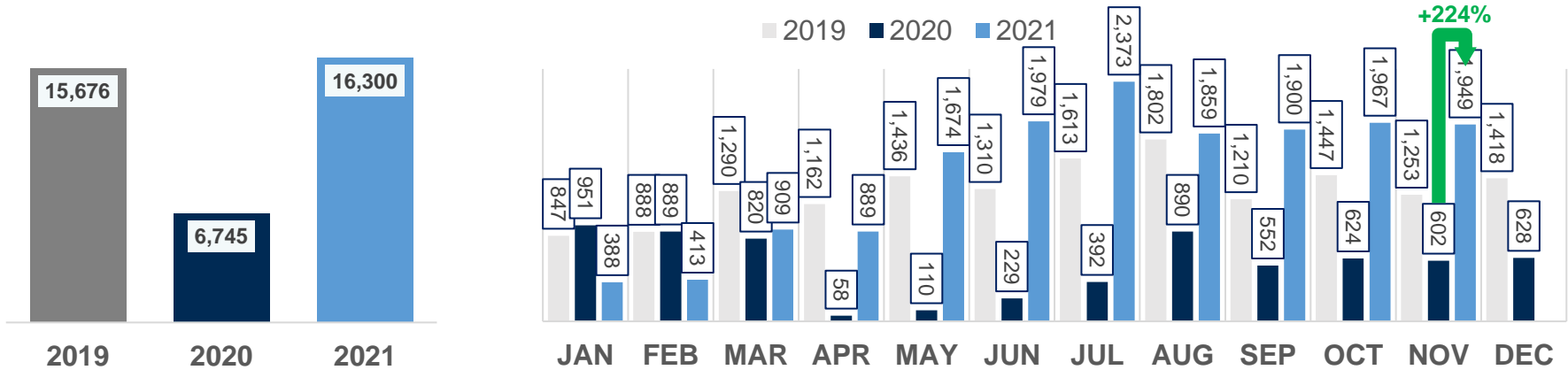


Enplanements

November enplanements more than tripled yr/yr on both a one-way and roundtrip basis. With a month still to count for the year, over 32k roundtrip passengers have traversed the airport

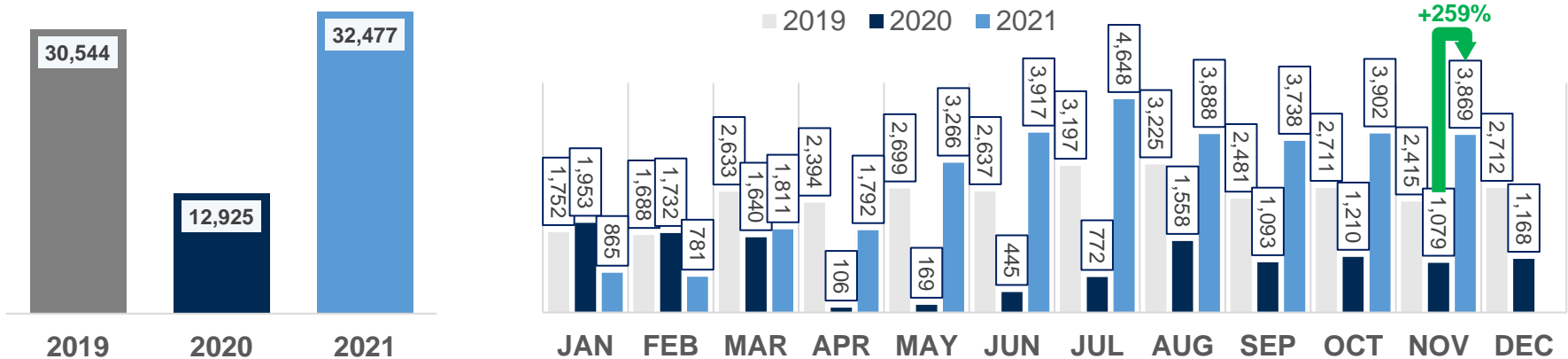
1) Salina Outbound Passenger Enplanements

January 2019 to November 2021



2) Salina Roundtrip Passenger Enplanements

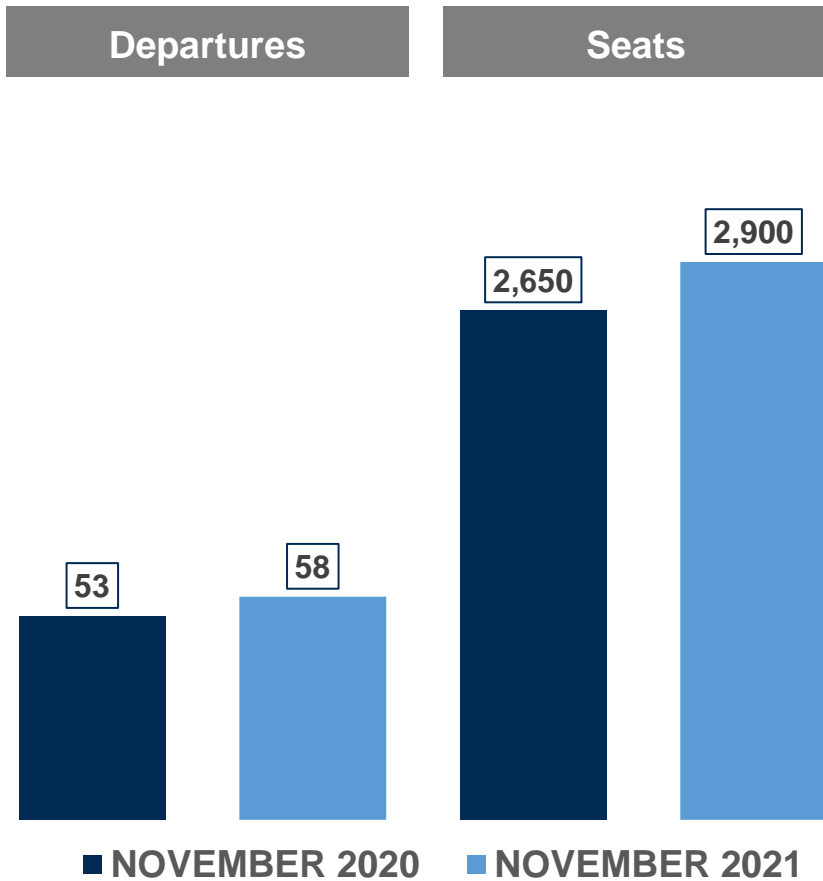
January 2019 to November 2021



Salina achieved a respectable Load Factor of 67% in November – up 44pts year/year

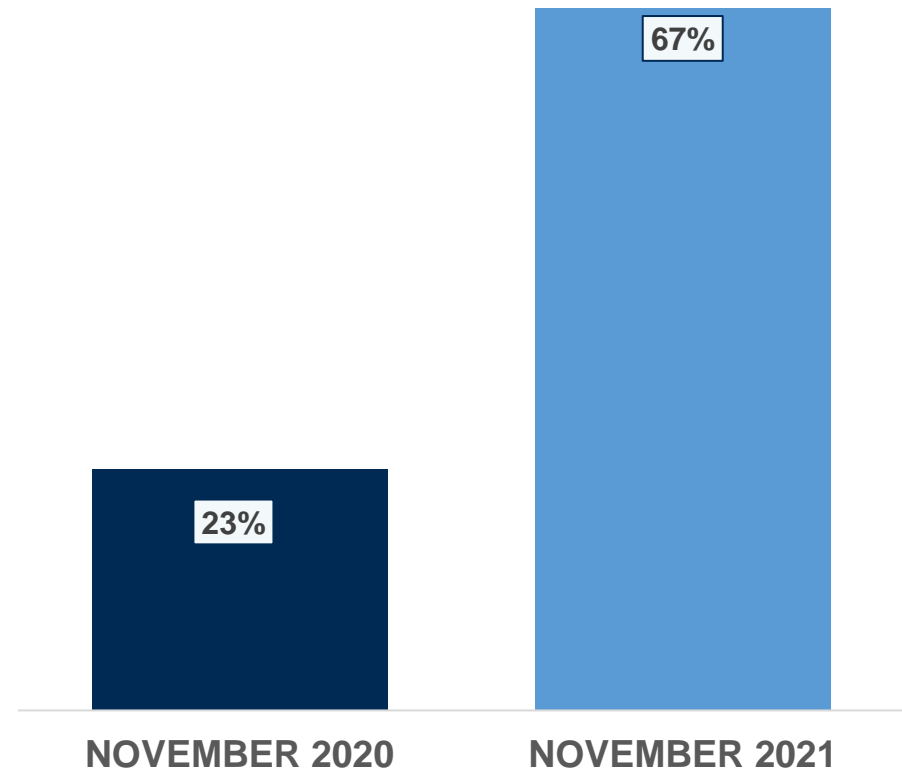
3) Salina Outbound Operated Capacity

November 2021 vs. November 2020



4) Salina Load Factor

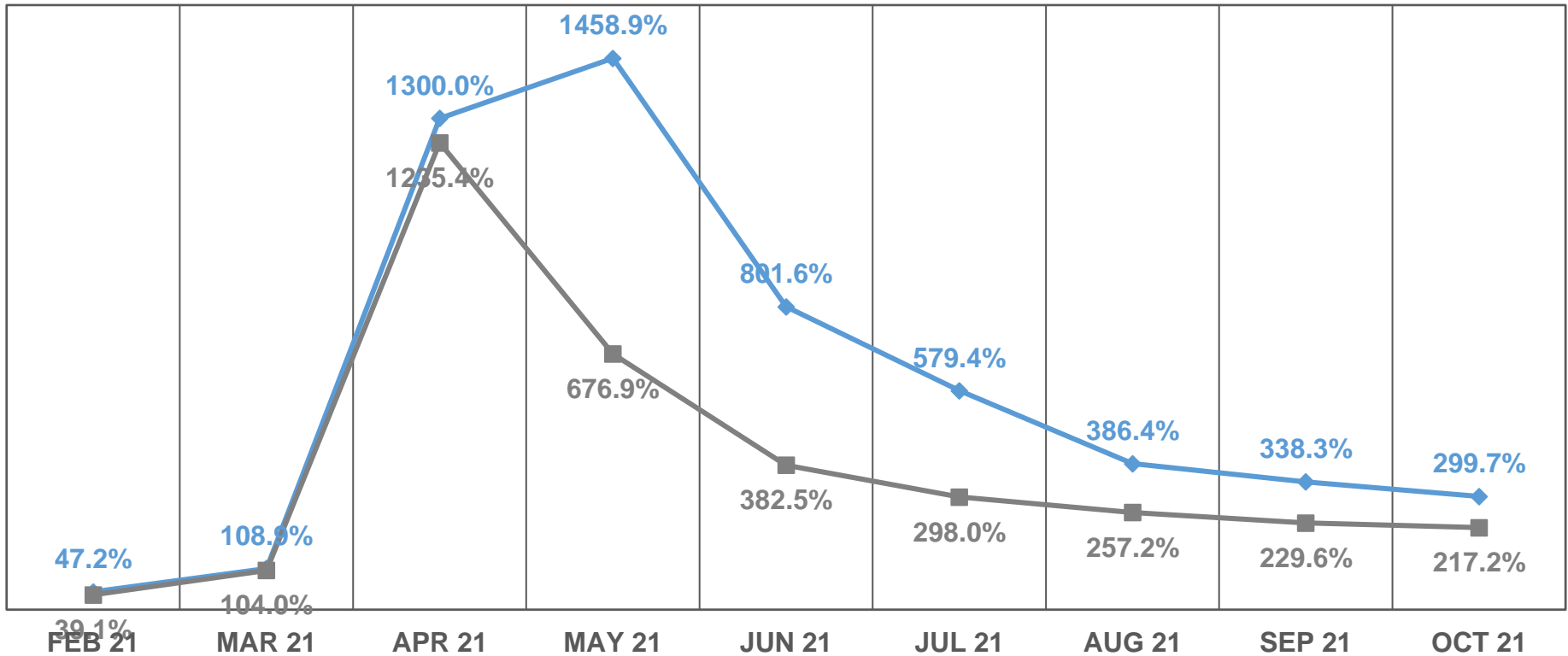
November 2021 vs. November 2020



For the February through October 2021 tracking period, passenger traffic has returned at a faster rate than the national average

5) Return of Traffic at Salina vs. All Airports Nationally
As a Percentage of Last Year

