

DATE: January 12, 2018
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **January 17, 2018 Regular Board Meeting**

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 in your board meeting packet.

Please note the following agenda comments.

Agenda Item #5 – Review of Airport Activity and Financial Reports for the Month and Year Ending December 31, 2017 (Rogers and Swanson)

Airport Activity – Air Traffic (Rogers)

The December 2017 air traffic count decreased 17% to 4,094 operations as compared to the December 2016 total of 4,948. For the year-to-date a total of 61,141 operations have been recorded which is 21% less than the December 2016 YTD total of 77,111. The 10-year trailing average for annual air traffic count is 79,480 operations.

Airport Activity – Fuel Flowage (Rogers)

December 2017 fuel flowage was 133,173 gallons, which was a 27% decrease as compared to the December 2016 total of 182,062 gallons. For the year-to-date fuel flowage totals 2,622,157 gallons which is up 41% as compared to the December 2016 YTD total of 1,860,912 gallons. The 10-year trailing average for annual fuel flowage is 2,519,716 gallons.

Airport Activity – Passenger Counts (Rogers)

Great Lakes enplaned 833 passengers, which was a 20% increase over the December 2016 total of 692 passengers. The airline's total passenger count was 1,540 which was a 16% increase over the December 2016 total of 1,321. For the CY 2017 a total of 13,959 passengers enplaned scheduled and charter flights. The 10-year trailing average for scheduled and charter passenger enplanements is 4,096.

Financial Reports – Comments and Notes (Swanson)

The SAA closed on the \$1,440,000 2017-1 General Obligation Temporary Notes on December 28, 2017 as scheduled. The funds have been deposited into the First Bank Kansas Beechcraft Road Project Improvement Fund.

SAA staff have been busy with our typical year-end financial activities and will present the preliminary year end 2017 financial statements at the board meeting.

The following represents the Nov-Dec. activity in our bond proceed improvement fund accounts:

Type	Date	Num	Name	Memo	Split	Amount	Balance	
Cash in Bank - Bond Funds							101,882.60	
FBK Imp Fund Temp Note 2016							101,882.60	
Bill Pmt -Check	11/22/2017	1033	Allan Enterprises, LLC		Accounts payable	-20,900.00	80,982.60	
Bill Pmt -Check	11/28/2017	1035	APAC-Kansas, Inc., Shears Div.		Accounts payable	-4,793.44	76,189.16	
Bill Pmt -Check	11/28/2017	1034	Weis Fire & Safety Equip. Co., Inc.		Accounts payable	-38,196.00	37,993.16	
Deposit	11/30/2017			Interest	Interest income on de...	35.19	38,028.35	
Deposit	12/31/2017			Interest	Interest income on de...	9.80	38,038.15	
Total FBK Imp Fund Temp Note 2016							-63,844.45	38,038.15
Total Cash in Bank - Bond Funds							-63,844.45	38,038.15
TOTAL							-63,844.45	38,038.15

Type	Date	Num	Name	Memo	Split	Amount	Balance	
Cash in Bank - Bond Funds							0.00	
FBK Imp Fund Temp Note 2017							0.00	
General Journal	12/28/2017	2833			GO Temp No...	1,440,000.00	1,440,000.00	
Deposit	12/31/2017			Interest	Interest income	63.12	1,440,063.12	
Total FBK Imp Fund Temp Note 2017							1,440,063.12	1,440,063.12
Total Cash in Bank - Bond Funds							1,440,063.12	1,440,063.12
TOTAL							1,440,063.12	1,440,063.12

Financial Reports – Accounts Receivable Past Due 31 days or more as of January 12, 2018 (Swanson)

<u>Account</u>	<u>Amount</u>	<u>Days</u>	<u>Comments</u>
Brant Brower	\$89	31-60	Hangar rental
Enel Green Power	\$775	31-90	Bldg. rental
National Airlines	\$560	>90	Landing fees
Nellis AFB	\$37,230	61-90	Hangar rental
Swift Air	\$242	31-90	Landing fees
Tischlerie, Inc.	\$35,441	31->90	Building rental

Agenda Item #6 – Approval of a Contract with The Docking Institute of Public Affairs at Fort Hays State University for the Preparation of an Economic Impact Study (Rogers and Swanson)

In 2016 the Airport Authority contracted with The Docking Institute to analyze and report on the total economic activity of over 100 businesses and organizations located at the Salina Regional Airport and Airport Industrial Center. The 2016 report documented the positive, economic impact that the Airport and Airport Industrial Center has on the City of Salina, Saline County and North Central Kansas. The executive summary of the 2016 report is attached.

The results of the 2018 study will be shared with the Airport Authority’s numerous partners. The report’s information is used by entities such as the City of Salina and State of Kansas to prioritize public improvements. The report will also be used to support future grant applications. Above all the report will document the continued successful development and growth of the Airport and Airport Industrial Center.

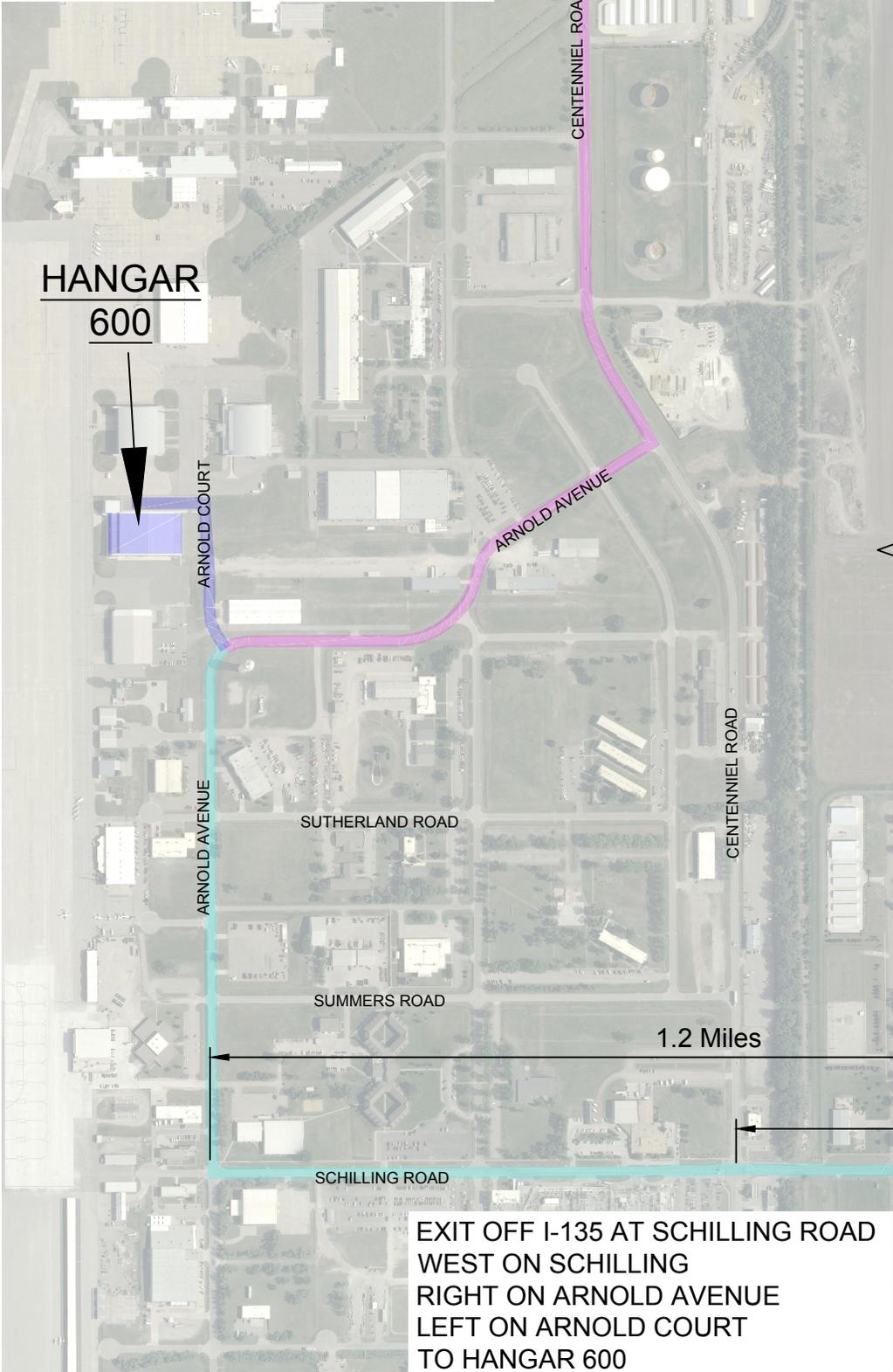
A copy of the proposed contract with The Docking Institute is enclosed.

