

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF
DIRECTORS OF THE SALINA AIRPORT AUTHORITY
FEBRUARY 18, 2009
M. J. KENNEDY AIR TERMINAL CONFERENCE ROOM**

Call to Order

The meeting was called to order at 8:00 A.M. by Chairman Hardman.

Attendance

Attendance was taken. Chairman Hardman, Directors Ryan, Sager Miller, Thompson and Vancil were present. Also present were Executive Director Tim Rogers; Manager of Administration and Finance Shelli Swanson; Manager of Operations David Wiles; Manager of Facilities Kenny Bieker; Temporary Executive Assistant Cathy Lentz and Board Attorney Greg Bengtson. Bruce Boyle, SLN ATCT; Salina City Commissioner Aaron Peck, Saline County Commissioner Jerry Fowler; and Tim Unruh, Salina Journal were guests.

Executive Director Rogers welcomed the guests present.

Additions to the Agenda

Chairman Hardman asked if there were additions to the Agenda. Executive Director Rogers stated there is one addition which is an update on the 2009 bond and note issue and coordination for the date and time for a special Board meeting for the resolution to authorize the projects.

Minutes

Chairman Hardman asked if the Board members had any additions or corrections to the minutes of the January 21, 2009 regular Board meeting. Chairman Hardman stated that in the paragraph entitled "2009 SAA Budget Summary", (page 3) of the minutes, the last paragraph should read that "Hardman noted that we should issue a request for proposals 90 days prior to the end of the plan year and obtain premium costs 30 days prior to the end of the plan year". Director Sager Miller moved, seconded by Director Vancil, to correct the minutes as stated. Motion passed unanimously. Executive Director Rogers stated the minutes will be corrected.

Airport Activity and Financial Reports

Executive Director Rogers stated favorable weather helped to see a 2.65% increase in ATCT operations.

Airport fuel flowage dropped 15.5%. America Jet did see an increase in activity. Rogers stated we are looking for more activity with military training bringing aircraft and helicopters to the Airport the week of February 23.

Executive Director Rogers stated passenger enplanements for January 2009 (224) were level with the January 2009 total of 228 boardings. With a change in travel patterns, February should show better boardings. Rogers stated he was very pleased with the activity on his recent flight on Great Lakes to Washington DC. The plane was full out of Denver.

Manager of Administration and Finance Swanson reviewed the financial statements for January 2009. Swanson compared total assets to 2008 stating fixed assets have gone up significantly over the past year. Swanson noted that staff is continuing efforts to reduce operating expenses and have identified nearly \$10,000 in expenditures that can be cut. Executive Director Rogers distributed a listing of items that will not be procured during 2009. In January, \$611,052 was received in mill levy dollars representing 52% of the anticipated amount for 2009.

Chairman Hardman asked why the Airport fuel flowage is down by one-third. Rogers noted that Flower is down significantly over recent years. Rogers reported that the Airport Authority has been having regular meetings with both fixed base operators, and both operators are current with their rent. In the recent meeting with Flower, it was noted that they have made staff reductions and are lowering their operating costs as much as possible until sales improve.

SAA Audit Committee Report

Executive Director Rogers stated the audit committee met for the first time this year on January 28 and the board packet contained a summary of the meeting. Rogers asked Directors Thompson and Vancil if they had any comments regarding the meeting. They had no comments. Rogers said the next meeting is scheduled for 10:30 a.m. on March 9.

FAA Grant Offer for AIP Project No. 30, Taxiway Alpha Rehabilitation

Executive Director Rogers stated Congress has not yet authorized the FAA Reauthorization Bill. The bill has been in limbo well into the second year. Rogers stated without the Bill, the FAA Airport Improvement Program is on hold. Without a full year of authorization, the FAA cannot commit funds past March 31, 2009. We have been able to finish up to Taxiway Charley. Our next phase will be a \$3.3 million dollar project in which we will look for over 2.6 million dollars in grant funding. Because the FAA can only obligate funding through March 31, they are giving the Salina Airport Authority a grant in the amount of \$48,693. This grant will allow us to get the project bid. Rogers stated he had the opportunity to discuss the Reauthorization Bill with officials in Washington DC, during his recent visit there. The \$48,693 represents AIP entitlement funds that will later be coupled with \$2,625,670 in AIP discretionary funds to fully fund this summer's Taxiway Alpha construction.