◆ Salina TSA Screenings % of Last Year ■ National TSA Screenings % of Last Year

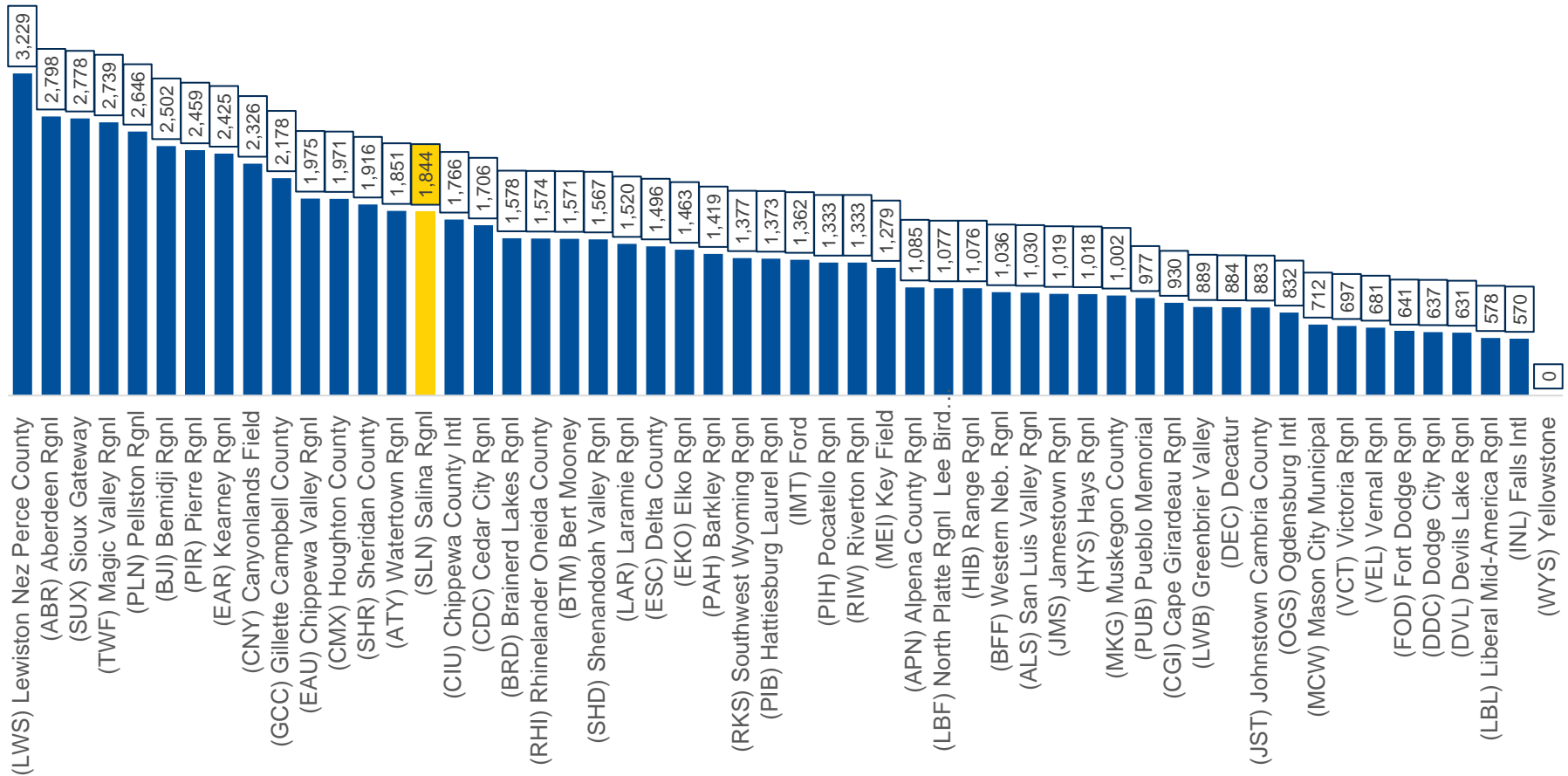


Traffic vs. Other Prorate Markets

In the 28-day period ending November 20, Salina recorded 1,844 passenger screenings, placing it **15th** among the 54 SkyWest "At Risk" markets – placing it in the second quartile

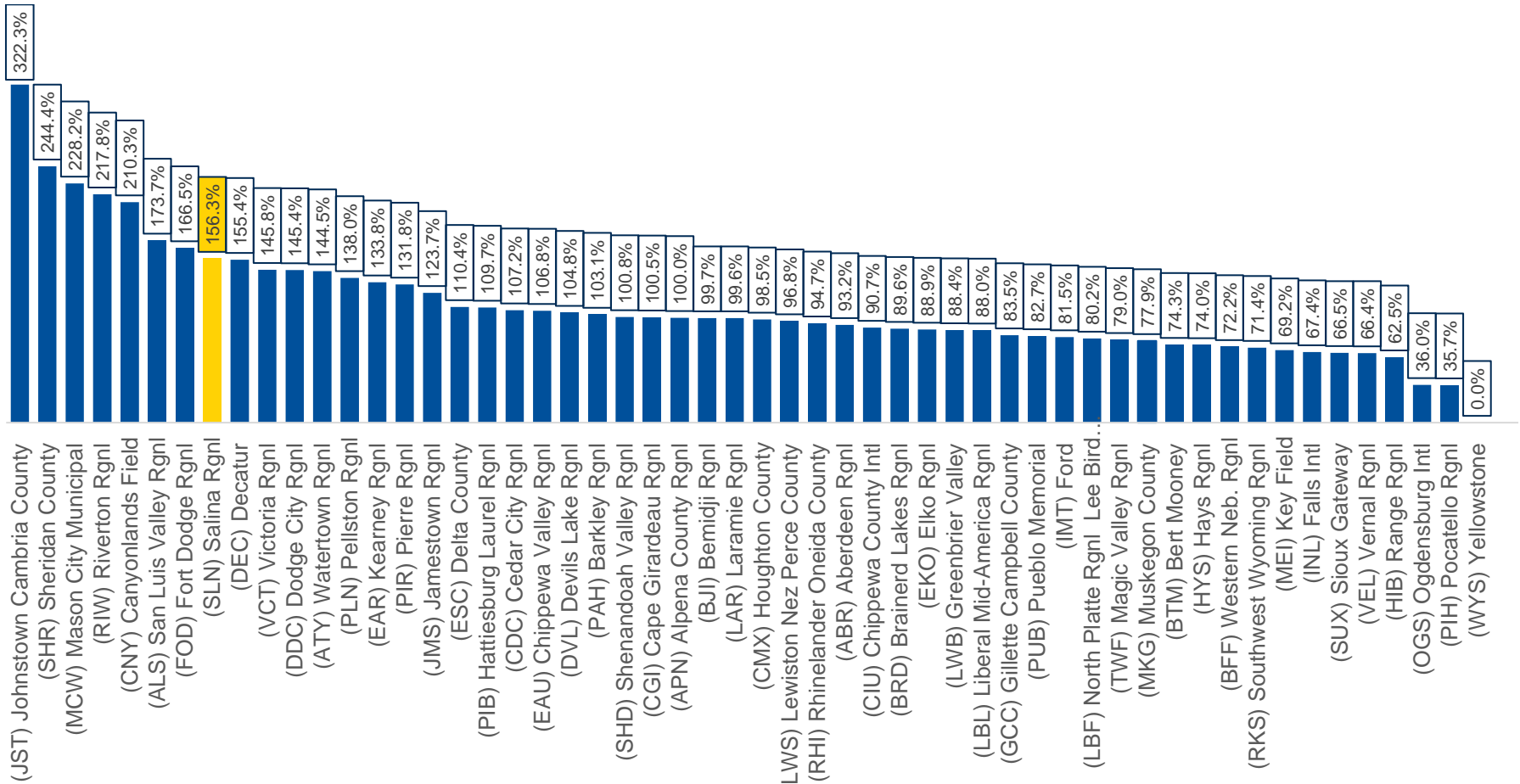
6) TSA Throughput in SkyWest Prorate Markets (Where SkyWest is Sole Operator)

28 Days Between October 24 and November 20, 2021 (Latest 28 Days of Data Available as of December 8, 2021)



Salina is the 7th most improved SkyWest “At Risk” market when compared to the same 28 days in 2019, placing it in the first quartile

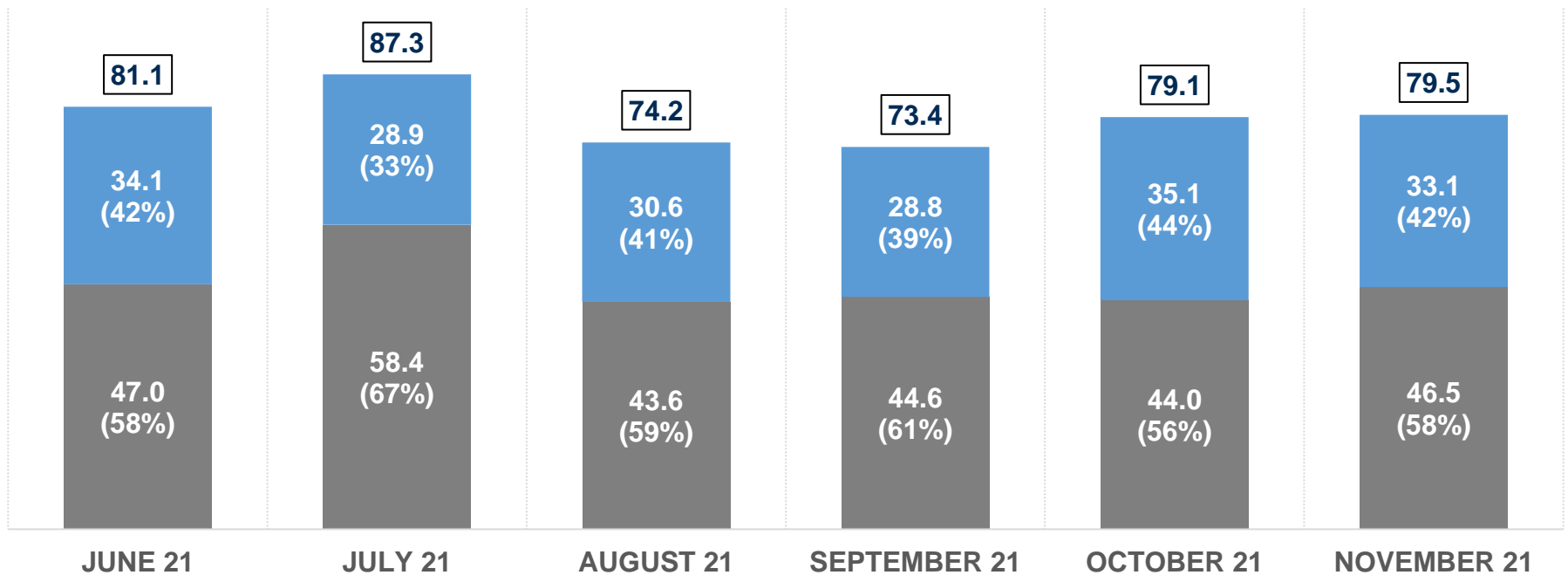
7) TSA Throughput as a % of 2019 in SkyWest Prorate Markets (Where SkyWest is Sole Operator) 28 Days Between October 24 and November 20, 2021 vs. Same 28 Days in 2019



Business bookings, as defined by those purchased within 21 days in advance of departure, made up 42% of total bookings in November

8) Advanced and Close-In Bookings at Salina
June 2021 to November 2021

■ Advance Booked PDEW ■ Close-In PDEW

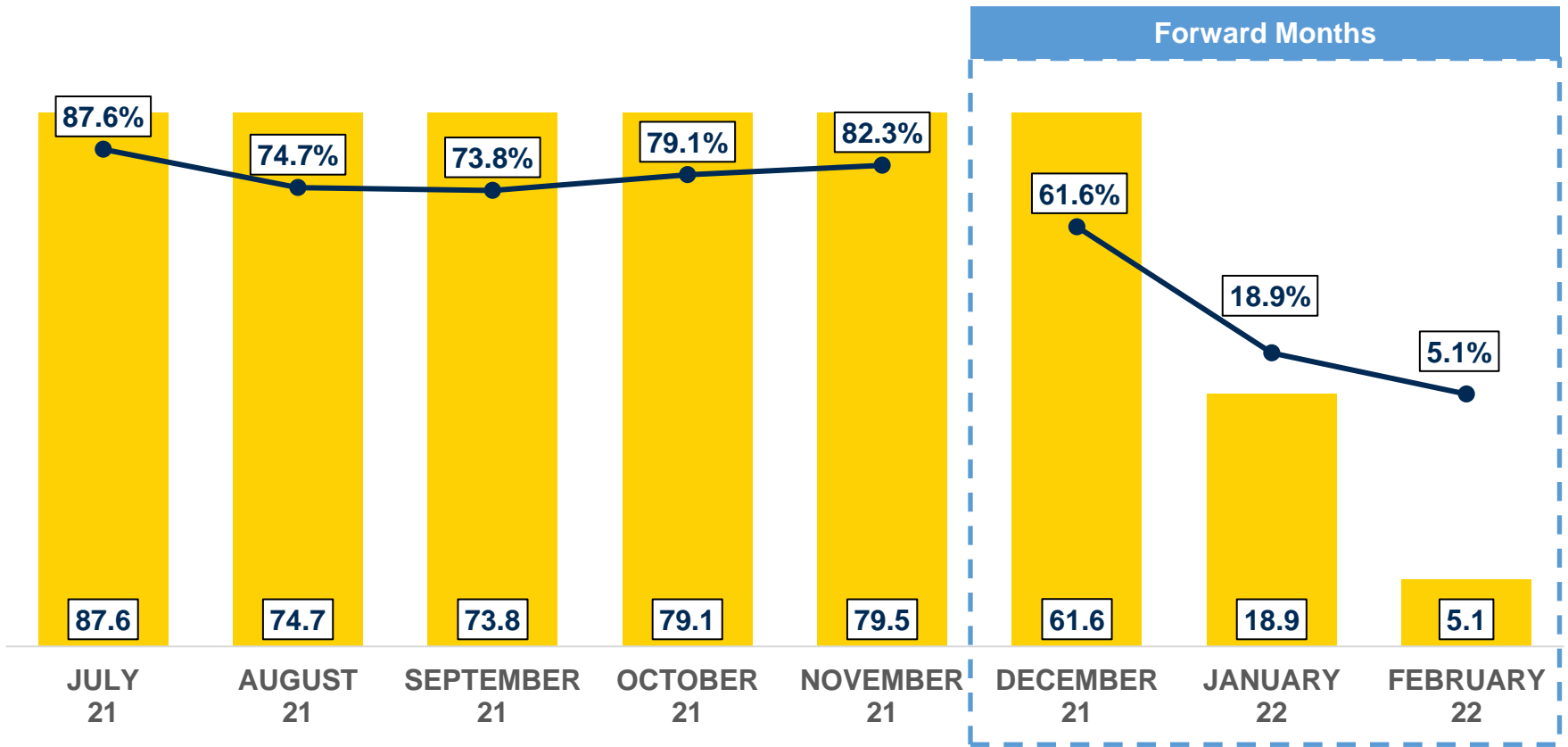


→ With the exception of July, which is often heavy in leisure travel, business demand has accounted for around 40% of traffic at Watertown since May