Recommendation: Approval of the proposed contract with The Docking Institute and authorize the executive director to sign the contract.

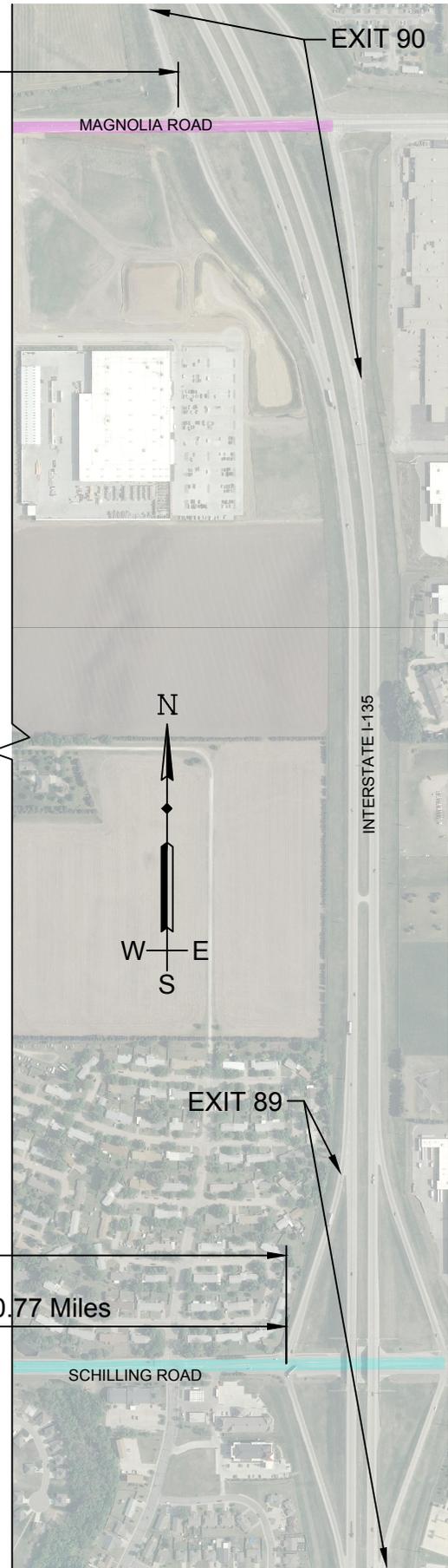
Please contact me if you have any questions or comments.

DIRECTIONS TO HANGAR 600 (2720 ARNOLD COURT)

EXIT OFF I-135 AT MAGNOLIA ROAD
WEST ON MAGNOLIA
LEFT ON CENTENNIAL
RIGHT ON ARNOLD AVENUE
RIGHT ON ARNOLD COURT
TO HANGAR 600



EXIT OFF I-135 AT SCHILLING ROAD
WEST ON SCHILLING
RIGHT ON ARNOLD AVENUE
LEFT ON ARNOLD COURT
TO HANGAR 600



SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING

**Hangar H600, Second Floor Conference Room
2720 Arnold Court
January 17, 2018– 8:00 AM**

AGENDA

Action Items

1. Call to order and determine a quorum is present. (Platten)
2. Recognition of guests. (Platten)
3. Additions to the agenda. (Platten)
4. Approval of the minutes of the December 20, 2017 regular board meeting. (Platten)
5. Review of airport activity and financial reports for the month and year ending December 31, 2017. (Rogers & Swanson)
6. Approval of a contract with The Docking Institute of Public Affairs at Fort Hays State University for the preparation of the 2018 Salina Regional Airport and Airport Industrial Center Economic Impact Study. (Rogers and Swanson)

Directors' Forum (Platten)

Visitor's Questions and Comments (Platten)

Staff Reports (Rogers)

Announcements (Windhorst)

Adjournment (Platten)



**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
DECEMBER 20, 2017
HANGAR 600 SECOND FLOOR CONFERENCE ROOM**

Call to Order

The meeting was called to order at 8:00 AM by Acting Chairman Weisel.

Attendance

Attendance was taken. Chairman Platten (via conference call,) Directors Eichelberger, Vancil, Weisel and Buer. Also present were Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Business and Communications Manager Kasey Windhorst, Administrative Assistant Kaycie Taylor, and Board Attorney Greg Bengtson. Trent Davis, City Commissioner; Bob Vidricksen, Saline County Commissioner; Mitch Robinson, Salina Community Economic Development Organization; Julie Yager-Zucker, Avflight Salina; Cary Adcock, Air Traffic Control Tower; Dave Hadel, Burns & McDonnell; Kerry Adams, Burns & McDonnell; Eric Wiley, Salina Journal and David Arteberry, George K Baum & Company (via conference call) were guests.

Additions to the Agenda

Acting Chairman Weisel asked if there were any additions to the agenda. Executive Director Rogers stated that there were no additions to the agenda.

Minutes

Acting Chairman Weisel asked if the board members had additions or corrections to the minutes of the November 15, 2017 regular board meeting and December 6, 2017 special board meeting. Director Vancil moved, seconded by Director Eichelberger, to approve the minutes of the November 15, 2017 regular board meeting and December 6, 2017 special board meeting. Motion passed unanimously.

50 Years Ago

"I don't know if your people know this..., but this has been a remarkable feat. I cannot say enough about what this community has accomplished and will accomplish. I use you all the time as an example to other communities facing similar problems."

-Donald F. Bradford, Director, Office of Economic Development, Department of Defense

Airport Activity and Financial Reports

Executive Director Rogers reported on airport activity for the month of November 2017. Air traffic increased 11% to 6,062 operations in November 2017 compared to 5,458 operations during the month of November 2016. The 10-year trailing average for November air traffic count is 7,039 operations. Fuel flowage for the month of November 2017 increased 98% as compared to the same period last year. Avflight reported a total of 200,500 gallons during the month of November 2017. The 10-year trailing average for November fuel flowage is 211,804 gallons. Rogers commented on enplanements for the month of November 2017. Great Lakes enplaned 829 passengers, which was an increase of 44% over the November 2016 total. The

10-year trailing average for November passenger enplanements is 347. Great Lakes Airlines will continue operations until the SkyWest transition which is scheduled for April 2018. SkyWest is forecasting approximately 28,000 passenger enplanements per year.

Director of Administration and Finance Swanson reported on the financials for the month ending November 2017. Total operating revenue is exceeding budget projections by \$201,711 and is 15% ahead of the same period of 2016. Key contributors to the increase in 2017 is due to fuel flowage fee growth, new building leasing activity, increased landing fees and equipment rental income. Total operating expenses arrived at 8% over budget. Swanson noted that total operating income before depreciation reached \$85,342 at the end of November which is 16% ahead of the same period in 2016. Swanson commented on significant capital expenditures for the month of November. Acting Chairman Weisel directed the staff to file financials for audit.

2018 Operating Plan and Budget

Executive Director Rogers reviewed the following 2018 priorities.

- Continued fuel flowage growth
- Market available buildings, hangars and development lots
- Continue air service development and marketing efforts
- Initiate an airport master plan update to determine future terminal building requirements
- Support the K-State Polytechnic Global Aeronautics Initiative
- Complete the Hangar H724 lease and renovations with the K-State Foundation
- Complete the Beechcraft Road reconstruction and streetscaping project
- Secure grant funding for improvements within the Beechcraft Road Redevelopment District
- Complete the Schilling Project CAD/ROD and prepare for mediation
- Taxiway Bravo reconstruction
- Runway 12/30 slurry seal and markings
- New ARFF vehicle bidding, grant award and purchase
- Update and replace obsolete airfield maintenance equipment
- Complete the 2018 Salina Airport and Airport Industrial Center Economic Impact Report
- Prepare a statement of Airport Industrial Center development objectives
- Support community efforts to attract and retain skilled workforce

Rogers commented on the Airport Master Plan. The restoration of scheduled air service at SLN is considered a “triggering event” that justifies a reassessment of terminal building requirements due to current and forecasted passenger growth. The update to the Airport Master Plan, Terminal Building Requirements Section, is eligible for FAA AIP grant funds.

