

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF
DIRECTORS OF THE SALINA AIRPORT AUTHORITY
APRIL 15, 2009
M. J. KENNEDY AIR TERMINAL CONFERENCE ROOM**

Call to Order

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

Attendance

Attendance was taken. Chairman Miller, Directors Hassler, Thompson, Hardman, 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; Public Affairs and Communications Manager Melissa McCoy; Temporary Administrative Assistant Gretchen Engstrom and Board Attorney Greg Bengtson. Bruce Boyle, SLN ATCT; Former SAA Board Member Bill Horton, Dennis Lauver and Aaron White, Salina Area Chamber of Commerce; Tim Unruh, Salina Journal and Jim Tullis were guests.

Executive Director Tim Rogers introduced and welcomed Melissa McCoy as the new Manager of Public Affairs and Communications.

Additions to the Agenda

Chairman Miller asked if there were any additions to the agenda. Executive Director Tim Rogers stated there were no additions to the Agenda.

Minutes

Chairman Miller asked if the Board members had any additions or corrections to the minutes of the March 18, 2009 regular Board meeting. Hardman moved, seconded by Vancil, to approve the minutes of the March 18, 2009 regular meeting. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reviewed airport activity for the month of March reporting that year-to-date total operations are down 1.2% noting that although general aviation activity is down, military activity continues to remain strong.

Rogers reported on fuel flowage activity noting that the March 2009 fuel delivered dropped to a level not seen since 1995 when monthly sales averaged 202,971 gallons per month. The low point in 1995 was May when 158,805 gallons were delivered. During this time, the SAA initiated the "branding" of Salina as "America's Fuel Stop".

Passenger enplanement activity again marked an increase (21%) over the prior year-to-date. Rogers noted that increases will level off as a result of going from four to five flights effective April 7.

Manager of Administration and Finance Swanson reviewed the financial statement for the month ending March 2009 and 1st quarter of 2009. Swanson stated that operating income is tracking 3% under budget with fuel

flowage income lagging behind 8% of budget. Administrative expenses as well as maintenance expenses are tracking within 1% of budget. Swanson noted that total operating expenses are running 6.8% (nearly \$40,000) less than the first quarter of 2009. Rogers remarked on the SAA's continuing effort to reduce operating costs and commented on the "checks not written" during the 1st quarter of the year. Swanson commented on several significant line items and capital expenditures. Chairman Miller directed the staff to file the financials for audit.

Director Hassler asked if any adjustments to the budget will be made as a result of decreased fuel sales. Rogers noted that SAA staff continues to identify ways to reduce operating expenses in light of the reduced fuel flowage revenue. In addition, Executive Director Rogers commented on the upcoming chartered flights for the WWII vets to visit the Washington, D.C. memorials and the positive impact on fuel sales. Rogers also commented on the upcoming summer military training exercises that are expected to generate revenue from the short-term leasing of Hangar 600 and additional fuel sales.

Airfield Construction Projects

Manager of Facilities and Construction Bieker and Executive Director Rogers displayed a large, in-house printed aerial drawing. Rogers reviewed the upcoming summer airfield construction projects that are scheduled to begin as early as May.

The focus of the work will be the phased reconstruction of Taxiway Alpha and connecting taxiways Charlie, Delta, and Echo. The reconstruction of the Taxiway Alpha and North GA Ramp connecting taxiway is also planned. While Runway 17/35 is closed for the Taxiway Alpha rehabilitation work, we will also be able to resurface the north 4,800 feet of the runway.

Bieker reviewed the status of the AIP 29-30 (phased Taxiway alpha reconstruction) projects which started last summer and will pick back up again this summer. Bids are currently being received for AIP 31 (Taxiway Alpha reconstruction from Charlie up to the north GA connecting taxiway) and AIP 32 (north apron connector to Taxiway Alpha and possibly, runway shoulder removal depending on funding availability).

Rogers noted the importance of phasing related to this summer's construction projects and reported that the goal is to limit runway closures as much as possible.

Bieker reported on the seven facility roof repair projects that will occur this summer and noted the various facilities and their locations. In addition, Bieker stated that the aviation service center (north ramp) civil design is complete.

Manager of Administration and Finance Swanson reported to the Board on the SAA's Disadvantaged Enterprise Goal for 2009. Swanson reported that the goal for 2009 is 10.27%; which is up from 9.1% a year ago. Chairman Miller asked Swanson to describe the program. Swanson reported that as a recipient of FAA AIP grant funds, the SAA is required to develop and follow a DBE program and establish and monitor goals. Swanson stated that DBEs are minority and/or women owned businesses that meet the eligibility guidelines and are certified by the state of Kansas. The program was designed to ensure a "level playing field" in which DBEs can compete fairly for federally funded projects. Swanson reviewed the process of goal development and community outreach to insure that "ready, willing, and able" DBEs are aware of our projects so that they may submit a bid. Swanson also commented on our monitoring efforts to determine what barriers exist for DBE participation.