→ Business travel demand is expected to surge in 2022

9) Booked Passengers and Load Factor at Salina, as of December 3 July 2021 to February 2022

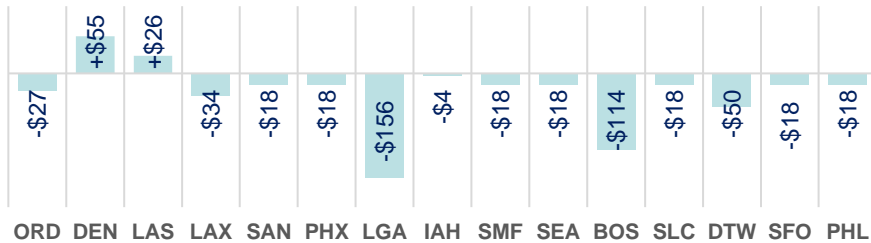
Booked PDEW Booked LDF



10) Leisure Market Fare Differential

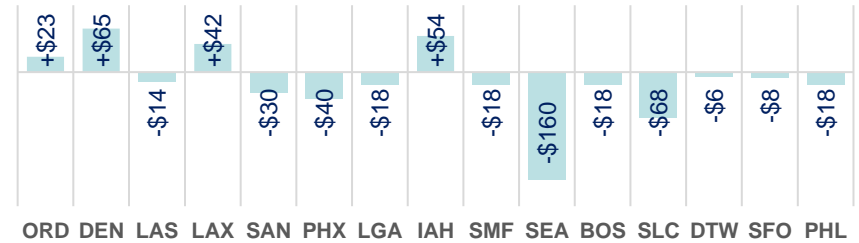
Salina vs. United at Wichita

→ 15 of 15 leisure fares are within the \$75 each way friction cost of United at Wichita, with thirteen cheaper



Salina vs. United at Kansas City

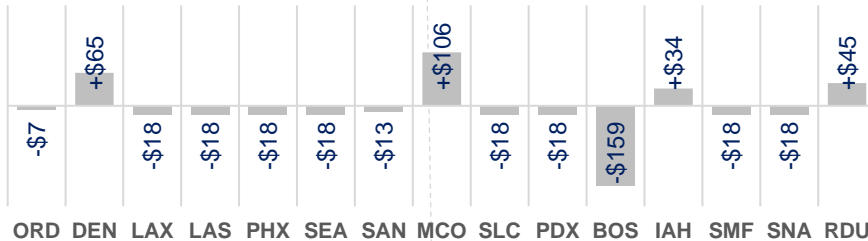
→ 15 of 15 leisure fares are within the \$75 each way friction cost of United at Wichita, with thirteen cheaper



Source: itasoftware.com as of 12/08/21 - Roundtrip Fare for Travel 01/13/22 returning 01/20/22

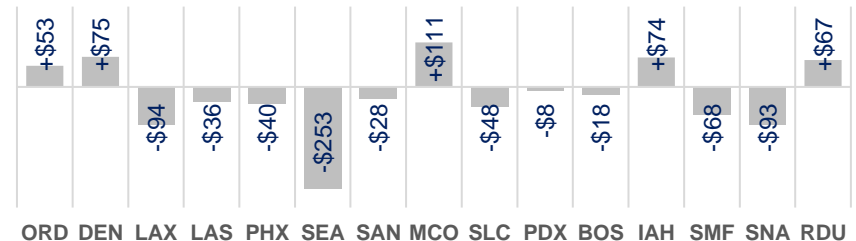
Last Month - Salina vs. United at Wichita

→ 15 of 15 leisure fares are within the \$75 each way friction cost of United at Wichita, with eleven cheaper



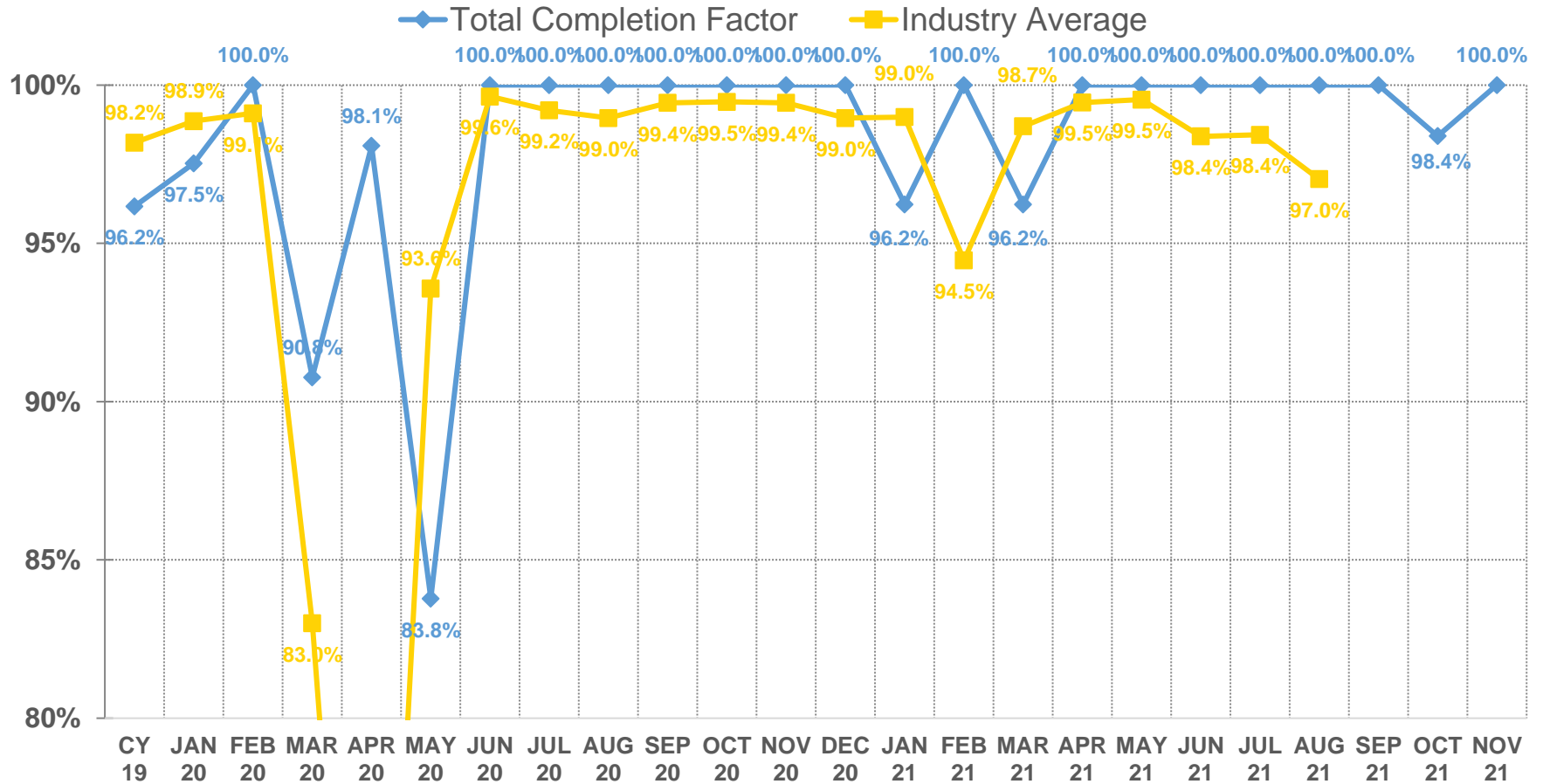
Last Month - Salina vs. United at Kansas City

→ 15 of 15 leisure fares are within the \$75 each way friction cost of United at Kansas City, with ten cheaper



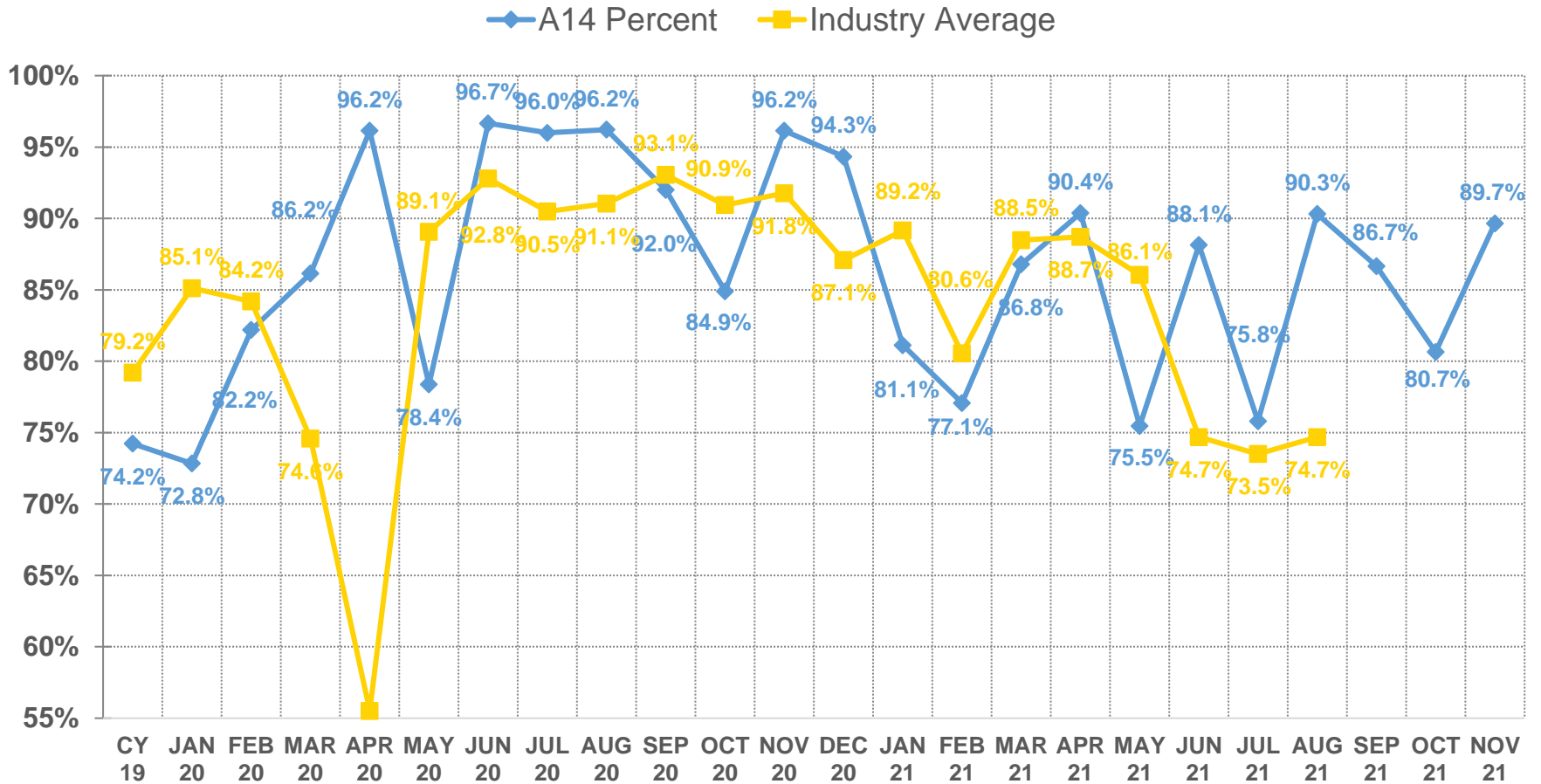
Source: itasoftware.com as of 11/04/21 - Roundtrip Fare for Travel 12/09/21 returning 12/16/21

