

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF  
DIRECTORS OF THE SALINA AIRPORT AUTHORITY  
MAY 20, 2009  
M. J. KENNEDY AIR TERMINAL CONFERENCE ROOM**

**Call to Order**

The meeting was called to order at 1:00 P.M. by Chairman Miller.

**Attendance**

Attendance was taken. Chairman Miller, Directors Hassler, 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; Executive Assistant Kasey Windhorst and Board Attorney Greg Bengtson. David Arteberry, George K. Baum & Co.; Bruce Boyle, SLN ATCT; Aaron White, Salina Area Chamber of Commerce; Leslie Corbett, Clubine & Rettele Chartered; Salina City Commissioner Samantha Angell; Saline County Commissioner Randy Duncan and Tim Unruh, Salina Journal were guests.

**Additions to the Agenda**

Chairman Miller asked if there were any additions to the agenda. Executive Director Tim Rogers stated there was one addition item to include discussion of the request for proposals submitted for the self-fueling system station at the Salina Municipal Airport.

**Minutes**

Chairman Miller asked if the Board members had any additions or corrections to the minutes of the April 15, 2009 regular Board meeting. Director Hassler moved, seconded by Director Hardman, to approve the minutes of the April 15, 2009 regular meeting. Motion passed unanimously.

**Airport Activity and Financial Reports**

Executive Director Rogers reviewed airport activity for the month of April reporting that total operations are down 6.4% as compared to the same period last year. The decrease is related to the drop in general aviation operations, which also results in less fuel flowage. Fuel flowage is down 24% for year-to-date totals. Rogers anticipates that the upcoming civil and military aircraft deployments scheduled during the months of May through July will increase by an additional 225,000 gallons to the 2009 totals.

Rogers commented on the Great Lakes schedule change and reduction in flights that went into effect during April 2009. Year-to-date total enplanements are still up 7.6% for 2009 as compared to 2008. The new schedule is less convenient to use, but flight prices seem to remain very competitive as compared to driving.

Manager of Administration and Finance Swanson reviewed the financial statement for the month ending April 2009. Swanson stated that total operating income is tracking at about 29% of the total annual budget with the decrease of fuel flowage fee income behind at 11% under budget. Operating expenses continue to track 1% over budget or \$21,460 for the year. Operating revenue continues to decline due to the decrease in fuel sales. Swanson commented on several significant line items and capital expenditures. Chairman Miller directed the staff to file the financials for audit.

## **2008 Draft Comprehensive Annual Financial Report (CAFR)**

Manager of Administration and Finance Swanson reviewed the 2<sup>nd</sup> draft of the 2008 Comprehensive Annual Financial Report (CAFR) to the board. The 2<sup>nd</sup> draft reflects work on the 2008 depreciation expense and 2008 fixed asset acquisition. Swanson commented on several significant items and discussed concerns received from the audit committee. Chairman Miller questioned the review of the CAFR from the audit committee prior to final publication. Executive Rogers stated a meeting will be scheduled prior to completion and hopes to present the final 2008 CAFR to the board at the schedule June Board meeting.

## **2009 G.O. Bond Sale**

Executive Director reviewed the Moody's rating of Aa3 which is the same as the Airport Authority 2007 rating received by the Moody's rating committee. The Airport Authority has implanted a long-term plan to increase cash reserves, which would potentially lead to increased ratings in future years. Rogers introduced David Arteberry with George K. Baum & Co. Arteberry discussed the preliminary official statement (POS) that was distributed to all interested bidders. Arteberry stated each bond sale receive 3 bids, with the low bid of 4.38463% interest rate submitted by Commerce Bank in partnership with First Bank Kansas for the 2009 A-Series, tax-exempt bond. The 2009 B-Series taxable bond received an interest rate of 4.99794% with the low bid received from Morgan Keegan and Co.

Saline County Commissioner Randy Duncan questioned the amount differences noted on the resolutions. Rogers stated all changes will be updated and corrected by the Salina Airport Authority financial advisor at George K. Baum & Co.