Rogers presented and reviewed the updated 2018 budget report and operating plan to the board. Director Eichelberger moved, seconded by Director Vancil to approve the 2018 Operating Plan and Budget Report. Motion passed unanimously.

2017-1 Temporary General Obligation Notes

Director Buer abstained from the discussions and vote on the 2017-1 Temporary General Obligation Bond Notes and excused himself from the remainder of the meeting. Director of Administration and Finance Swanson reviewed the Beechcraft Road Project and bids received for the 2017-1 Temporary General Obligation notes. David Arteberry, George K Baum & Co.,

stated that Authority received 3 bids with First Bank Kansas submitting the lowest interest rate of 1.43% or \$20,547.31 total interest to maturity. The First Bank Kansas bid has been reviewed by the Authority's financial advisor George K. Baum and Company and is in good order with the final principal amount being \$1,440,000, including issuance costs. Director Vancil moved to approve the First Bank Kansas 2017-1 Temporary General Obligation note bid. Chairman Platten seconded. Motion passed unanimously.

SAA Resolution No. 17-12

Director of Finance and Administration Swanson reviewed the financing agreement for the Beechcraft Road improvements between the City of Salina and Salina Airport Authority. The financing agreement provided that the Authority would issue the short-term temporary notes (not to exceed 2 years) and the City agreed to reimburse the Authority for the principal and interest costs of the temporary notes and permanently finance the project no later than July 25, 2019. Director Eichelberger moved to approve Resolution No. 17-12 authorizing and directing the issuance, sale and delivery of General Obligation Temporary Notes, Series 2017-1 and authorization to enter into a Note Purchase Agreement with First Bank Kansas in an amount of \$1,440,000. Seconded by Director Vancil. Motion passed unanimously.

Beechcraft Road Reconstruction and Streetscaping

Executive Director Rogers reviewed the scope of work and project timeline. HW Lochner completed the Beechcraft Rd. project design which includes the complete reconstruction of the west 1,192 feet of Beechcraft Road, including curb and gutter, replacement of storm sewer, installation of street lights and construction of a "streetscape" plan for the full length of Beechcraft Road including burial of overhead utility lines and installation of sidewalk and landscaping. The project is scheduled to be completed by August 2018. Rogers reviewed the summary of funds and detailed estimated cost to complete the project. Five bids were received for the road reconstruction portion of the project. The lowest responsive bidder, Paver's Inc. Pavers, Inc., submitted a bid of \$758,904.85. Director Vancil Moved, seconded by Director Eichelberger to accept the bid by Pavers, Inc. in the amount of \$758,904.85 for the reconstruction of Beechcraft Road and authorization for contract award. Motion passed unanimously.

Upon a motion duly made, the meeting adjourned at 9:02 A.M.

Minutes approved at the January 17, 2018 Board Meeting.

Secretary

(SEAL)

**SALINA AIRPORT AUTHORITY
AIRPORT ACTIVITY REPORT
2017**

AIR TRAFFIC/ATCT

December, 2017	4,094 Operations 635 Instrument Operations 372 Peak Day
December, 2016	4,948 Operations 731 Instrument Operations 483 Peak Day
January 2017 - December 2017	61,141 Operations
January 2016 - December 2016	77,111 Operations
January 2015 - December 2015	96,350 Operations

FUEL FLOWAGE

December, 2017	133,173 Gallons
December, 2016	182,062 Gallons
January 2017 - December 2017	2,622,157 Gallons
January 2016 - December 2016	1,860,912 Gallons
January 2015 - December 2015	2,487,603 Gallons

		Avflight	
		Military/Gov't Portion	Self-fuel Station Portion
KSU-S	Avflight Salina		
6,284	126,889	23,658	514
8,546	173,516	91,502	524
98,360	2,523,797	903,709	8,802
118,194	1,742,718	678,398	9,797
133,140	2,354,463	726,981	9,465

Great Lakes

December, 2017	833 Passengers
December, 2016	692 Passengers
January 2017 - December 2017	8,883 Passengers
January 2016 - December 2016	3,259 Passengers
January 2015 - December 2015	1,124 Passengers

ENPLANEMENTS

DEPLANEMENTS

TOTAL

707 Passengers	1,540
629 Passengers	1,321

ENPLANEMENTS - Charter Flights

December, 2017	374 Passengers
December, 2016	0 Passengers
January 2017 - December 2017	5,076 Passengers
January 2016 - December 2016	624 Passengers
January 2015 - December 2015	8,955 Passengers

TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights

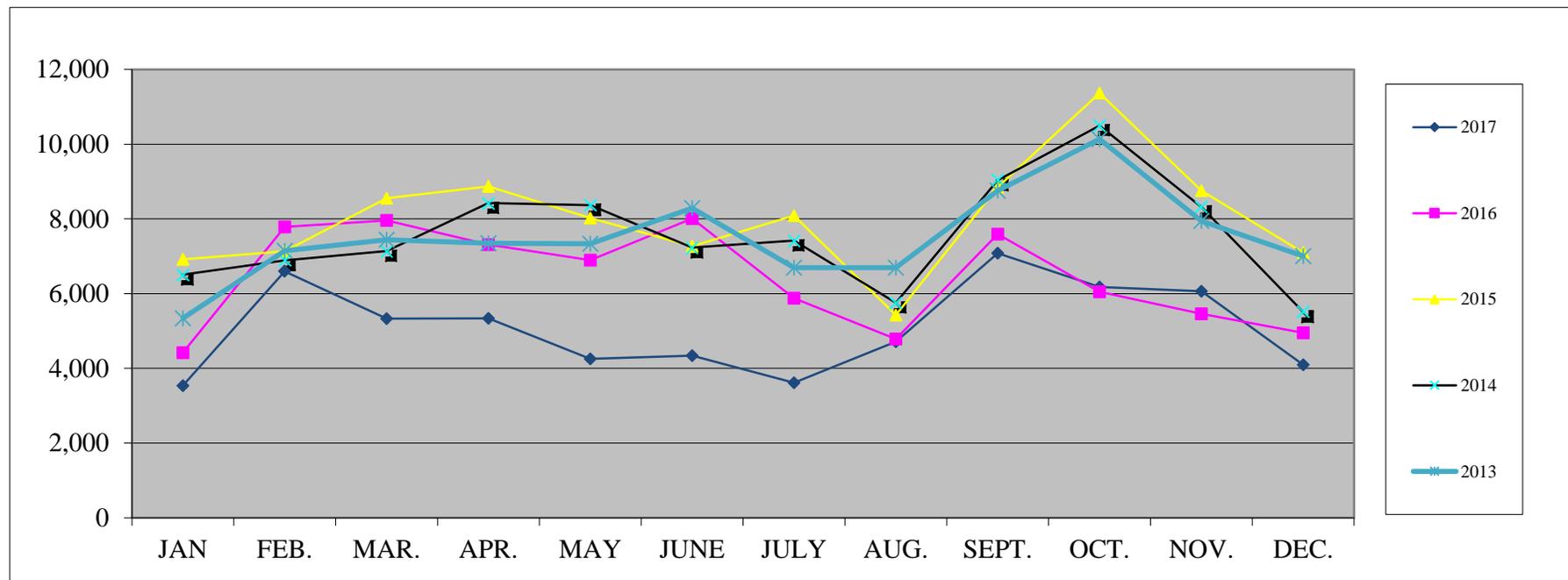
December, 2017	1,207 Passengers
December, 2016	692 Passengers
January 2017 - December 2017	13,959 Passengers
January 2016 - December 2016	3,883 Passengers
January 2015 - December 2015	10,079 Passengers