11) Total Completion Factor (Including Weather) at Salina



90% of SkyWest's arrivals were within 14 minutes of the schedule in November. "Bridge" routes between hubs typically underperform from a dependability perspective

12) On-Time Arrivals at Salina (within 14 Minutes)

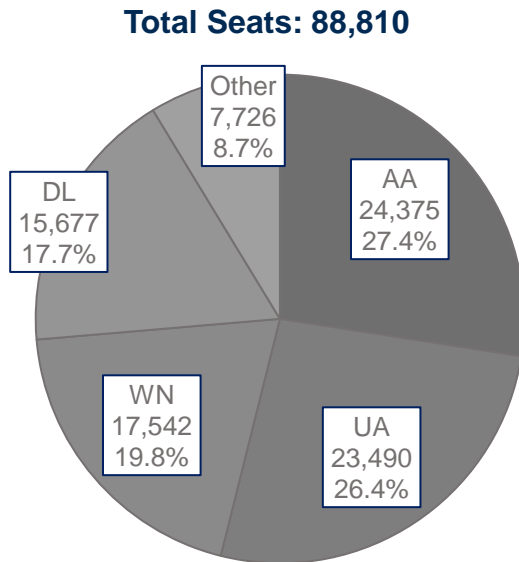


Compared to December 2019, the December 2021 Wichita total seats are down over 10,900, amounting to 12% capacity reduction

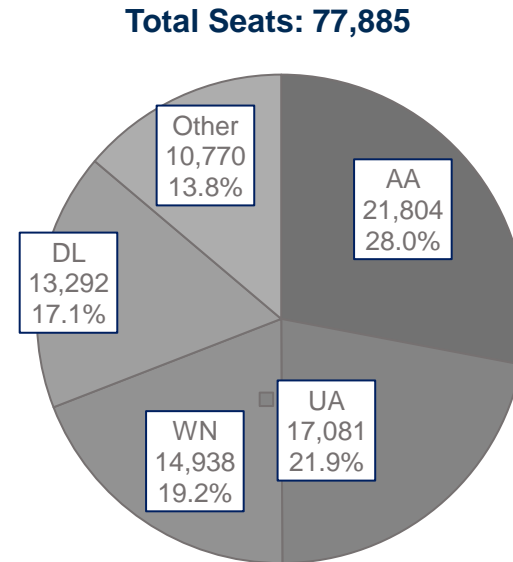
Wichita Scheduled Outbound Seat Capacity by Marketing Carrier
December 2021 vs. December 2019

- United cut the most seat capacity (down over 27%). A total reduction of 6,400 total seats
- Total capacity reductions with American, Delta and Southwest equaled 11%, 15% and 15% respectively

December 2019



December 2021

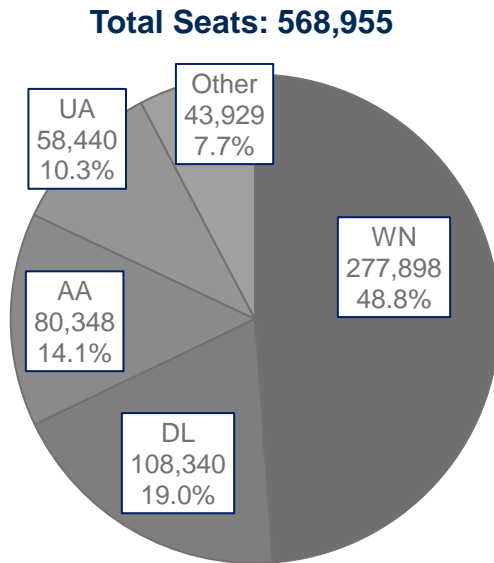


Compared to December 2019, the December Kansas City total seats are down over 118,500, amounting to a 21% capacity reduction

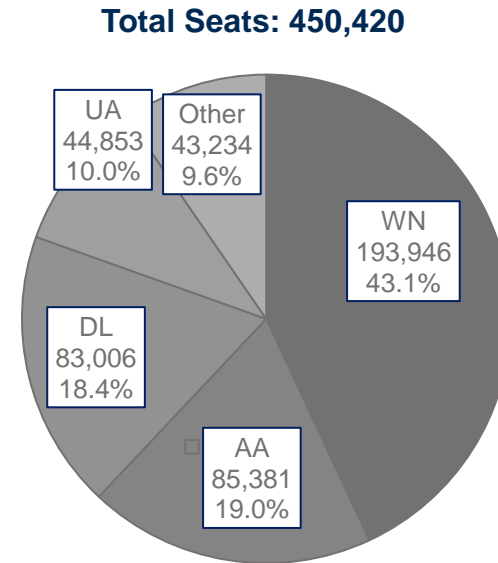
Kansas City Scheduled Outbound Seat Capacity by Marketing Carrier
December 2021 vs. December 2019

- Southwest cut close to 84k seats, more than 30% total capacity reduction for their operation
- United and Delta reduced capacity compared to December 2019. Both are down 23%
- American increased capacity by 5,000 seats, a 6.3% seat improvement

December 2019



December 2021



Additional Detail

Traffic and Capacity

14. 7-Day Average of TSA Screenings at Salina

Passenger Flow

15. Salina Top 15 Markets

Leakage to...

16. Top 15 Markets – SLN November 2021 vs. ICT Q2-2021

17. Top 15 Markets – SLN November 2021 vs. MCI Q2-2021

18. Top 15 Markets – SLN November 2021 vs. MHK Q2-2021

Competitor Airports

19. MHK Outbound Scheduled Departures and Seats per Day

Fare Comparison

20. Comparison of One-Way Salina Top Market Fares to ICT, MCI, MHK

21. Comparison of Roundtrip Salina Top Market Fares to ICT, MCI, MHK

22. Comparison of the Salina Average Fare vs. ICT, MCI, MHK

Operating Performance

23. Total Completion Factor - Salina vs. SkyWest at DEN

24. Total Completion Factor - Salina vs. SkyWest at ORD

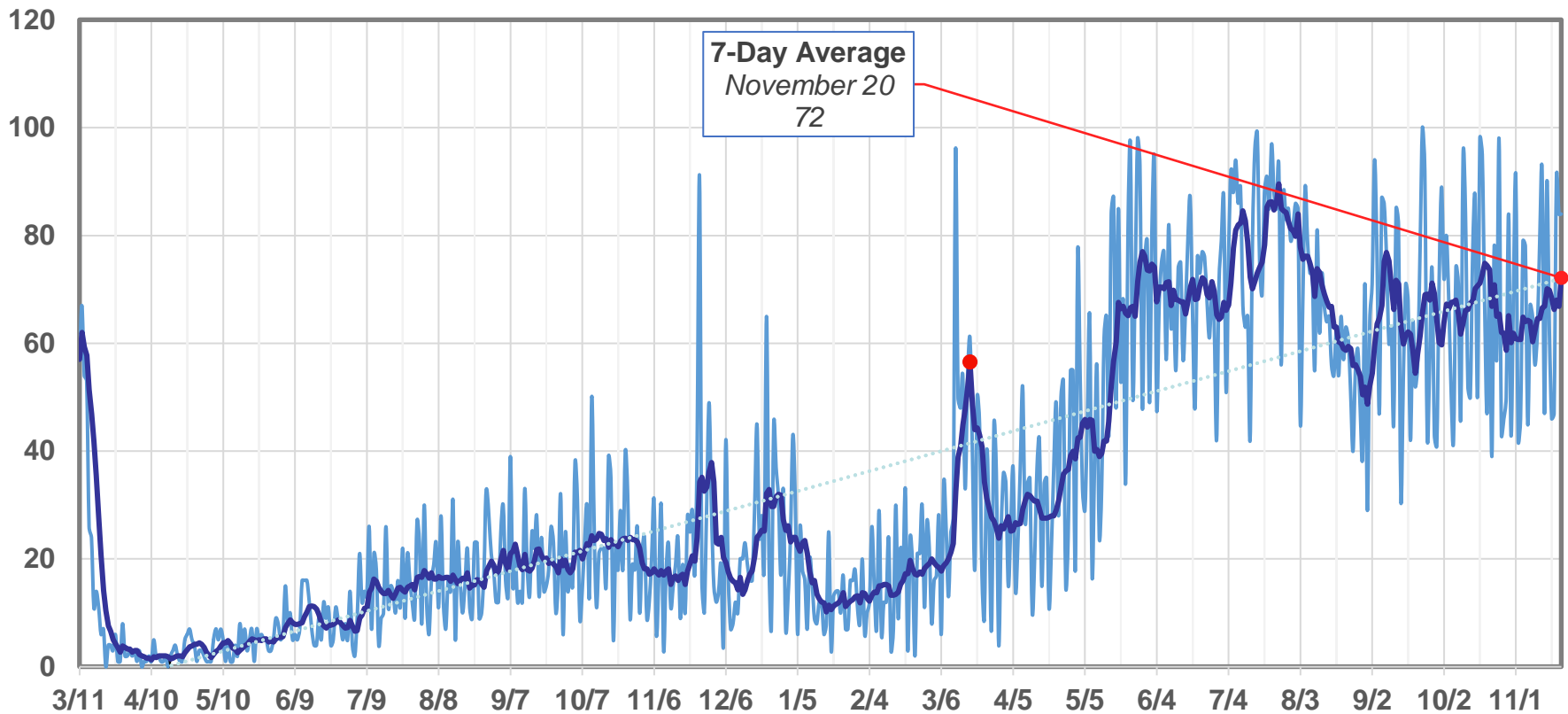
25. On-Time Arrivals (% Within 14 Minutes) - Salina vs. SkyWest at DEN

26. On-Time Arrivals (% Within 14 Minutes) - Salina vs. SkyWest at ORD

27. Salina Controllable Completion Factor

7-Day Average of TSA Screenings at Salina March 11, 2020 (Declaration of Pandemic) to November 20, 2021

— TSA Passengers — TSA Passengers - 7-Day Average

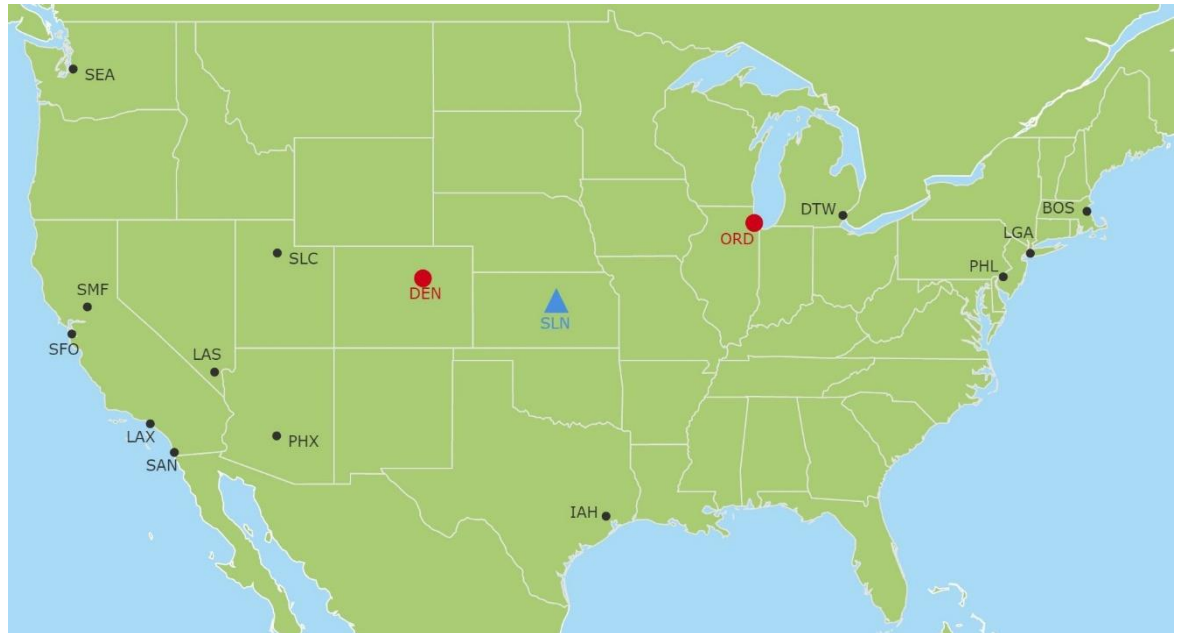


Salina Top 15 Markets

November 2021

- Eight of the Salina's Top 15 markets flowed to the west of connecting market Denver, representing 22% of total Salina traffic; four flowed east of Chicago, representing 9% total traffic
- Four of Salina's west-flowing markets were in California, representing 10% of total traffic