## **SAA Resolution No. 09-04**

Executive Director Rogers requested the Board's approval to accept the low bid received for the 2009 General Obligation Bond – Series A submitted by Commerce Bank in partnership with First Bank Kansas for an amount of \$2,025,000 with an interest rate of 4.38463%. Director Vancil moved, seconded by Director Hassler to accept the low bid received. Motion passed unanimously.

Rogers requested the board's approval of SAA Resolution No. 09-04 authorizing and directing the issuance, sale and delivery of \$2,025,000 principal amount of general obligation bonds, series 2009-A, of the Salina Airport Authority, Kansas; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith. Director Hassler moved, seconded by Director Vancil to approve SAA Resolution 09-04. Motion passed unanimously.

## **SAA Resolution No. 09-05**

Executive Director Rogers requested the Board's approval to accept the low bid received for the 2009 General Obligation Bond – Series B submitted by Morgan Keegan and Co. for an amount of \$6,080,000 with an interest rate of 4.99794%. Director Hassler moved, seconded by Director Hardman to accept the low bid received. Motion passed unanimously.

Rogers requested the board's approval of SAA Resolution No. 09-05 authorizing and directing the issuance, sale and delivery of \$6,080,000 principal amount of taxable general obligation bonds, series 2009-B, of the Salina Airport Authority, Kansas; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith. Director Hassler moved, seconded by Director Vancil to approve SAA Resolution 09-05. Motion passed unanimously.

## **T-Hangar Construction Update**

Executive Director Rogers updated the Board on the status of the T-Hangar development located in the north ramp redevelopment area. Rogers indicated the civil design work for the new T-Hangar area has been completed by BWR Corporation. Currently the SAA leases 52 hangars that provide storage for approximately 60 GA aircraft. The proposed plan is for 130 units that will store approximately 165 based GA aircraft. An objective of the SAA is to actively recruit general aviation (GA) to the Salina Municipal Airport. One key step to achieving this goal is to be able to provide the additional hangar space needed to aircraft owners and operators. Rogers reviewed the proposed layout and a list of amenities that would be provided to tenants. Rogers stated after comparing a rental rate analysis for T-Hangar storage at selected Kansas airports, Salina is definitely at the low end of the survey range. Director Hardman questioned the proposed use of the existing t-hangars. Rogers mentioned relocation of the existing t-hangars is not recommended, however; the hangars will be retained during the transition period but would have to be removed at a later date. Director Vancil inquired as to whether a fire suppression system would be needed at the new development. Rogers reported that current codes do not require the suppression system in hangar facilities. Vancil questioned tenants concerns as to the rental rate increase. Rogers noted that pre-lease agreements are substantial in proceeding ahead with the project.

## **US Department of Agriculture Contract**

Executive Director Rogers reviewed the proposed U.S. Department of Agriculture Airport Wildlife Hazard Assessment with the Board. The one year effort will help guide the SAA's wildlife hazard mitigation efforts as well as provide valuable staff training. The total cost for the one year contract is \$15,547, but will provide direct control of nuisance and hazardous wildlife with the USDA oversight and maintain federal and state permits and FAR Part 139 certification. Rogers recommends the approval of the proposed USDA contract and authorize the executive director to sign the agreement. Director Hassler moved, seconded by Director Hardman. Motion passed unanimously.

## **Staff Reports**

Rogers commented on several upcoming civil and military aircraft deployments. To date the following deployments have been scheduled:

May 31 - June 6	1 <sup>st</sup> ID Combat Aviation Brigade Training Detachment
June 1 – June 16	Learjet CRJ 1000 Flight Testing
June 18 – July 3	Royal Canadian Air Force – CF18s Training Detachment
June 18 – June 23	Kentucky Air National Guard – C130s Training Detachment
July 8 – July 10	Wings of Freedom Tour – B17, B24, & P-51
July 13 – July 17	Whiteman AFB-A10s Close Air Support Training Detachment

Upon a motion duly made, the meeting adjourned at 2:26 p.m.

Minutes approved at the June 17, 2009 Board meeting.

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Secretary

(SEAL)