Executive Director Rogers distributed the figures for RW 17-35 Concrete Shoulder Removal and Connector from North Apron to Taxiway A. This project is scheduled for 2009-2010 funding. The design of this project which is AIP-32, is complete and ready to go to construction. We have an item already being bid to pull up old panels of concrete shoulder on Runway 17-35. Rogers stated \$4,866,394.80 is the total funding necessary to complete AIP-32.

Executive Director Rogers stated the second project scheduled for 2010 is a new Aircraft Rescue and Firefighting Station. The FAA received this project very well. We have started the designing of the project. Funding necessary for this AIP-33 project is \$2,875,000. These two projects will be bid in March and April.

Executive Director Rogers stated that Attorney Bengtson has reviewed the Grant Offer for AIP Project No. 30. Director Vancil moved, seconded by Director Ryan to approve and accept AIP Project No. 30 Grant Offer and Agreement. Motion carried unanimously.

Dragun Corporation 30-Year Work Plan Agreement

Executive Director Rogers stated The Dragun Corporation will draw up a 30-year work plan that will give the scope of the work and tasks to be taken by the Corps of Engineers for the remediation of ground water. The work plan is a very detailed document and will confirm that funding from a settlement will sustain a 30-year clean-up program. The cost to prepare the work plan is \$24,600. Rogers stated a demand letter has been submitted to the Kansas Army Corps of Engineers, but we have had no response. We do have good support from the Governor's office. Director Vanier moved, seconded by Director Ryan to approve the proposed agreement with The Dragun Corporation. Motion carried unanimously.

North Ramp Redevelopment and Project Cypress Architectural and Engineering Design Updates

Executive Director Rogers distributed a City of Salina Kansas and Salina Aviation Service Center Utility Construction document showing 2009 Stimulus Grant Funding. Rogers stated the timing for this is very good to work with our other 2009-10 programs. The utility line work for this area has become extensive. Rogers stated we are working with City staff to finalize the design. We will plan on an elevated water tank, which will serve for fire protection. The construction cost for the work is shown as \$4,515,279.00. This work could be included in the stimulus package. Rogers stated we will continue to work with the City on the funding for this project. We want to see this work funded and bid in 2009.

Executive Director Rogers stated we will submit the contract next month for the paint hangar. Jones, Gillam Architects have been designated the firm for the design work. A special Board meeting will be held Wednesday, February 25 at 8:00 A.M. Dave Arteberry, George K. Baum Co. will be here to authorize the projects to be funded. Arteberry will review how they are marketing for the best rates. The bond sale will be March 18 when bids will be taken. Plans are to close on April 1.

Staff Reports

Executive Director Rogers stated the annual FAA Certification Inspection was completed February 6, 2009. The FAA letter of corrections has been received showing two corrections to be made by specific dates. The signage plan will be updated to reflect changes made in our last project. The other correction includes signs at the ILS holding on the west side of the Airport.

Executive Director Rogers stated KSAL Radio has scheduled a morning presentation with Great Lakes Airline. Great Lakes will not be in Salina for the show, but will be included by phone. This will be scheduled to coincide with Great Lakes' one-year anniversary in Salina.

Executive Director Rogers stated an Airport Tenant's meeting is scheduled for Wednesday, February 25 at 5:30 P.M. at Hangar 600. This will allow people to view the hangar.

Executive Director Rogers distributed Resolution 09-01, A RESOLUTION EXPRESSING GRATITUDE AND APPRECIATION TO STEPHEN C. RYAN, FOR HIS SERVICES RENDERED TO THE CITY OF SALINA AND ITS CITIZENS. Director Ryan stressed his appreciation to Rogers and staff and those who have served with him. Chairman Hardman presented Director Ryan with a Resolution plaque and a clock.

Upon a motion duly made, the meeting adjourned at 9:13 a.m.

Minutes approved at the March 18, 2009 Board meeting.

Secretary

(SEAL)