Destination	Direction	%
ORD	-	16%
DEN	-	14%
LAS	West	5%
LAX	West	3%
SAN	West	3%
PHX	West	3%
LGA	East	3%
IAH	South	2%
SMF	West	2%
SEA	West	2%
BOS	East	2%
SLC	West	2%
DTW	East	2%
SFO	West	2%
PHL	East	2%



Salina shared seven markets with Wichita in the Top 15 markets, accounting for 45% of total traffic. These would be the markets which leak the most to ICT

Top 15 Markets – SLN November 2021 vs. ICT Q2-2021 Salina vs. Wichita

SLN Top 15 Markets		ICT Top 15 Markets	
Dest	%	Dest	%
ORD	16%	LAS	6%
DEN	14%	DEN	6%
LAS	5%	ATL	3%
LAX	3%	DFW	3%
SAN	3%	SEA	3%
PHX	3%	IAH	3%
LGA	3%	PHX	3%
IAH	2%	ORD	3%
SMF	2%	VPS	3%
SEA	2%	MCO	3%
BOS	2%	AZA	2%
SLC	2%	LAX	2%
DTW	2%	TPA	2%
SFO	2%	MSP	2%
PHL	2%	STL	1%

Blue arrow indicates "Like Market"

Leakage to MCI

Salina shared six markets amongst the Top 15 with Kansas City, accounting for 43% of total traffic. Likewise these would be the markets with the largest leakage. This colors our media programs

Top 15 Markets – SLN November 2021 vs. MCI Q2-2021 Salina vs. Kansas City

SLN Top 15 Markets		MCI Top 15 Markets	
Dest	%	Dest	%
ORD	16%	MCO	6%
DEN	14%	DEN	5%
LAS	5%	LAS	5%
LAX	3%	PHX	4%
SAN	3%	LAX	4%
PHX	3%	ATL	3%
LGA	3%	TPA	3%
IAH	2%	DFW	2%
SMF	2%	DAL	2%
SEA	2%	ORD	2%
BOS	2%	MDW	2%
SLC	2%	RSW	2%
DTW	2%	SEA	2%
SFO	2%	FLL	2%
PHL	2%	BNA	2%

Blue arrow indicates "Like Market"

Salina shared five markets of our Top 15 with Manhattan, accounting for 26% of total traffic

Top 15 Markets – SLN November 2021 vs. MHK Q2-2021 Salina vs. Manhattan

SLN Top 15 Markets			MHK Top 15 Markets	
Dest	%		Dest	%
ORD	16%	←	DFW	11%
DEN	14%	→	ORD	4%
LAS	5%		ATL	3%
LAX	3%	←	LAX	2%
SAN	3%		TPA	2%
PHX	3%	→	SAT	2%
LGA	3%		AUS	2%
IAH	2%	→	MCO	2%
SMF	2%		DCA	2%
SEA	2%	→	PHX	2%
BOS	2%	→	SEA	2%
SLC	2%		RDU	2%
DTW	2%		MIA	2%
SFO	2%		BWI	2%
PHL	2%	→	IAH	2%

Blue arrow indicates "Like Market"

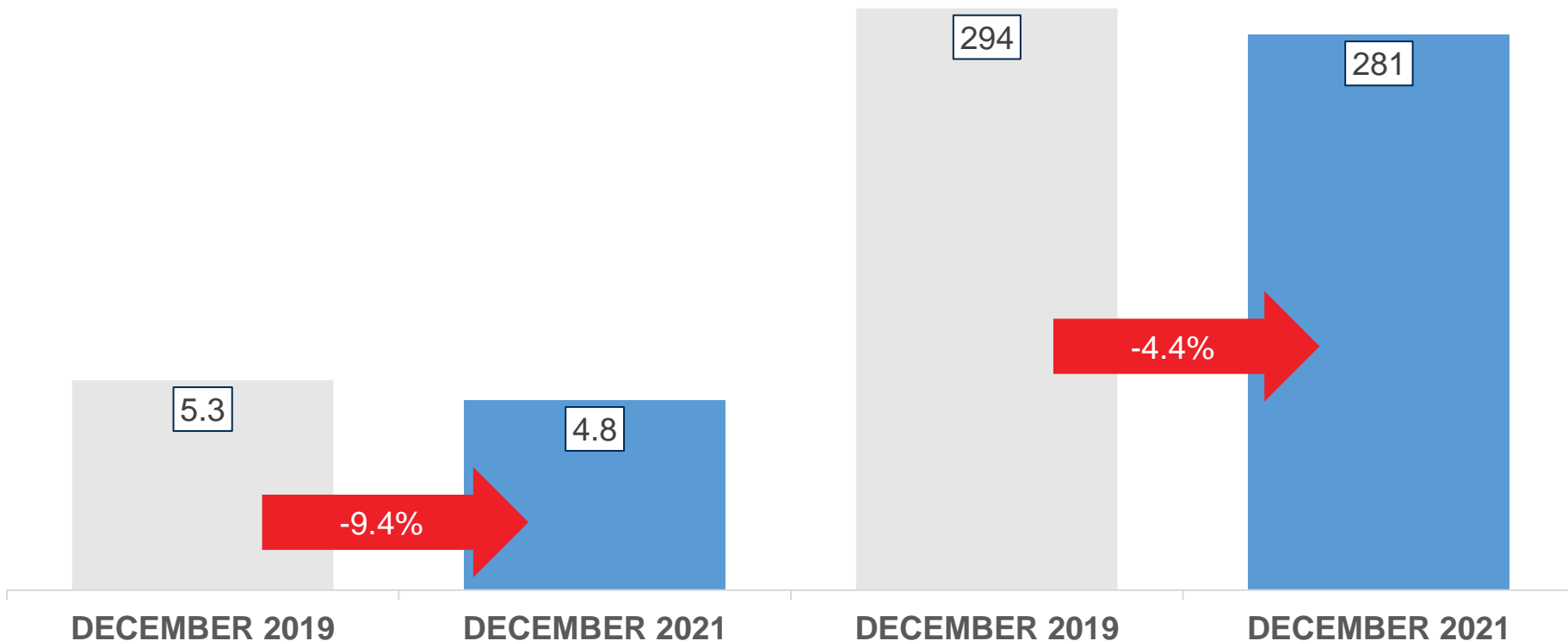
Compared to December 2019 – the December 2021
scheduled departures at Manhattan are down 9.4%,
with total seats down 4.4%

Manhattan Outbound Scheduled Departures and Seats per Day

December 2021 vs. December 2019

Scheduled Departures per Day

Scheduled Seats per Day



Fare Comparison

SLN fares are \$15 lower on average than ICT and \$1 lower than MCI in the Top 15 markets. SLN fares are \$69 lower than those at MHK each way

Comparison of Salina Top Market Fares to Wichita, Kansas City and Manhattan Airports One-Way Fare for Travel Thursday, January 13, 2022

MARKET	SLN
ORD	90
DEN	96
LAS	121
LAX	129
SAN	137
PHX	121
LGA	79
IAH	160
SMF	148
SEA	88
BOS	100
SLC	101
DTW	126
SFO	148
PHL	137
AVERAGE	119

ICT/UA	CHANGE
152	-62
69	+27
108	+13
137	-8
146	-9
130	-9
157	-78
152	+8
157	-9
97	-9
157	-57
110	-9
135	-9
157	-9
146	-9
134	-15

MCI/UA	CHANGE
79	+11
64	+32
128	-7
108	+21
152	-15
141	-20
88	-9
99	+61
157	-9
138	-50
109	-9
122	-21
113	+13
152	-4
146	-9
120	-1

MHK/AA	CHANGE
175	-85
173	-77
196	-75
153	-24
197	-60
186	-65
143	-64
153	+7
202	-54
183	-95
203	-103
213	-112
202	-76
197	-49
239	-102
188	-69

Fare Comparison

Leisure fares at Salina are much lower than American Airlines at Manhattan, and continue to be very competitive with United at Wichita and Kansas City

Comparison of Salina Top Market Fares to Wichita, Kansas City and Manhattan Airports

Roundtrip Fare for Travel Thursday, January 13 returning Thursday, January 20, 2022

MARKET	SLN
ORD	180
DEN	192
LAS	241
LAX	257
SAN	273
PHX	241
LGA	157
IAH	251
SMF	295
SEA	175
BOS	199
SLC	201
DTW	219
SFO	295
PHL	273
AVERAGE	230

ICT/UA	CHANGE
207	-27
137	+55
215	+26
291	-34
291	-18
259	-18
313	-156
255	-4
313	-18
193	-18
313	-114
219	-18
269	-50
313	-18
291	-18
259	-29

MCI/UA	CHANGE
157	+23
127	+65
255	-14
215	+42
303	-30
281	-40
175	-18
197	+54
313	-18
335	-160
217	-18
269	-68
225	-6
303	-8
291	-18
244	-14

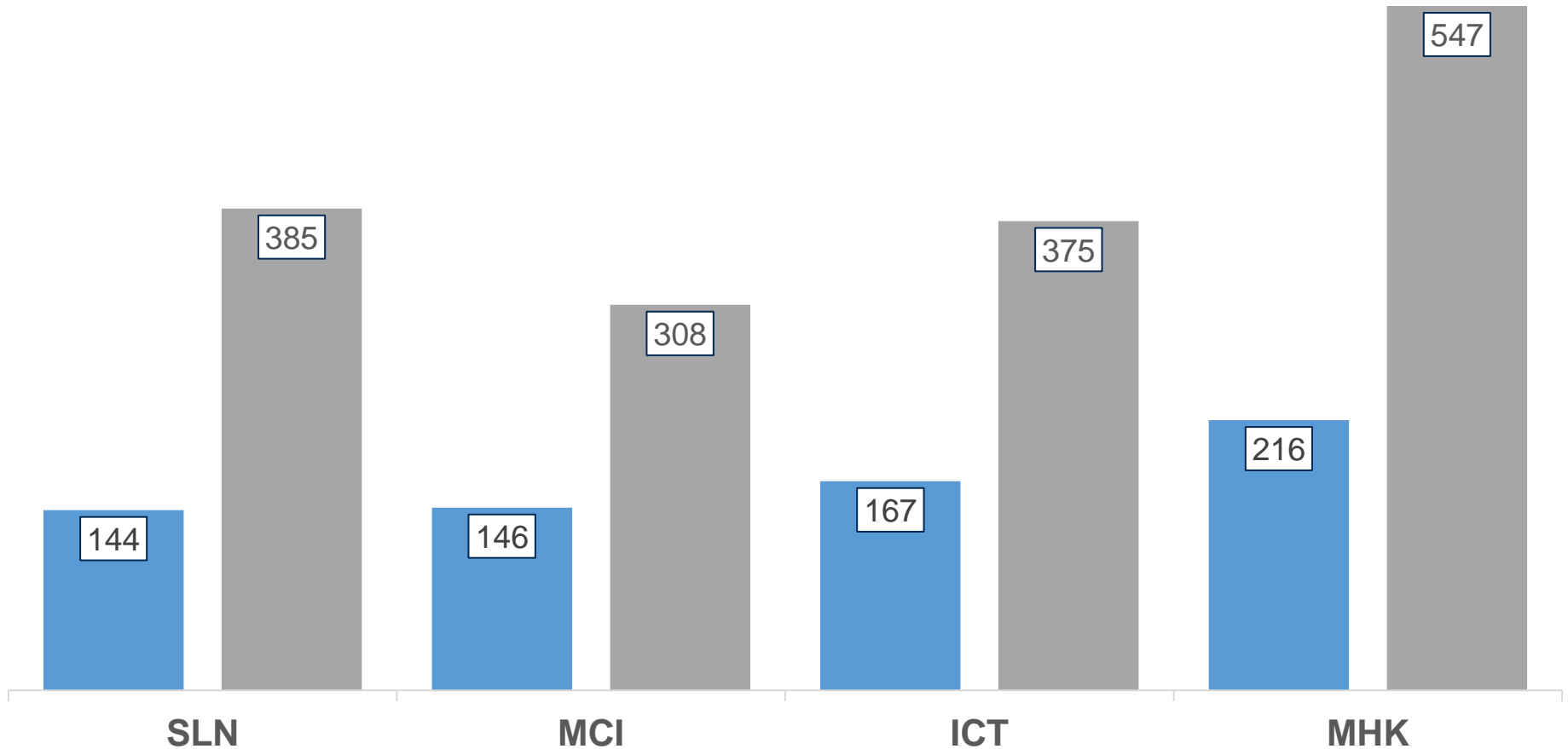
MHK/AA	CHANGE
189	-9
346	-154
382	-141
306	-49
394	-121
372	-131
286	-129
306	-55
404	-109
366	-191
308	-109
360	-159
316	-97
394	-99
382	-109
341	-111

Fare Comparison

Salina's average domestic fare was lower than the competition at Wichita, Kansas City and Manhattan in 2Q 2021