**AIRPORT TRAFFIC RECORD
2016 - 2017**

	ITINERANT					LOCAL			Total Operations
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	
2017									
January, 17	5	1,154	585	141	1,885	1,438	216	1,654	3,539
February, 17	25	2,062	751	831	3,669	2,553	376	2,929	6,598
March, 17	2	1,426	805	260	2,493	2,518	318	2,836	5,329
April, 17	6	1,793	688	230	2,717	2,317	306	2,623	5,340
May, 17	2	1,433	823	165	2,423	1,612	218	1,830	4,253
June, 17	22	1,241	841	452	2,556	1,328	454	1,782	4,338
July, 17	6	1,035	795	205	2,041	1,320	252	1,572	3,613
August, 17	0	1,281	810	310	2,401	1,800	516	2,316	4,717
September, 17	28	1,953	793	302	3,076	3,496	509	4,005	7,081
October, 17	5	1,676	759	220	2,660	3,283	234	3,517	6,177
November, 17	70	1,516	818	258	2,662	3,042	358	3,400	6,062
December, 17	46	1,062	667	139	1,914	1,996	184	2,180	4,094
Totals January - December	217	17,632	9,135	3,513	30,497	26,703	3,941	30,644	61,141
2016									
January, 16	5	941	676	88	1,710	2,502	210	2,712	4,422
February, 16	78	2,171	1,038	208	3,495	4,064	230	4,294	7,789
March, 16	21	1,830	869	234	2,954	4,644	364	5,008	7,962
April, 16	15	1,799	791	269	2,874	4,110	328	4,438	7,312
May, 16	106	1,610	980	325	3,021	3,473	404	3,877	6,898
June, 16	69	1,758	1,089	273	3,189	4,310	512	4,822	8,011
July, 16	3	1,411	942	152	2,508	3,215	154	3,369	5,877
August, 16	12	1,231	817	194	2,254	2,054	481	2,535	4,789
September, 16	55	2,513	885	144	3,597	3,872	124	3,996	7,593
October, 16	3	2,275	902	186	3,366	2,530	156	2,686	6,052
November, 16	2	1,984	786	186	2,958	2,390	110	2,500	5,458
December, 16	26	1,625	674	159	2,484	2,316	148	2,464	4,948
Totals January - December	395	21,148	10,449	2,418	34,410	39,480	3,221	42,701	77,111
Difference	-178	-3,516	-1,314	1,095	-3,913	-12,777	720	-12,057	-15,970
YTD % Change	-45%	-17%	-13%	45%	-11%	-32%	22%	-28%	-21%
Legend:	AC: Air Carrier		AT: Air Taxi						
	GA: General Aviation		MI: Military						

AIR TRAFFIC

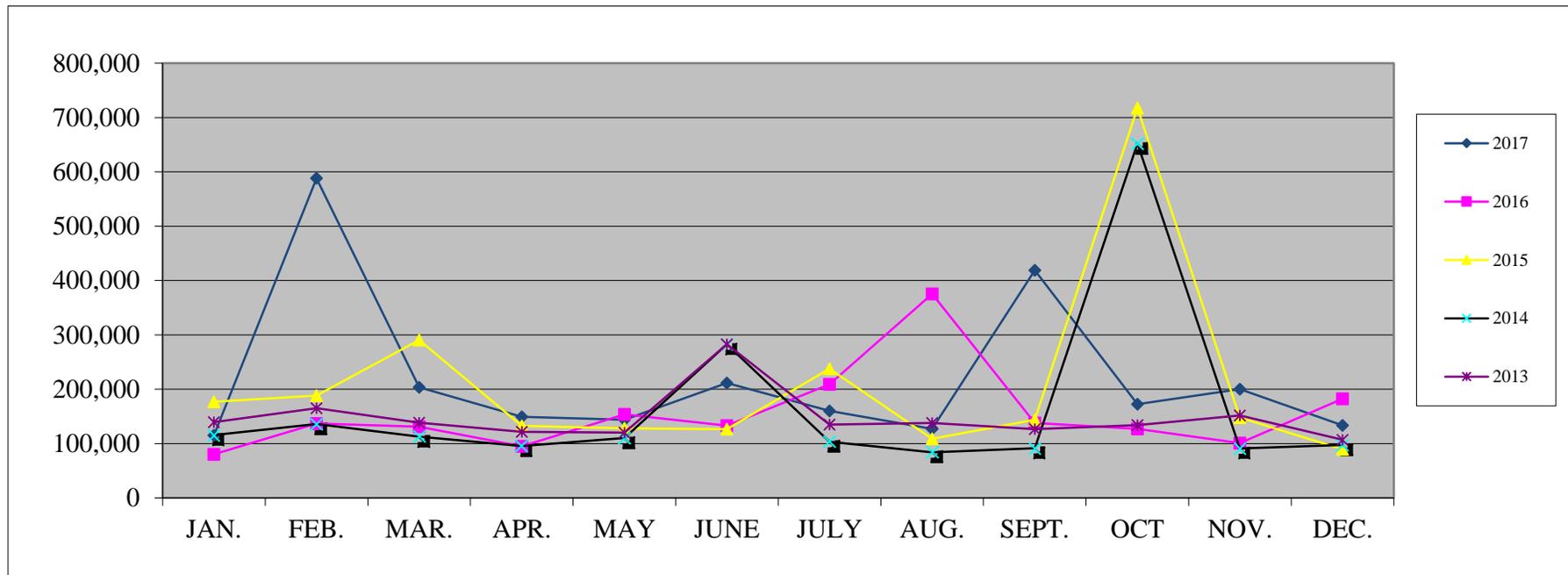
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2017	3,539	6,598	5,329	5,340	4,253	4,338	3,613	4,717	7,081	6,177	6,062	4,094	61,141
2016	4,422	7,789	7,962	7,312	6,898	8,011	5,877	4,789	7,593	6,052	5,458	4,948	77,111
2015	6,918	7,133	8,557	8,870	8,022	7,268	8,089	5,426	8,846	11,367	8,753	7,101	96,350
2014	6,511	6,887	7,143	8,426	8,365	7,234	7,423	5,756	9,035	10,496	8,316	5,509	91,101
2013	5,341	7,146	7,440	7,349	7,336	8,291	6,696	6,694	8,755	10,136	7,946	7,001	90,131
2012	4,642	6,700	8,189	8,002	11,819	7,532	7,635	7,802	10,478	10,292	8,838	5,409	97,338
2011	3,088	3,880	4,632	5,671	5,418	6,379	5,639	4,804	9,355	9,249	6,138	4,954	69,207
2010	2,760	4,430	5,743	5,964	4,611	4,572	4,364	4,009	6,816	7,653	5,100	4,429	60,451
2009	4,345	6,822	5,675	5,888	6,209	5,883	5,082	3,860	6,470	5,258	5,775	3,795	65,062
2008	4,233	6,749	6,063	6,291	5,530	6,345	5,356	4,112	7,425	8,125	6,571	4,775	71,575
2007	5,606	5,726	6,005	7,264	6,087	6,788	6,232	5,531	8,637	7,425	7,498	3,680	76,479