Consideration of ARRA Airport Sponsor Certification for FAA AIP Project No 32

Rogers noted that the proposed FAA AIP project No. 32 being applied for is a grant under the American Recovery and Reinvestment Act of 2009 (ARRA). ARRA grants do require additional certifications, assurances

and justifications. SAA staff has made considerable effort to provide the FAA with documentation regarding the project's eligibility, pavement design, impact on airport safety, impact on future job creation and the SAA's ability to construct the improvements this summer.

The FAA is requiring one additional airport sponsor certification that can only be approved by the SAA Board of Directors. The enclosed copy of the ARRA Airport Sponsor Certifications requires that the SAA Board of Directors make the following basic assurances:

Use competitive bids for an ARRA grant project.

Buy American

Proceed with construction within 30 days of grant offer acceptance.

Certify that the use of ARRA grant funds is an appropriate use of taxpayer dollars.

Post ARRA grant and project information on the SAA's website.

Executive Director Rogers stated the use of funds for the eligible project, which is a part of our 5 year capital improvement program, was submitted to the FAA. Rogers reminded the Board that the potential for job creation on the north aviation service center is in excess of 800 new jobs. We've received preliminary positive comments from the FAA. Rogers recommended approval and acceptance of the FAA Project No. 32 ARRA Airport Sponsor Certifications and authorize the Chairman to execute the documents. Board Attorney Bengtson has reviewed all the necessary documents. Director Hardman moved, seconded by Director Vancil. Motion carried unanimously.

KAIP Grant Offer

Executive Director Rogers commented on the importance of maintaining the Salina Municipal Airport's 12,300 ft. of primary runway in order to remain competitive as a mid-continent fuel stop. Currently, the north 4,800 feet of Runway 17/35 is ineligible for FAA AIP grant funding. Last year, the SAA applied for a Kansas Airport Improvement Program grant to fund the rehabilitation of this pavement. In April, the SAA was notified that it was awarded a grant of up to \$500,000 for this project.

When compared to an FAA AIP ARRA grant offer, the KAIP grant award is the essence of simplicity. A KAIP grant will reimburse the SAA for 50% up to a maximum of \$500,000 for the Runway 17/35 repaving work (north 4,800 feet). Kenny Bieker will do the design work in-house (a savings of over \$30,000), bid the project, supervise the construction work and submit a request for reimbursement (50% of project cost up to a maximum of \$500,000).

Chairman Miller asked what the budget was and Rogers reported \$1 million. Director Vancil moved to approve the acceptance of the KDOT Kansas Airport Improvement Program grant offer (KDOT letter dated April 2, 2009) and authorize SAA staff to proceed with grant documents, in-house project design and bidding. Director Thompson seconded. Motion carried unanimously.

Director's Forum

Director Hassler inquired as to the status of the Airport's self-fueling system for 100LL (avgas). Rogers reported that construction is complete and the system is ready for operation noting that he is working on submitting Requests for Proposals (RFPs) to potential operators of the facility. The RFPs are slated to be sent out in May which will allow staff to bring a proposal to the Board in June. Rogers also reported that Manager of Operations

Wiles is working on a system user training outline.

Staff Reports

Manager of Administration and Finance Swanson commented on the bond sale scheduled for 12:00 p.m. on May 20th. The Board meeting will be rescheduled to 1:00 p.m. on May 20, 2009.

Manager of Facilities Bieker noted that the utility design work on the north aviation service center ramp is 100% complete and staff is in the processing of reviewing the final design. Director Hassler inquired as to the projected date for utilities to be in place. Executive Director Rogers noted that staff is developing funding options and that grant funding is being sought for the construction of the utilities. Rogers also noted the design has been submitted to City staff for their review. Director Vancil inquired as to the type of water tower that would be used. Rogers reported that the design has both options ground level and elevated. The City has an independent contractor hired to model the City's entire's water system to see access the demands at various locations. This modeling system will be used to determine what type of water tower would work best for the north ramp.

Rogers reported that the work on the paint hangar design (Hangar 603) is 75% complete and that the civil design work is nearly 100%. Rogers noted that we continue to submit drawings and information on the plans to our list of current prospects.

Manager of Operations Wiles reported that the SAA Aircraft Rescue and Firefighting crew continues to train and cross train with the City Fire Department personnel.

Announcements and Calendar of Events

Executive Director Rogers reviewed the calendar of events noting the significance of the upcoming Unmanned Aerial Systems Symposium to be held in Wichita on April 20-22. Rogers commented on the partnership between the Salina Chamber of Commerce, Kansas State University at Salina, the Great Plains Joint Training Center and the Salina Airport Authority. The group will have staff members present and a booth at the event. The message is that we are ready to operate UASs out of the Salina Municipal Airport. In addition, the Chamber is ready to support the UAS businesses and their relocation efforts and K-State is ready with their UAS program office.

Upon a motion duly made, the meeting adjourned at 9:17 a.m.

Minutes approved at the May 20, 2009 Board meeting.

Secretary

(SEAL)