Comparison of the Salina Average Fare vs. Wichita, Kansas City and Manhattan Airports
Second Quarter 2021 Post-Departure Results – All Carriers

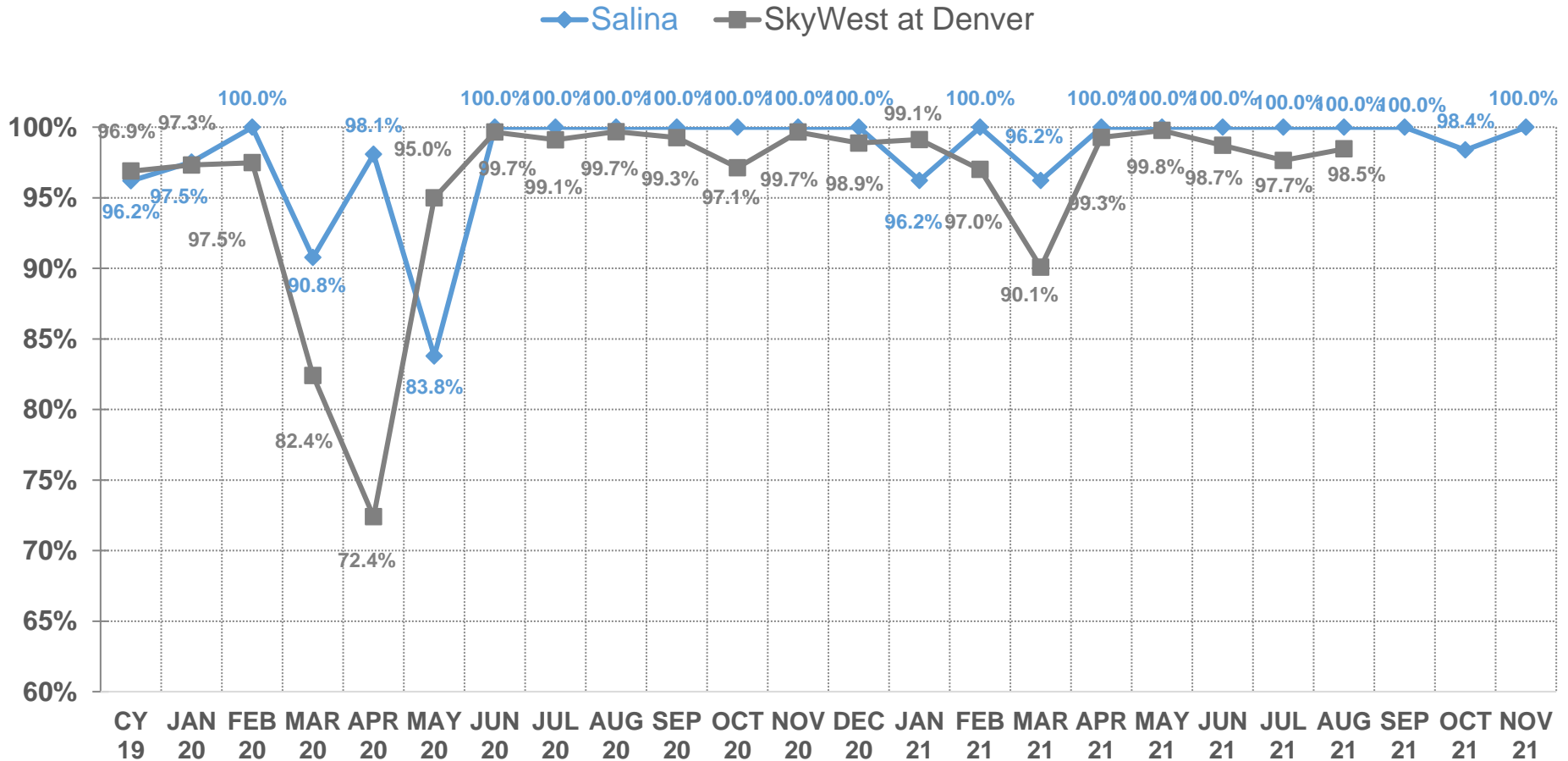
■ Average Domestic Fare ■ Average International Fare



Operating Performance

Salina has continued to outperform SkyWest at Denver for Total Completion Factor in 14 of the last 15 comparable months

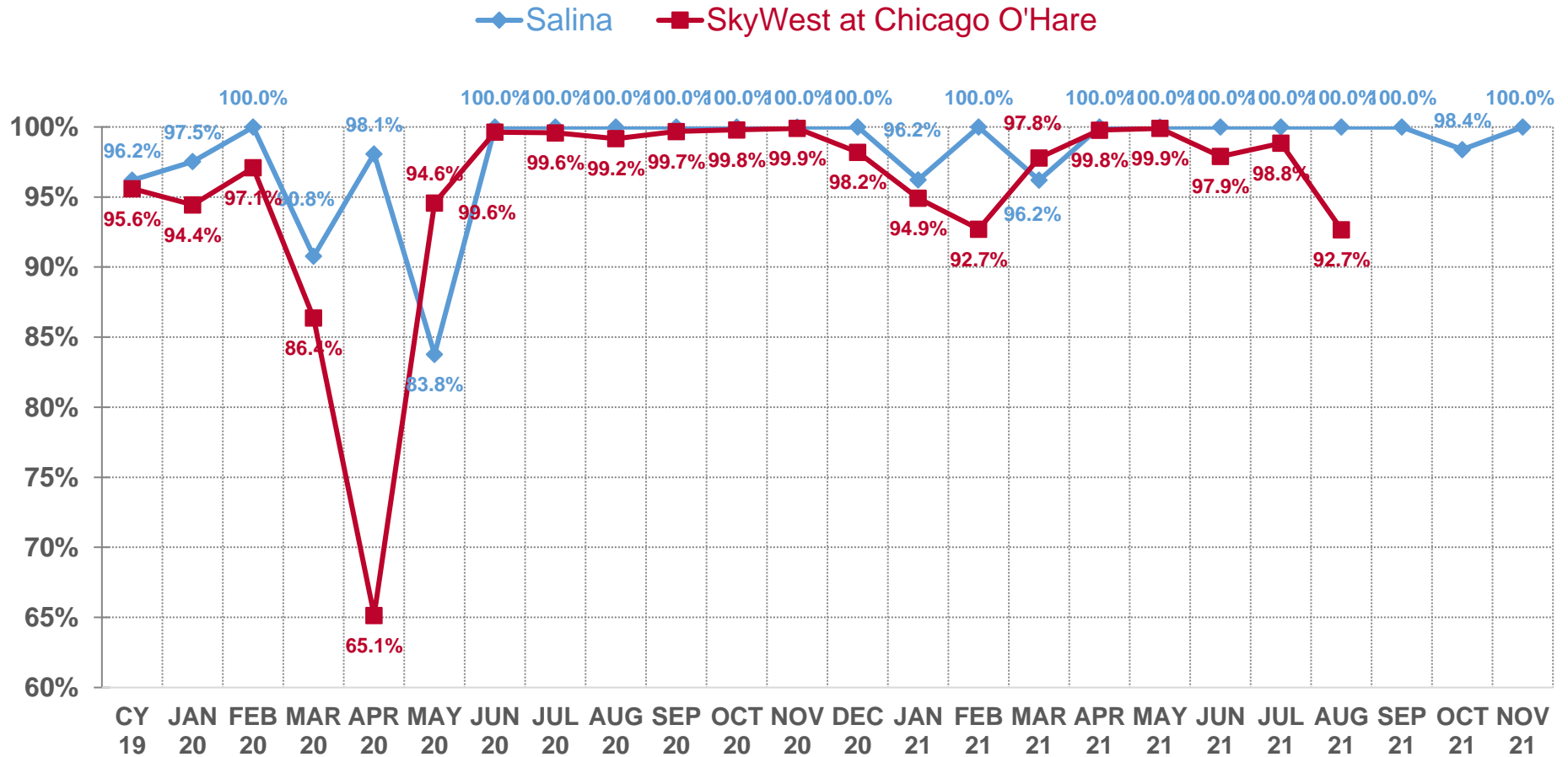
Total Completion Factor
Salina vs. SkyWest at Denver



Operating Performance

Like Denver, Salina has continued to outperform SkyWest at Chicago O'Hare for Total Completion Factor in 14 of the last 15 comparable months

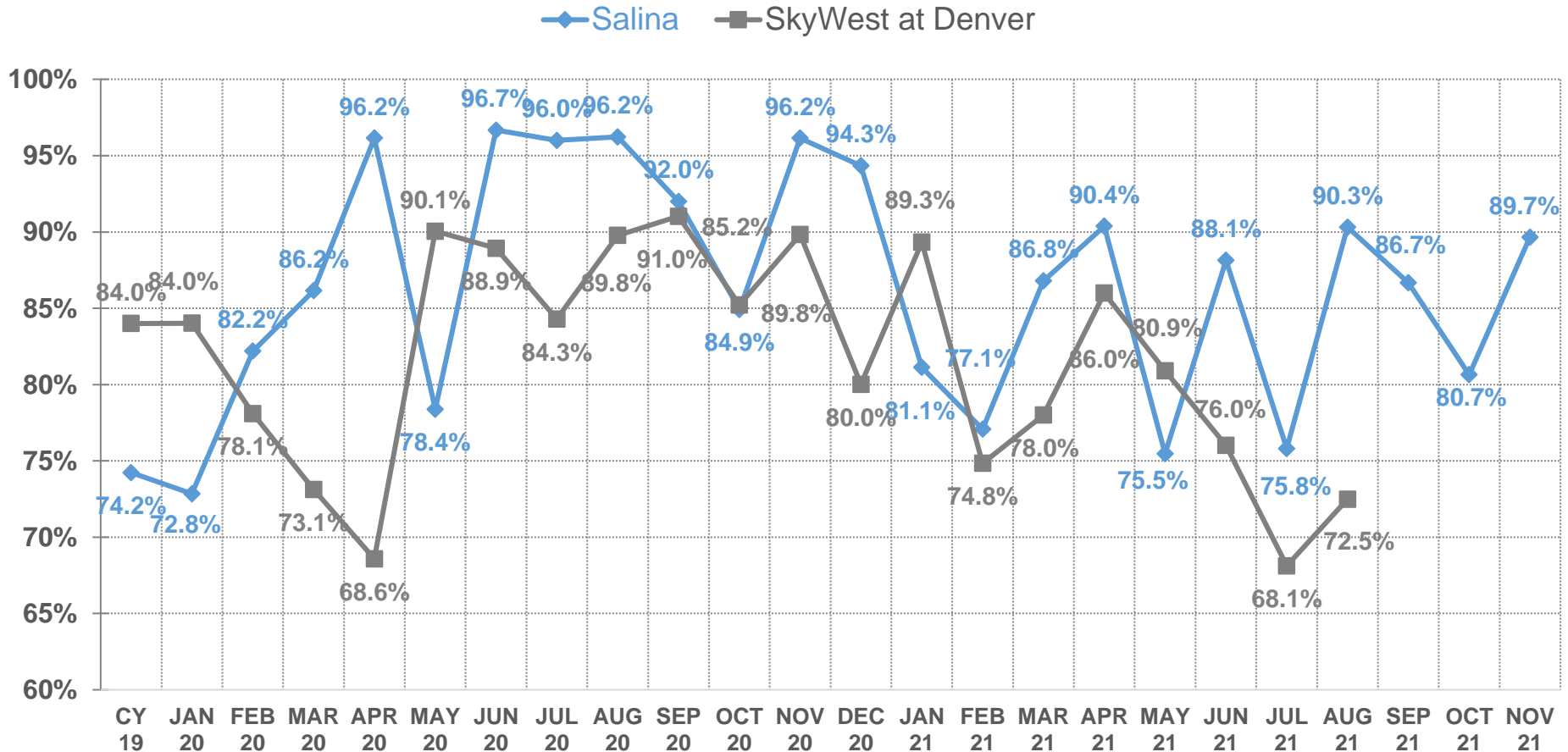
Total Completion Factor
Salina vs. SkyWest at Chicago O'Hare



Operating Performance

SkyWest for August, the last comparable month, was 17.8 points higher than the On-Time Arrivals results for SkyWest at Denver