FUEL FLOWAGE

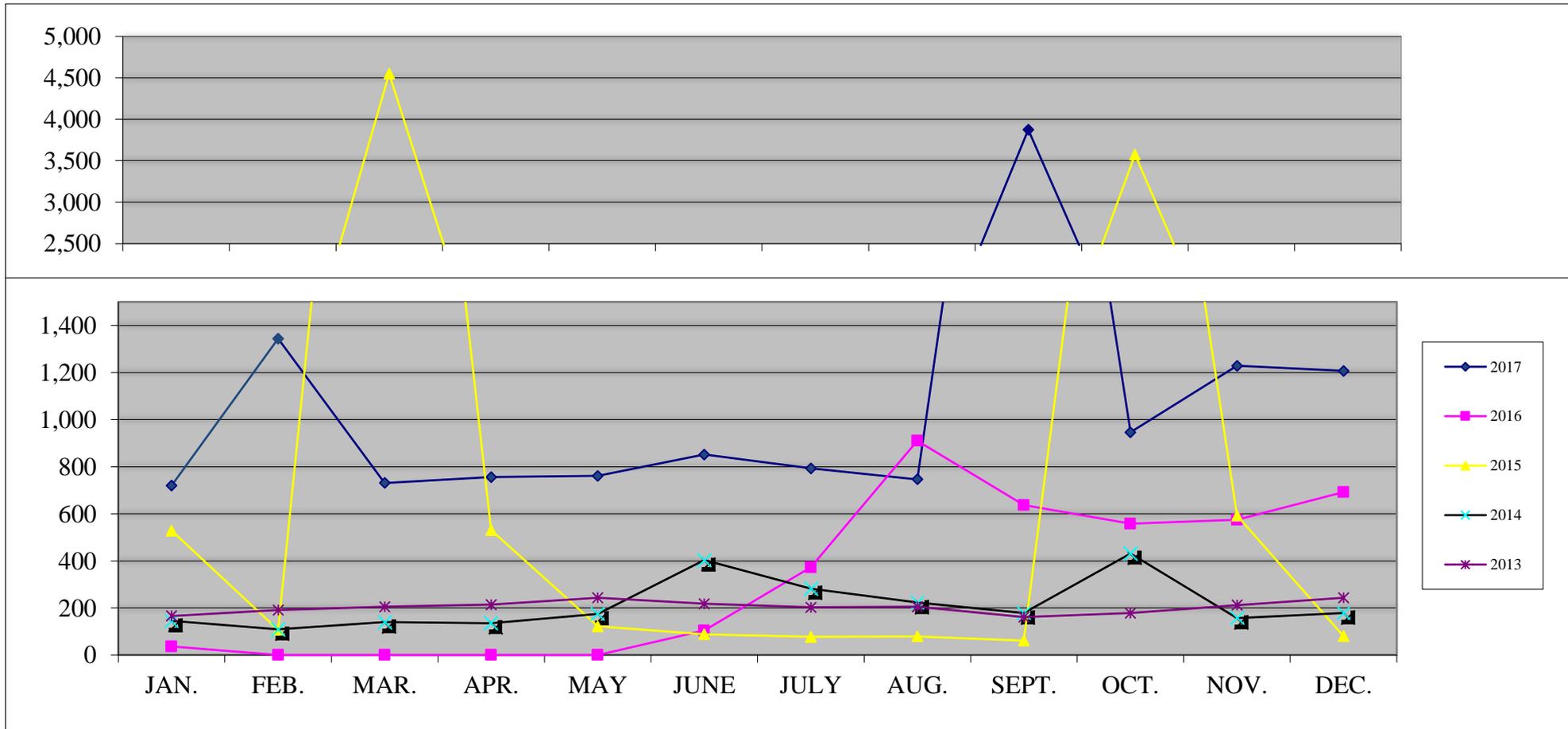
Gallons of Fuel Sold at SLN

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2017	115,075	588,072	203,387	149,134	143,801	211,351	160,134	126,751	418,616	172,614	200,050	133,173	2,622,158
2016	80,221	136,763	130,990	94,673	153,410	132,964	208,846	375,330	137,906	126,983	100,764	182,062	1,860,912
2015	176,746	188,406	290,470	132,543	128,100	126,428	237,782	108,581	143,816	717,601	147,853	89,277	2,487,603
2014	115,573	135,651	112,694	95,549	110,387	282,468	103,108	83,757	91,423	652,207	90,948	97,295	1,971,061
2013	139,227	165,167	138,056	121,295	120,083	282,743	134,677	137,840	126,523	134,024	151,427	106,917	1,757,981
2012	136,995	163,253	303,472	142,770	307,541	365,938	162,584	169,534	163,515	149,404	287,619	241,424	2,594,049
2011	158,199	175,703	311,254	168,490	141,986	261,097	246,687	202,390	178,133	172,586	203,684	166,461	2,386,670
2010	140,149	174,668	276,837	195,019	195,859	333,684	271,029	212,013	170,735	209,067	315,010	269,921	2,763,991
2009	202,765	239,649	182,205	183,738	192,029	306,421	222,991	145,268	171,251	216,190	256,904	162,174	2,481,585
2008	240,060	298,097	293,841	231,396	212,675	319,814	218,666	236,294	245,330	374,857	236,718	206,767	3,114,515
2007	301,504	331,456	315,827	300,209	306,483	433,448	292,410	317,909	323,365	294,420	327,122	234,641	3,778,794



ENPLANEMENTS

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>FAA</u> <u>Adjustment</u>	<u>TOTAL</u>
2017	720	1,344	731	756	761	852	793	746	3,874	946	1,229	1,207		13,959
2016	36	0	0	0	0	104	372	910	637	558	574	692	84	3,967
2015	528	107	4,550	531	122	88	77	79	61	3,574	592	80	-310	10,079
2014	145	109	140	135	175	403	282	223	178	431	157	178	-158	2,398
2013	166	191	205	214	243	218	202	205	161	178	212	243	391	2,829
2012	237	249	247	216	287	213	174	198	151	187	229	335	803	3,526
2011	146	156	205	181	254	258	261	234	225	287	264	234	152	2,857
2010	81	97	139	116	668	166	162	154	178	436	234	510	203	3,144
2009	224	227	275	223	232	210	225	242	439	190	223	129	29	2,868
2008	228	147	224	283	372	396	393	450	524	930	309	398	516	5,170
2007	109	81	133	107	185	226	221	285	241	325	679	353	1,182	4,127



**Adjustment based on Nonscheduled/On-Demand Air Carrier Filings FAA Form 1800-31

01/16/18

Salina Airport Authority
Statement of Net Assets Prev Year Comparison
As of December 31, 2017

	Dec 31, 17	Nov 30, 17	\$ Change	Dec 31, 16	\$ Change	% Change
ASSETS						
Current Assets						
Checking/Savings						
Cash in Bank - Bond Funds	1,482,051 (1)	41,990	1,440,061	45,632	1,436,419	3,148%
Cash in bank & Petty Cash-Op	131,739	192,807	-61,068	127,940	3,799	3%
Total Checking/Savings	1,613,791	234,797	1,378,993	173,572	1,440,218	830%
Accounts Receivable						
Accounts Receivable	262,287 (2)	329,029	-66,742	170,377	91,909	54%
Total Accounts Receivable	262,287	329,029	-66,742	170,377	91,909	54%
Other Current Assets						
Mill Levy receivable	0	71,179	-71,179	0	0	0%
Other current assets	10,612	16,530	-5,917	724,748	-714,135	-99%
Undeposited Funds	0	7,492	-7,492	66,785	-66,785	-100%
Total Other Current Assets	10,612	95,201	-84,589	791,533	-780,920	-99%
Total Current Assets	1,886,689	659,027	1,227,662	1,135,482	751,207	66%
Fixed Assets						
Fixed assets at cost	85,216,809	85,193,372	23,437	83,546,995	1,669,813	2%
Less accumulated depreciation	-42,025,215	-41,800,650	-224,565	-39,330,435	-2,694,780	-7%
Total Fixed Assets	43,191,594	43,392,722	-201,128	44,216,561	-1,024,967	-2%
Other Assets						
Irrevocable Escrow 2017-A&B	1,270,661	1,270,661	0	0	1,270,661	100%
Other assets	3,251	5,239	-1,988	26,809	-23,558	-88%
Total Other Assets	1,273,912	1,275,900	-1,988	26,809	1,247,103	4,652%
TOTAL ASSETS	46,352,196	45,327,649	1,024,546	45,378,852	973,343	2%
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts payable	130,392	224,766	-94,374	154,132	-23,741	-15%
Total Accounts Payable	130,392	224,766	-94,374	154,132	-23,741	-15%
Credit Cards						
Sam's Club Discover	0	1,083	-1,083	0	0	0%
Total Credit Cards	0	1,083	-1,083	0	0	0%
Other Current Liabilities						
Accrued debt interest payable	321,772	243,886	77,886	321,194	578	0%
Debt, current portion	1,067,153	1,067,153	0	1,109,894	-42,741	-4%
Deferred Mill Levy revenue	0	179,220	-179,220	0	0	0%
Other current liabilities	148,058	123,987	24,071	184,570	-36,512	-20%
Total Other Current Liabilities	1,536,983	1,614,246	-77,263	1,615,657	-78,674	-5%
Total Current Liabilities	1,667,375	1,840,094	-172,719	1,769,790	-102,415	-6%
Long Term Liabilities						
Debt - Long Term	24,077,182	22,642,136	1,435,047	22,438,536	1,638,647	7%
Less current portion	-1,067,153	-1,067,153	0	-1,109,894	42,741	4%
Security Deposits Returnable	49,347	49,797	-450	44,904	4,443	10%
Total Long Term Liabilities	23,059,376	21,624,780	1,434,597	21,373,546	1,685,830	8%
Total Liabilities	24,726,751	23,464,874	1,261,877	23,143,335	1,583,415	7%
Equity						
Invested in Capital Assets net	19,114,412	20,693,017	-1,578,605	21,700,184	-2,585,772	-12%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	3,031,105	1,452,500	1,578,605	1,098,373	1,932,733	176%
Net Income	-610,072	-372,741	-237,331	-653,039	42,967	7%
Total Equity	21,625,445	21,862,776	-237,331	22,235,517	-610,072	-3%
TOTAL LIABILITIES & EQUITY	46,352,196	45,327,649	1,024,546	45,378,852	973,343	2%

