

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF
DIRECTORS OF THE SALINA AIRPORT AUTHORITY
AUGUST 19, 2009
M. J. KENNEDY AIR TERMINAL CONFERENCE ROOM**

Call to Order

The meeting was called to order at 8:00 A.M. by Director Thompson.

Attendance

Attendance was taken. Directors 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; Manager of Public Affairs and Communications Melissa McCoy; Executive Assistant Kasey Windhorst and Board Attorney Greg Bengtson. Bruce Boyle, SLN ATCT; Dennis Lauver, Salina Area Chamber of Commerce President; Salina City Commissioner Samantha Angell; Jim Gregory, James Gregory Consultancy; Jeff Chapman, Weis Fire & Safety Equipment Company; and Tim Unruh, Salina Journal were guests.

Additions to the Agenda

Director Thompson asked if there were any additions to the agenda. Executive Director Tim Rogers stated there was one additional item to be included under staff reports regarding the recent storm damage update.

Minutes

Director Thompson asked if the Board members had any additions or corrections to the minutes of the July 15, 2009 regular Board meeting. Director Hardman moved, seconded by Director Vancil. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reported on total year-to-date operations noting a 2% decrease as compared to the same period last year. July 09 operations dropped 5% as compared to July 08. The decrease for air traffic is due to the ongoing airfield construction. Rogers stated Salina Air Traffic Control Tower is leading in operations compared to eight other contract towers throughout the state. Fuel Flowage for the month of July was up 2% as compared to July 08. The Airport Authority will continue to work with Flower Aviation to assist with marketing efforts while America Jet continues to see an increase in both civilian and military fuel sales. Rogers commented on SLN passenger enplanements. The current Essential Air Service (EAS) contract will expire in March 2010. Rogers stated the local community will need to support Great Lakes bid for a new two year EAS contract. Director Hardman questioned previous bids received. Rogers noted that in 2008, two air carriers submitted bids to the U.S. Department of Transportation to provide EAS flights at Salina.

Manager of Administration and Finance Swanson reviewed the financial statement for the month ending August 31, 2009. Swanson stated operating income arrived at 53% while total operating expenses arrived at 60%. Total revenue is up 1% while operating expenses are tracking 2.86% below the same period last year. Swanson commented on several significant line items and capital expenditures. Swanson reported on the assessment of all facilities and tally of damage from the August 10th storm. An insurance claim has been filed with the Airport Authority's commercial property carrier, Chubb Insurance. Chairman Thompson directed the staff to file the financials for audit.

ARFF Rapid Intervention Vehicle

Executive Director Rogers reviewed the Salina Airport Authority's Aircraft Rescue and Firefighting (ARFF) requirements and responsibilities. The 2009 budget allocated funds to purchase a new ARFF rapid intervention vehicle (RIV). The vehicle will be used for daily inspections of buildings and equipment, grass fire response, controlled burn oversight and support ARFF response. Rogers requested the Board's approval to waive the bid specification requirement stating "Service and replacement parts must be available within 100 miles of Salina, Kansas." The initial budget for the RIV was \$85,000. Rogers recommend the increase for an amount not to exceed \$95,200 and reducing airfield equipment budget line item from \$75,000 to \$64,800. Manager of Operations Wiles reviewed the benefits of acquiring the new ARFF RIV and reported on his review of the bids received. The low bid was submitted by Danko Emergency Equipment with a delivery date of 150 days upon signed contract. Executive Director Rogers recommended approval and acceptance of the low bid submitted by Danko Emergency Equipment Company, Snyder, NE in an amount not to exceed \$95,200 with authorization for the Executive Director to sign contract documents. Director Hardman approved, seconded by Director Vancil. Motion passed unanimously.

T-Hangar Development Plan

Rogers distributed a revised T-hangar development plan to the Board. The revised contract plan provides additional storage capacity and an increase in aircraft storage units from 135 to 164. The updated plan included a financial forecast. Rogers reviewed the status of the current T-hangars and waiting list. A marketing packet will be submitted to all current and prospective T-hangar tenants. An economic impact report will be developed to measure new job creations by adding more based aircraft. Director Thompson questioned the timeline for the project. Rogers anticipates construction to begin in 2011 with occupancy to follow in 2012. Rogers stated that ARAA economic recovery zone bonds may be available to finance the hangar construction. Director Vancil suggested investigating the option of purchasing buildings early in the project in order to protect the Airport Authority from the rising cost of steel.

SLN Aviation Service Marketing & Recruiting Efforts

Rogers introduced Jim Gregory, James Gregory Consultancy and Dennis Lauver, Salina Area Chamber of Commerce to the Board. Gregory commented on the ongoing SLN Aviation Service Center marketing and recruiting efforts. The aviation industry is anticipating a rebound by the year 2012. Salina Area Chamber of Commerce President Dennis Lauver reviewed current recruiting efforts. Lauver and Gregory are researching and collecting data on nation wide site selection criteria. This information will enable to Salina Airport Authority to better distinguish the SLN Aviation Service Center from our competition and guide the need for changes to city, county and state economic development incentive policies.

SAA Resolution No. 09-06

Thereupon, there was presented to the Board of Directors a Resolution entitled:

A RESOLUTION LEVYING A TAX OF 4.315 MILLS ON ALL TAXABLE TANGIBLE PROPERTY WITHIN THE CITY OF SALINA, KANSAS FOR THE PURPOSE OF PAYING THE INTERST ON AND PRINCIPAL OF GENERAL OBLIGATION BONDS OF THE SALINA AIRPORT AUTHORITY PURSUANT TO K.S.A. (2008 Supp.) 27-323(a).

The Resolution was considered and discussed; and thereupon on motion of Director Vancil, seconded by Director Hardman, the Resolution was adopted by the following roll call vote:

Aye: Hardman, Vancil, and Thompson

Nay: none

Staff Reports

Manager of Operations Wiles briefed the Board on damage related to the August 10, 2009 storm. Wiles reported on an Alert III and the airport recovery procedures.

Manager of Facilities and Construction Bieker commented on the water damage and building repairs needed from the most recent storm that affected the Salina Airport Authority, Bieker updated Board on Hangar 409 remodeling improvements as well as ongoing airfield construction projects.

Manager of Public Affairs and Communications McCoy commented on multiple public affair items to include; military updates, Starbase tours, media events, and the Smoky Hill Weapons Range open house.

Airport & Airport Industrial Center Tour

Rogers welcomed Board members and quests to tour current airfield and building construction projects.

Upon a motion duly made, the meeting adjourned at 9:28 a.m.

Minutes approved at the September 16, 2009 Board meeting.

Secretary

(SEAL)