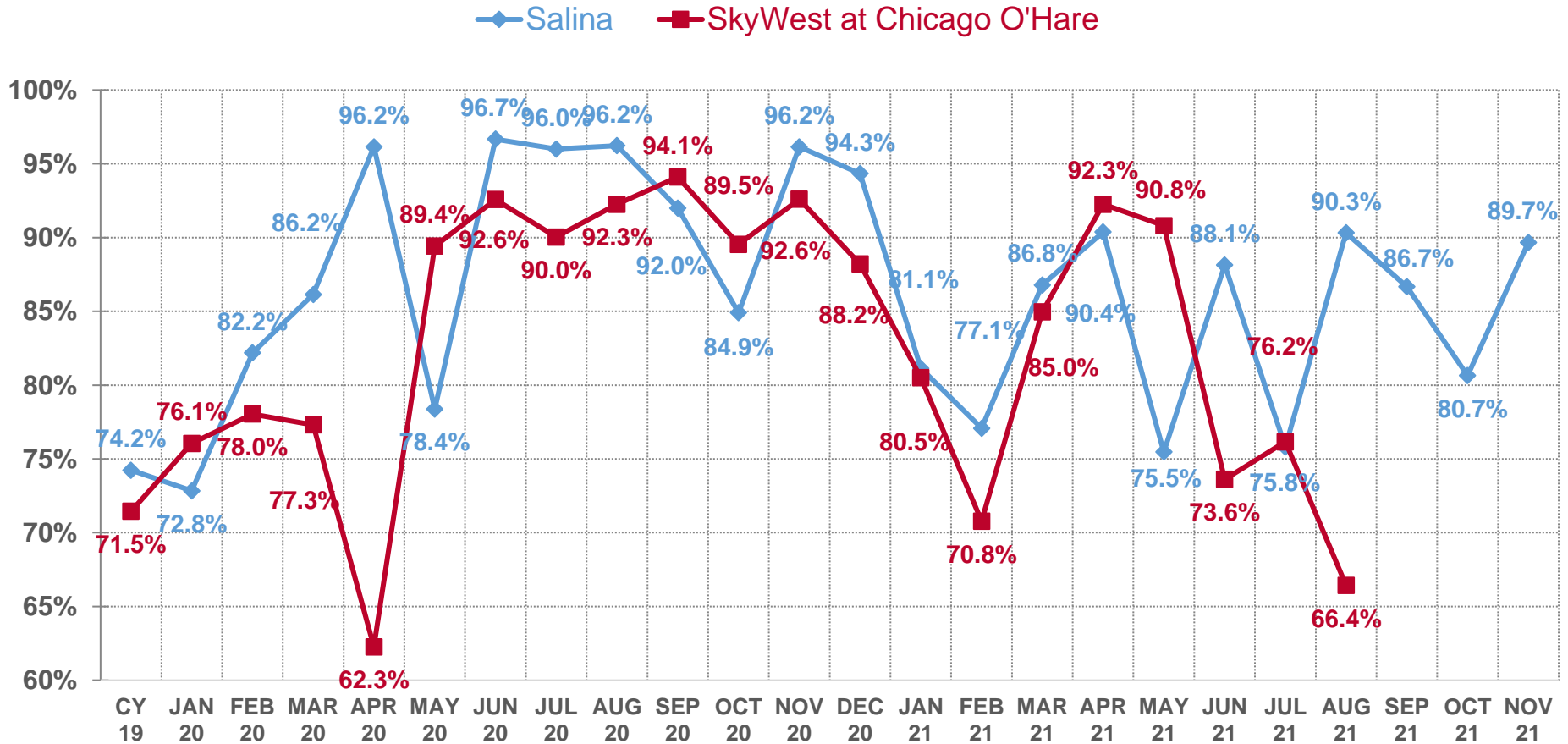
On-Time Arrivals (% Within 14 Minutes)
Salina vs. SkyWest at Denver



Operating Performance

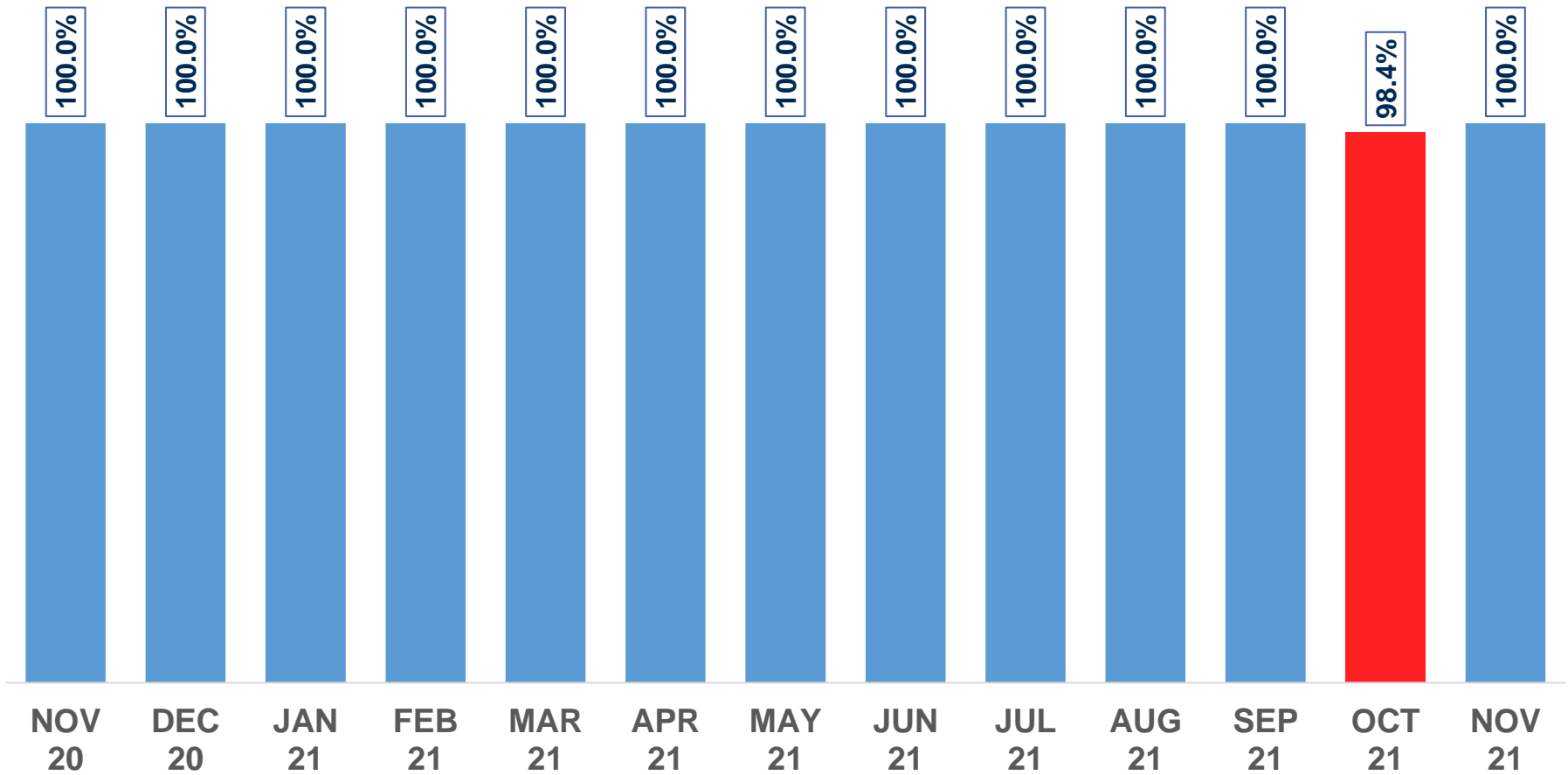
SkyWest for August, the last comparable month, was 23.9 points higher than the On-Time Arrivals results for SkyWest at Chicago O'Hare

On-Time Arrivals (% Within 14 Minutes)
Salina vs. SkyWest at Chicago O'Hare



Controllable Completion Factor has been near-perfect over the last 13 months with only 1 cancelation

Salina Controllable Completion Factor
November 2020 – November 2021



Financial Reports

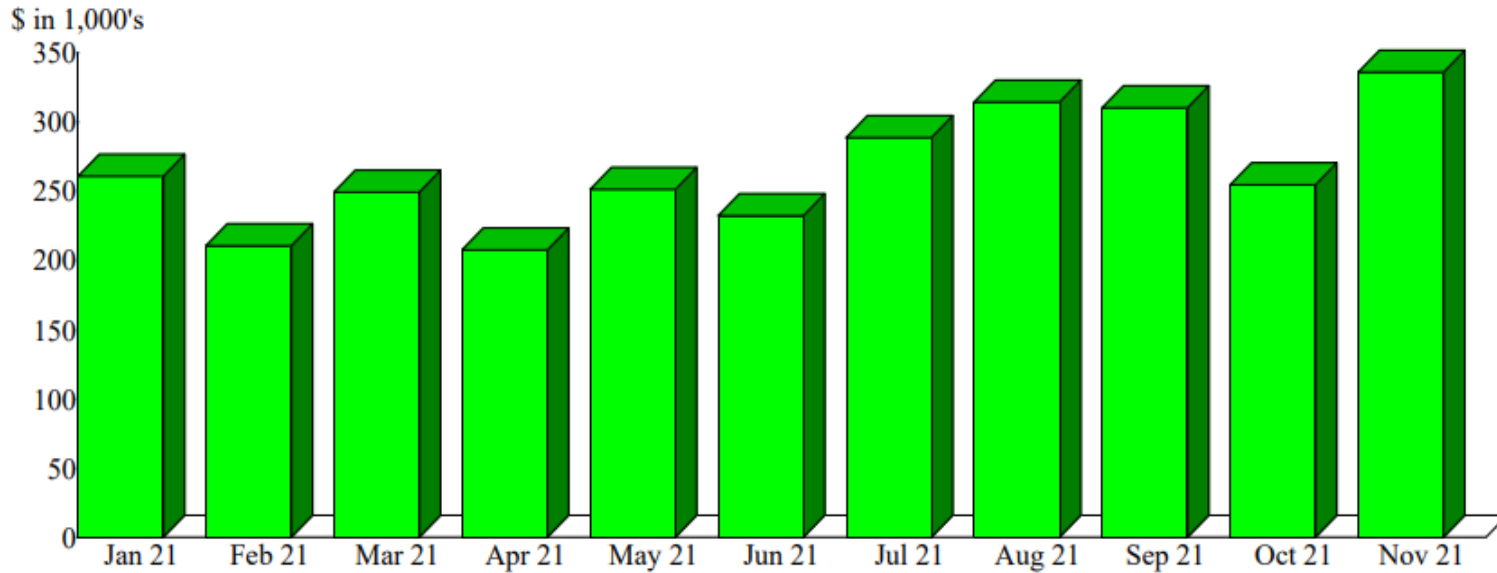
Salina Airport Authority
Capital Additions Budget vs. Actual
 As of November 30, 2021

11:31 AM
 12/09/2021
 Accrual Basis

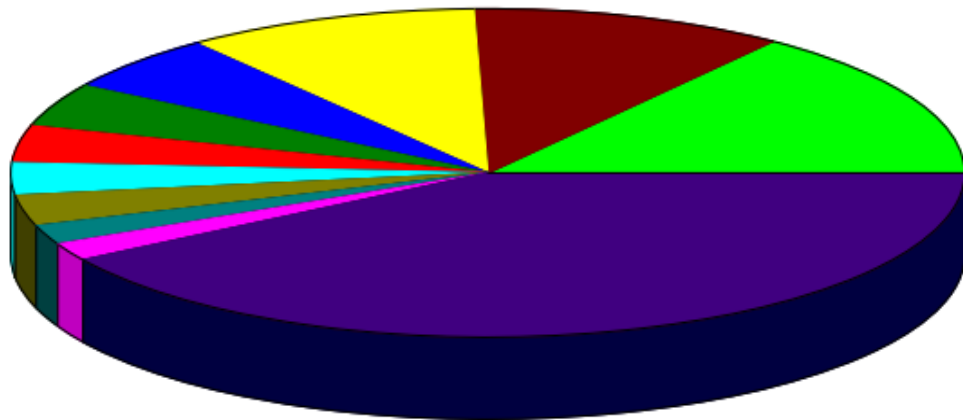
	Nov 21	Jan - Nov 21	Annual Budget	+ - Annual Budget	% of Annual Budget
ASSETS					
Fixed Assets					
Fixed assets at cost					
Total Airfield	0	639,452	1,785,000	-1,145,548	36%
Total Buildings & Improvements	130,713	1,151,004	3,454,242	-2,303,238	33%
Total Equipment	0	700,577	1,118,185	-417,608	63%
Total Land	0	46,198	25,000	21,198	185%
Total Fixed assets at cost	130,713	2,537,231	6,382,427	-3,845,196	40%