Notes:

(1) - \$2,132,360 in 2018 Mill Levy Receivable will fund the current long term debt shown on the SNA.

Salina Airport Authority
Profit & Loss Budget Performance
 December 2017

10:58 AM
 01/16/2018
 Accrual Basis

Ordinary Income/Expense	Dec 17	Jan - Dec 17	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Income						
Airfield revenue						
Fuel Flowage Fees	10,441	202,727	(3) 158,000	44,727	128%	158,000
Hangar rent	26,732	416,818	520,000	-103,182	80%	520,000
Landing fees	3,815	46,636	6,500	40,136	717%	6,500
Ramp rent	3,614	46,572	50,000	-3,428	93%	50,000
Total Airfield revenue	44,602	712,753	734,500	-21,747	97%	(4) 734,500
Building and land rent						
Agri land rent	0	55,774	56,000	-226	100%	56,000
Building rents - Long Term						
Short-term leasing	16,693	228,782	89,340	139,442	256%	(5) 89,340
Building rents - Long Term - Other	66,722	800,150	784,494	15,656	102%	784,494
Total Building rents - Long Term	83,415	1,028,932	873,834	155,098	118%	873,834
Land rent						
Basic Land Rent	7,484	102,510	97,150	5,360	106%	97,150
Property tax - tenant share	0	112,862	120,000	-7,138	94%	120,000
Total Land rent	7,484	215,372	217,150	-1,778	99%	217,150
Tank rent	828	9,736	9,500	236	102%	9,500
Total Building and land rent	91,727	1,309,814	1,156,484	153,330	113%	1,156,484
Other revenue						
Airport Marketing	19,696	63,952	48,000	15,952	133%	48,000
Commissions	365	35,766	23,000	12,766	156%	23,000
Other income	10,662	84,696	(6) 45,000	39,696	188%	45,000
Total Other revenue	30,723	184,414	116,000	68,414	159%	116,000
Total Income	167,052	2,206,981	2,006,984	199,997	110%	2,006,984
Gross Profit	167,052	2,206,981	2,006,984	199,997	(7) 110%	2,006,984
Expense						
Administrative expenses						
A/E, consultants, brokers	842	5,307	15,000	-9,693	35%	15,000
Airport promotion	21,605	72,558	58,000	14,558	125%	58,000
Computer/Network Admin.	1,563	15,777	13,500	2,277	117%	13,500
Dues and subscriptions	1,792	27,105	25,000	2,105	108%	25,000
Employee retirement	8,897	66,939	67,000	-61	100%	67,000
FICA and medicare tax expense	5,646	56,607	56,000	607	101%	56,000
Industrial development	0	25,000	25,000	0	100%	25,000
Insurance, property	10,244	143,107	150,000	-6,893	95%	150,000
Insurance, medical	16,396	191,254	170,000	21,254	113%	170,000
Kansas unemployment tax	0	553	1,000	-447	55%	1,000
Legal and accounting	1,826	19,274	32,000	-12,726	60%	32,000
Office salaries	59,000	458,129	448,645	9,484	102%	448,645
Office Supplies	1,117	7,814	6,800	1,014	115%	6,800
Other administrative expense	325	9,523	5,000	4,523	190%	5,000
Postage	448	2,165	3,000	-835	72%	3,000
Property tax expense	0	151,239	160,000	-8,761	95%	160,000
Special Events	154	183	1,000	-817	18%	1,000
Telephone	1,312	17,608	16,538	1,070	106%	16,538
Training	0	175	8,000	-7,825	2%	8,000
Travel and meetings	135	9,770	10,000	-230	98%	10,000
Total Administrative expenses	131,302	1,280,087	1,271,483	8,604	(8) 101%	1,271,483

	<u>Dec 17</u>	<u>Jan - Dec 17</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Maintenance expenses						
Airfield maintenance	299	23,222	25,000	-1,778	93%	25,000
Airport Security	149	997	500	497	199%	500
Building maintenance	3,987	106,899	45,000	61,899	238%	45,000
Equipment fuel and repairs	7,396	121,004	54,500	66,504	222%	54,500
Fire Services	15,500	16,718	15,000	1,718	111%	15,000
Grounds maintenance	208	4,481	3,500	981	128%	3,500
Maintenance salaries	38,808	347,111	325,400	21,711	107%	325,400
Other maintenance expenses	1,601	16,289	17,500	-1,211	93%	17,500
Snow removal expense	0	514	20,000	-19,486	3%	20,000
Utilities	21,145	237,965	200,000	37,965	119%	200,000
Total Maintenance expenses	<u>89,093</u>	<u>875,200</u>	<u>706,400</u>	<u>168,800</u> (9)	<u>124%</u>	<u>706,400</u>
Total Expense	<u>220,395</u>	<u>2,155,287</u>	<u>1,977,883</u>	<u>177,404</u> (10)	<u>109%</u>	<u>1,977,883</u>
Net Ordinary Income	-53,343	51,694 (11)	29,101	22,593	178%	29,101
Other Income/Expense						
Other Income						
Capital contributed	0	899,586	4,088,677	-3,189,091	22%	4,088,677
Gain on sale of assets	17,925	32,990	15,000	17,990	220%	15,000
Interest income						
Interest income on deposits	75	973	1,000	-27	97%	1,000
Interest income - Other	0	0	0	0	0%	0
Total Interest income	<u>75</u>	<u>973</u>	<u>1,000</u>	<u>-27</u>	<u>97%</u>	<u>1,000</u>
Mill levy income	108,041	2,043,302	2,071,873	-28,571	99%	2,071,873
Total Other Income	<u>126,041</u>	<u>2,976,851</u>	<u>6,176,550</u>	<u>-3,199,699</u>	<u>48%</u>	<u>6,176,550</u>
Other Expense						
Debt interest expense net						
Bond issue cost	12,530	13,654	15,000	-1,346	91%	15,000
Interest Expense on Debt	72,933	930,185	934,635	-4,450	100%	934,635
Total Debt interest expense net	<u>85,463</u>	<u>943,839</u>	<u>949,635</u>	<u>-5,796</u>	<u>99%</u>	<u>949,635</u>
Depreciation expense	224,565	2,694,780	2,694,780	0	100%	2,694,780
Total Other Expense	<u>310,028</u>	<u>3,638,619</u>	<u>3,644,415</u>	<u>-5,796</u>	<u>100%</u>	<u>3,644,415</u>
Net Other Income	-183,987	-661,768	2,532,135	-3,193,903	-26%	2,532,135
Net Income	<u>-237,330</u>	<u>-610,074</u>	<u>2,561,236</u>	<u>-3,171,310</u>	<u>-24%</u>	<u>2,561,236</u>

Salina Airport Authority
Capital Additions Budget vs. Actual
 As of December 31, 2017

3:13 PM
 01/12/2018
 Accrual Basis

	Dec 17	Jan - Dec 17	Annual Budget	+/- Annual Budget	% of Annual Budget
ASSETS					
Fixed Assets					
Fixed assets at cost					
Airfield					
AIP-36 Txy E Rehab Const. Ph 1		946,976	1,644,825	-697,849	58%
AIP-37 Txy B & E Rehab Design		4,500	53,133	-48,633	8%
AIP-38 Txy B Rehab Const. Ph 2		46,325	1,998,250	-1,951,925	2%
Airfield Improvements		189,791	171,510	18,281	111%
Rwy 17/35 Improvements		198,559	180,000	18,559	110%
Total Airfield	0	1,386,151	4,047,718	-2,661,567	34%
Buildings & Improvements					
Building improvements					
Bldg. Imps. Other	2,313	44,784	17,500	27,284	256%
Bldg. Roofing Systems	0	0	10,000	-10,000	0%
Hangar #509 Imps.	0	0	10,000	-10,000	0%
Hangar 600 Development					
Hangar 600 - Other		7,282	10,000	-2,718	73%
Total Hangar 600 Development	0	7,282	10,000	-2,718	73%
Hangar 606 Rehabilitation		5,007	10,000	-4,993	50%
Hangar 959 Rehabilitation		10,700	31,000	-20,300	35%
Total Building improvements	2,313	67,773	88,500	-20,727	77%
FBO Improvements					
Avflight North		6,086	5,000	1,086	122%
Total FBO Improvements	0	6,086	5,000	1,086	122%
Terminal building improvements					
2015 Terminal Bldg. Remodel		-9,736	5,000	-14,736	-195%
2nd Floor Remodel-SAA Admin Ofc		3,180	2,500	680	127%
Terminal Bldg. Other		2,456	47,000	-44,544	5%
Total Terminal building improvements	0	-4,100	54,500	-58,600	-8%
Total Buildings & Improvements	2,313	69,759	148,000	-78,241	47%
Equipment					
ARFF equipment		20,742	43,446	-22,704	48%
Communications equipment		1,425	5,000	-3,575	29%
Computer equipment		14,930	15,000	-70	100%
Total Equipment	0	37,097	63,446	-26,349	58%
Land					
Airport Indust. Cent. Imps.	6,125	22,421	500	21,921	4,484%
Environmental					
Environmental - SAFB	5,850	30,617	20,000	10,617	153%
Total Environmental	5,850	30,617	20,000	10,617	153%
Rail Spur Imps.		20,000	30,000	-10,000	67%
West Beechcraft Road Imps.	15,270	126,513	379,700	-253,187	33%
Total Land	27,245	199,551	430,200	-230,649	46%
Total Fixed assets at cost	29,558	1,692,558 (12)	4,689,364	-2,996,806	36%

Salina Airport Authority
Significant Capital Expenditures Detail
 December 2017

Type	Date	Name	Memo	Amount	Balance
Fixed assets at cost					
Buildings & Improvements					
Building improvements					
Bldg. Imps. Other					
Bill	12/19/2017	Cheney Door Company, Inc.	Hangar 703 overhead door replacement	2,313.00	2,313.00
		Total Bldg. Imps. Other		2,313.00	2,313.00
		Total Building improvements		2,313.00	2,313.00
		Total Buildings & Improvements		2,313.00	2,313.00
Land					
Airport Indust. Cent. Imps.					
Bill	12/21/2017	Smoky Hill, LLC	SAS Entry Road pavement repairs	6,125.00	6,125.00
		Total Airport Indust. Cent. Imps.		6,125.00	6,125.00
Environmental					
Environmental - SAFB					
Bill	12/31/2017	Stinson Leonard Street, LLP	Professional services - December 2017	5,759.86	5,759.86
Bill	12/31/2017	Clerk, Mize & Linville	Env. legal fees - December 2017	89.65	5,849.51
		Total Environmental - SAFB		5,849.51	5,849.51
		Total Environmental		5,849.51	5,849.51
West Beechcraft Road Imps.					
Bill	12/14/2017	Lochner - BWR Division	Reconstruct Beechcraft Road Engineering Design Progress ... (13)	15,270.00	15,270.00
		Total West Beechcraft Road Imps.		15,270.00	15,270.00
		Total Land		27,244.51	27,244.51
		Total Fixed assets at cost		29,557.51	29,557.51
TOTAL				29,557.51	29,557.51

Executive Summary

- The businesses and organizations located at the Salina Regional Airport and Airport Industrial Center (SLN/SAIC) contributed approximately 60 percent of the total economic activity in Saline County during 2014.
- The total employment associated with SLN/SAIC activity during 2014 was 6,459 jobs (17.3 percent of the employment in Saline County).
- The SLN/SAIC activity contributed approximately 25 percent of the total economic activity in the Seven County Region during 2014 and produced 6,010 jobs.
- The SLN/SAIC businesses and organizations contributed approximately 7.7 percent of the total economic activity in the Twenty-five County Region during 2014 and produced 6,505 jobs.
- SLN/SAIC activity contributed approximately 1.3 percent of the total economic activity in Kansas during 2014 and produced 7,796 jobs.

BUSINESSES and ORGANIZATIONS



Avflight Salina Corporation
Blue Beacon International Flight Department
Bombardier - Learjet, Inc.
Civil Air Patrol
Crop Service Center, Inc.
Enterprise Rent-A-Car
Federal Aviation Administration
Great Lakes Airlines
Hawkeye Helicopter
Hertz Rent-a-Car
Houser Custom Ag, Inc.
Kansas Army National Guard AASF #2

Kansas Highway Patrol - Aviation Unit
Kansas State Polytechnic
Long McArthur Rental Center
Plains Environmental
Planemasters, Ltd
Salina Aircraft Services
Salina Airport Authority
Schilling Aviation Services
SouthWind Global Aviation
Transportation Security Administration
TRC Enterprises, LLC Flight Dept.



* AAL Organic Matters, LLC
A&B Machine
Access Storage, Inc.
AFK Properties, LLC., (OCCK, Inc.)
* Airport Apartments
All Saints Orthodox Christian Church
All Star Automotive
* Alltell Newco No. 4, LLC
APAC Salina
* Belcher Industries
Berry Material Handling
Borettec, L.L.C.
Broadway Mini Storage
* Builder's Choice Concrete
* Charter Matrix
Choices Network, Inc.
City of Salina
City Wide Self Storage
Classics Auto Body
* Cross-Midwest Tire Co.
* Daws, Inc.
Diesel Disc
* Doug Bradley Trucking, Inc.
* E.A. Sween Company, d/b/a Deli Express
Eldorado National (Kansas), Inc.
* Exide Technologies
FedEx Express
FedEx Freight
GE Oil and Gas
* Geocore Inc.
* Geoprobe Systems
GT Midwest
* Hangar Indoor Complex
Harbin Construction
Heineken Electric
IBT Industrial Solutions
* Interstates Construction Services, INC.
Jumpin' Joe's
* Kansas Erosion Products, LLC
* Kansas National Guard
* Kansas State Polytechnic
L & S Builders
Lift Truck Specialists of KS
Luminous Neon Art & Design Systems
Matrix Electronic Measuring, Inc.
McIntire Welding

* Miller Pipeline, LLC
* Nestlé Dreyer's
Oards Auto Repair
Occupational Center of Central Kansas (OCCK)
Ovation Cabinetry, Inc.
* Penske Truck Leasing
Power Ad Company
Pratt Industries Salina Division
Precision Machine & Welding
Precision Works Manufacturing
* Quality Drive-away, Inc.
* Quivera Gun Club
Salina Area Technical College
Salina Auto Auction
* Salina Mini Storage
Salina Rescue Mission
* Salina Vortex Corporation
Salina Waste Systems, Inc.
* Saline County Bird Dog Assoc.
Saline County Shops
* Scientific Engineering
* Scrommel Resource Mgmt.
Smoky Hill Winery
Smoky Hill, L.L.C.
Snak-Atak
State of Kansas Drivers License Office
Storage Mart
Sunflower Restaurant Supply
Superior Plumbing & Heating
* The Schwan Food Company
Thunder Struck
* Tischlerei, Inc.
* Triangle Trucking
Two Hawk Employment Services
Unifirst
* Universal Forest Products, Inc.
* USD 305
Veris Technologies
* Vidricksen Distributing Co.
* Waddle's Manufacturing, Inc.
* Waters, Inc.
Westar Energy
* Winfield United
* Winwater Works Co.