Sales by Month
January through November 2021

Dollar Sales



Sales Summary
January through November 2021

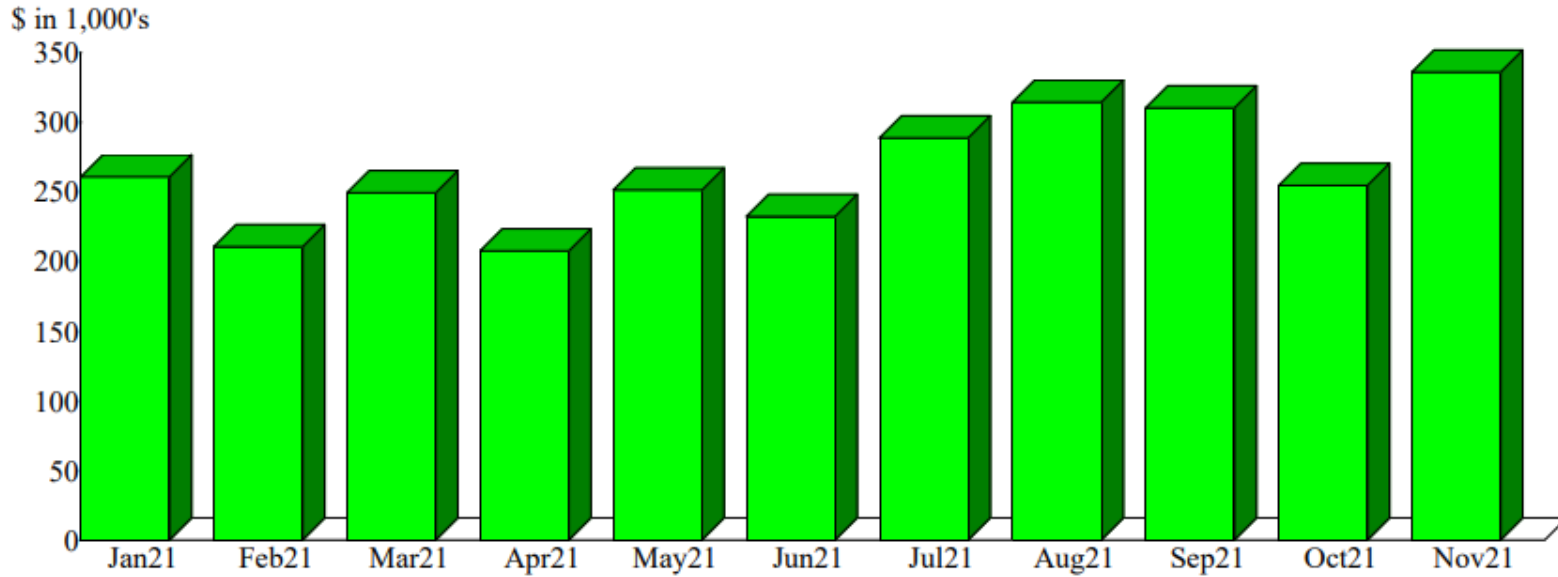


Kansas Erosion Products, LLC.	14.92%
I Vision Aviation, PLLC	10.72
Avflight Salina	10.16
SFC Global Supply Chain	5.66
Stryten Salina, LLC	4.30
Universal Forest Products (UFP)	3.80
NASA	3.33
K-State Salina	3.18
Durham School Service, L.P.	2.03
AGCO Corporation	1.90
Other	40.01
Total	\$2,917,213.66

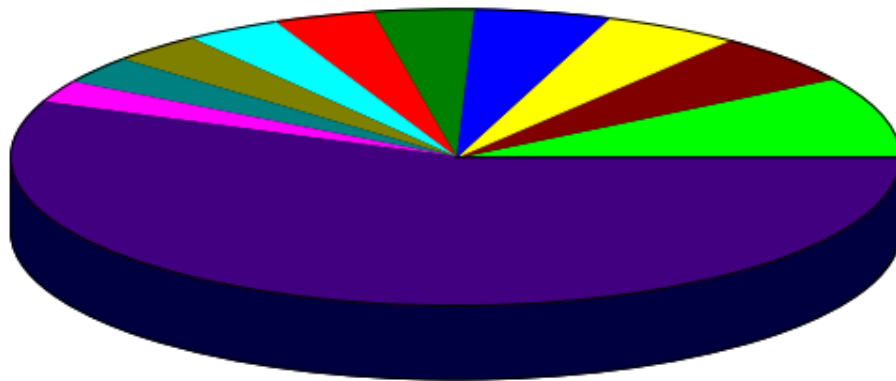
By Customer

Sales by Month
January through November 2021

Dollar Sales



Sales Summary
January through November 2021



H-00959-1 (Hangar Facility H959 - 2044 S	9.04%
B-01021 (Building #1021 located at 3600	5.61
FFF-Avflight Salina (Fuel Flowage Fee @	5.09
Utility Reimbursement (Utility Reimburse	5.03
H-0606-1 (Hangar 606 - 2630 Arnold Ct.	3.80
B-00655-3 (Bldg. #655 (56,961 SF) - 2656	3.76
B-00620-1 (Building #620 (30,000 SF) an	3.60
pptx (2021 Real Estate Taxes (see attach	3.47
B-00626-1 (Manufacturing facility #626 (3.05
B-00655-4 (Bldg. #655 (33,992 SF) - 2656	2.46
Other	55.08
Total	\$2,917,213.66

Salina Airport Authority's 2022 Operating Plan and Budget

TIM ROGERS, A.A.E.

SHELLI SWANSON, C.M.

Salina Airport Authority's Calendar Year 2022 Property and Liability Insurance Policy Renewals

SHELLI SWANSON, C.M.

Commercial Property / Liability Insurance Expense Analysis 2018-2022

Revised 12-10-2021

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Quote	+/- Expiring	% Expiring
Commercial Property							
Invoiced / Quoted	101,041.50	110,859.00	125,149.00	147,402.00	157,564.00	20,162.00	13.7%
Addition of Fossett Plaza							
Inland Marine	3,055.00	3,055.00	5,994.00	5,994.00	7,254.00	1,260.00	21.0%
Inland Marine Audit							
Remove Bldg. 824				(1,007.00)			
Remove Bldg. 313				(667.00)			
Total Commercial Property Insurance Expense	104,096.50	113,914.00	131,143.00	151,722.00	174,818.00	23,096.00	15.2%
Auto Policy							
Invoiced / Quoted	17,619.00	24,685.00	34,290.00	42,876.80	38,548.00	(4,328.80)	-10.1%
Add DRMO Dump Truck							
Add vehicles to policy	839.00	743.00	2,312.00	20,769.60		(20,769.60)	-100.0%
Delete sold vehicles		(1,388.00)					
Total Commercial Auto Policy Expense	18,458.00	24,040.00	36,602.00	63,646.40	38,548.00	(25,098.40)	-39.4%
Commercial Aviation and General Liability (Airport & Industrial Center Liability), including hangarkeeper's							
Invoiced / Quoted	2,463.00	2,635.00	3,162.00	3,700.00	4,600.00	900.00	24.3%
Public Officials Errors and Omissions							
Invoiced / Quoted	5,839.26	4,315.30	5,390.80	5,899.30	5,899.00	(0.30)	0.0%
Worker's Compensation							
Invoiced / Quoted	6,889.50	16,210.80	14,722.20	13,150.80	8,236.00	(4,914.80)	-37.4%
Workers' comp audit & mod rating credit	977.40	1,135.80	(725.40)	(2,813.40)	-	2,813.40	-100.0%
Workers Comp KS Rate Change or Dividend						-	
Total Worker's Compensation Expense	7,866.90	17,346.60	13,996.80	10,337.40	8,236.00	(2,101.40)	-20.3%
UST Liability							
Invoiced / Quoted (Commission Deletion)	1,425.60	1,425.60	1,576.80	1,728.00	1,728.00	-	0.0%
Crime							
Invoiced / Quoted	1,084.60	1,084.60	1,084.60	1,084.60	1,085.00	0.40	0.0%
Cyber Liability Coverage							
Invoiced / Quoted			2,532.34	2,532.34	6,257.00	3,724.66	147.1%
(Adjustment - 14 month policy 11-01-2020 / 12-31-2021 (Credit for commission deletion)			(2,170.58)	(361.76)			
				(347.10)			
Total Cyber Liability			361.76	1,823.48	6,257.00	4,433.52	243.1%
Other							
Notary Renewals	50.00	-	50.00	50.00	50.00	-	0.0%
Total Property/Liability Insurance Premiums	141,283.86	164,761.10	193,367.76	239,991.18	241,221.00	1,229.82	0.5%
Broker Fee (Lockton 2013-2019)	18,000.00	18,000.00	18,500.00	19,000.00	19,500.00	500.00	2.6%
Risk Manager Fee (Charlesworth 2010-2019)	6,050.00	6,600.00	2,200.00	-	-	-	-
Total Property/Liability Insurance Premiums & Fees	165,333.86	189,361.10	214,067.76	258,991.18	260,721.00	1,729.82	0.7%
Commercial Property Insured Billed as Additional Tenant Rental	(17,218.91)	(16,948.88)	(39,283.55)	(48,890.82)	(48,978.47)	(87.65)	0.2%
Previous Year Adjustments/Credits							
Net Property/Liability Insurance Expense	148,114.95	172,412.22	174,784.21	210,100.36	211,742.53	1,642.17	0.8%
Budget	144,862.00	175,000.00	179,375.00	205,000.00	230,000.00	25,000.00	12.2%
+/- Actual vs. Budget	3,252.95	(2,587.78)	(4,590.79)	5,100.36	(18,257.47)	(23,357.83)	-458.0%
NATA Good Experience Return KS UST Policy Dividend							
Net Property/Liability Insurance Expense After Returns & Dividends	148,114.95	172,412.22	174,784.21	210,100.36	211,742.53	1,642.17	0.8%

Notes:

¹ Cyber liability policy was secured for the first time with the 2021 insurance program (14 month policy with an effective date of 11-2-20.)

Consideration of SAA Resolution No. 21-12 Amending the Salina Airport Authority's Health Care and Dependent Care Flexible Spending Account (FSA)

SHELLI SWANSON, C.M.

Consideration of Bids Received for the Demolition of Abandoned Boiler Equipment at Hangar H959

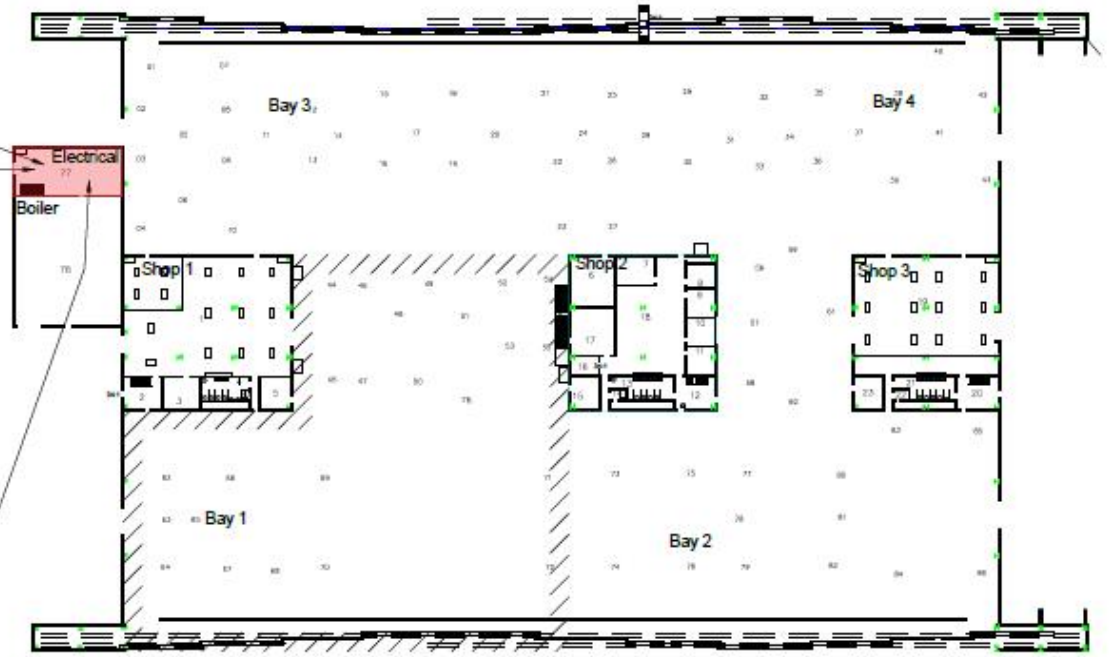
SHELLI SWANSON, C.M.

Demolition Area

Electrical Room 77, Area = 948 S.F.



Demolition Area



Site Map Hangar 959
Scale: 1" = 600'

Hangar 959 Demolition Area
Scale: 1" = 50'

Hangar 959



Drawing Number 3018-12-21



3237 ARNOLD, SALINA, KS 67401
(785-827-3914 FAX: 785-827-2221)
Date: REVISIONS
KFB : DESIGNED BY
MHO : DRAWN BY
1" = 50' : SCALE
12/08/01, 9/05 : DATE

SALINA AIRPORT AUTHORITY
Demolition Room 77 Hangar 959 Exhibit A

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OF
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Summary of Bids
Salina Regional Airport
Salina, KS 67401
SAA PROJECT NO. 587-10-21
959 Tool Room Demolition

December 3, 2021

Contractor		Bid Amount
1Vision		\$ 22,000.00
Systems 4		\$ 32,193.00
T & R		\$ 16,875.00

Directors' Forum

KRISTIN GUNN, CHAIR

Visitor's Questions & Comments



Staff Reports

TIM ROGERS, A.A.E.



EXIT



Announcements



Ft. Riley CAB

Hangar 509

December 20, 2021 – January 13, 2022



Adjournment