* Airport Authority Tenants



Contract No. 2018-05

MEMORANDUM OF AGREEMENT

THIS AGREEMENT effective this 17th day of January, 2018, between the Salina Airport Authority (hereinafter referred to as “SAA”), 3237 Arnold Avenue, Salina, Kansas 67401, represented by its Executive Director, Timothy F. Rogers A.A.E., and the Docking Institute of Public Affairs at Fort Hays State University (hereinafter referred to as “Institute”), is made to affiliate the SAA and the Institute for the purposes of estimating the economic impact of the Salina Regional Airport and Airport Industrial Center.

1. Overview of Project

The Docking Institute of Public Affairs will perform an analysis to estimate the economic impact of the three economic sectors supported by the SAA (business and industry; education; and military) on the economy of The City of Salina, Saline County, the North Central Kansas Region and the State of Kansas. The Principal Investigator for this study will be Dr. Preston Gilson. Mr. Michael Walker will coordinate survey research design, implementation, and management, and will assist with editing of the report.

The purpose of the study will be to document the value of current users of the Salina Regional Airport and Airport Industrial Center in promoting a healthy regional economy by measuring the economic contributions of the businesses and institutions and their employees, students, service members and visitors. The point of contact for this project is Shelli Swanson, Director of Administration and Finance.

2. Consulting and Technical Services

- a. The methodology will be built around the IMPLAN model and its multipliers. IMPLAN © is an up-to-date economic model that is widely used for economic impact analysis.
- b. The methodology utilized for this study includes analysis of self-reported economic data (collected by the Institute in cooperation with the SAA), and as required, data collected directly from other relevant entities. The analysis of economic data will be facilitated through the use of the current (2016) IMPLAN data set.
- c. Using a list of contacts (containing phone numbers, email address, and street addresses) provided by the SAA, the Institute will collect data primarily through the use of Qualtrics® web survey software. SAA agrees to assist with notification of the web survey. If necessary, paper questionnaires will be mailed to ensure an acceptable cooperation rate. A single wave of paper questionnaire will be mailed to contact not respondent via the web survey.

- d. The final product will be a report containing a bulleted executive summary of the primary findings, an introduction, a description of the methodology and a detailed description of the analysis. The Final Report will be formatted similarly to previous study conducted by the Institute to accommodate trend analysis by Salina Airport Authority management.
- e. SAA agrees to assist the Institute, to the best of its ability, the facilitation of data and contact information required for primary and secondary data collection as determined by the Principal Investigator from all applicable sources of economic impact.

3. Confidentiality and Information Management

The Institute follows best practices outline by the American Sociological Society, the American Political Science Association, the American Association for Public Opinion Research, and Fort Hays State University's Institutional Review Board, with regard to collecting, protecting, and analyzing information and data. Information and data provided to the Institute by the SAA, as well as SAA clients, will be housed on secured servers, accessed only by Dr. Preston Gilson and Mr. Michael Walker, and maintained in strict confidentiality. Although unanticipated, data breaches will be reported immediately to the SAA.

4. Time-Line

Assuming a formal agreement is finalized by or near January 17, 2018, the Preliminary Report will be delivered no later than May 7, 2018. The Final Report will be delivered by May 22, 2018, allowing for feedback from SAA on the Preliminary Report.

5. Deliverables

- a. The principal product will be a Final Report in pdf format containing a bulleted executive summary of the primary findings, an introduction, a description of the methodology and a detailed description of the analysis.
- b. A preliminary report in Word format for review and feedback.
- c. Copies of the report can be printed and shipped upon request at additional cost.
- d. The Principal Investigator will make a presentation in Salina at a time commensurate with all parties' availability upon request for additional travel costs.

6. Fees and Invoicing

For providing the services described above, SAA agreed to provide the Institute \$11,800. The Institute will invoice SAA for half (\$5,900) of the fee upon finalization of this agreement and the remainder (\$5,900) upon delivery of the preliminary report. SAA agrees to remit payments within 3 weeks of invoicing.

7. Agreement Modifications

Any agreement to change the terms of this Agreement in any way will be valid only if modifications are agreed to by both parties.

8. State of Kansas Contractual Provisions Attachment, Jurisdiction and Venue

- a. The provisions found in Contractual Provisions Attachment (form DA-146A), which is attached hereto and executed by the parties to this Agreement, are hereby incorporated in this Memorandum of Agreement and made a part hereof.
- b. This agreement will be subject to, governed by and construed through the laws of the State of Kansas. Jurisdiction and venue over any issues regarding this agreement lie with the court of Ellis County, Kansas.

9. Facsimile Signatures

Scanned, photocopied, or facsimile signatures on this contract are just as valid and effective as original signatures.

10. Signatures

IN WITNESS WHEREOF, both of the parties accept and approve this AGREEMENT.

Fort Hays State University

Dr. Tisa Mason, Ed.D., CAE
President

Date: _____

Salina Airport Authority

Timothy F. Rogers, A.A.E.
Executive Director

PLEASE DO NOT SIGN DRAFT _____

Date: _____

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 07/17), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being _____ day of _____, 20_____.

- 1. Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.
- 2. Disclaimer Of Liability:** No provision of this contract will be given effect that attempts to require Fort Hays State University or any of its affiliates ("University") to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The terms, conditions, and limitations of liability of the State of Kansas, the University, and their employees are defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
- 3. Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, the University may terminate this agreement at the end of its current fiscal year. The University agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided under the contract for which it has not been paid. The University will pay contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement under this provision, title to any such equipment shall revert to contractor at the end of the University's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
- 4. Kansas Law and Venue:** All matters arising out of or related to this agreement shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit arising out of or related to this agreement shall reside only in courts located in the State of Kansas.
- 5. Required Non-Discrimination Provision:** Contractor agrees to comply with all applicable state and federal anti-discrimination laws. Contractor specifically agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission or if it is determined that the contractor has violated applicable provisions of ADA, such violation(s) shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the University. The provisions of this paragraph (except the provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the University cumulatively total \$5,000 or less during the fiscal year.

Contractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance individuals in employment without regard to race, color, religion, sex, national origin, protected veteran status or disability.

- 6. Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.

7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation of this contract shall find that the University has agreed to binding arbitration, or the payment of damages or penalties. Further, the University does not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages or rights of action available to the University at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
8. **Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The University shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
10. **Insurance:** The University shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require the University to establish a "self-insurance" fund to protect against any such loss or damage.
11. **Information/Confidentiality:** As a state agency, the University's contracts are generally public records. Accordingly, no provision of this contract shall restrict the University's ability to produce this contract in response to a lawful request or from otherwise complying with the Kansas Open Records Act (K.S.A. 45-215 et seq.). Moreover, no provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. **The Eleventh Amendment:** The Eleventh Amendment is an inherent and incumbent protection of the State of Kansas and need not be reserved, but the University here reiterates that nothing in or related to this contract shall be deemed a waiver of the Eleventh Amendment.
13. **Campaign Contributions / Lobbying:** Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.
14. **Privacy of Student Records:** Contractor understands that the University is subject to FERPA (Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g) and agrees to handle any student education records it receives pursuant to this Agreement in a manner that enables the University to be compliant with FERPA and its regulations. Contractor agrees to protect the privacy of student data and educational records in a commercially reasonable manner and shall not transmit, share, or disclose any data about a student without the student's written consent, except to other University officials who seek the information within the context of his/her professionally assigned responsibilities and used within the context of official University business. Contractor shall promptly report to the University any disclosure of University's student educational records.
15. **Boycotts of Israel Prohibited:** Kansas 2017 HB 2409 generally prohibits the University from entering into a contract with an individual or company to acquire or dispose of services, supplies, information technology or construction, unless such individual or company submits a written certification that such individual or company is not currently engaged in a boycott of Israel. For the purposes of this Section 15, "company" means a sole proprietorship, organization, association, corporation, partnership, venture or other entity, its subsidiary or affiliate that exists for profitmaking purposes or to otherwise secure economic advantage. Accordingly, if Contractor is an individual or company, by executing this contract, Contractor hereby certifies that it is not currently engaged in a boycott of Israel.