

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF  
DIRECTORS OF THE SALINA AIRPORT AUTHORITY  
DECEMBER 16, 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. Directors Hassler, Miller, 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, Salina ATCT; Former SAA Board Member Bill Horton; Randy Duncan, Saline County Commissioner; Samantha Angell, Salina City Commissioner; 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 would be one addition to the agenda related to a short-term lease agreement for Hangar No. 600.

**Minutes**

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

**Airport Activity and Financial Reports**

Executive Director Rogers updated the board on a notice received from the U.S. Department of Transportation, Federal Aviation Administration relating to the use of the Unmanned Aircraft Systems (UAS) operations in the National Airspace System (NAS). SLN Air Traffic Control Tower Manager Boyle stated this is a positive step for future UAS operations at SLN.

Rogers reviewed airport activity for the month ending November 30, 2009. November 2009 operations count totaled 5,775 takeoffs and landings. Year-to-date operations are down 8.3% at 61,267 for 2009 due to airfield construction. Fuel flowage was up 8.5% during the month of November 2009 as compared to the same period last year with 256,904 gallons. Rogers was pleased to announce the SLN self-fueling station recorded a total of 615 gallons sold during the month of November. The Airport Authority is continuing its marketing efforts to promote "America's Fuel Stop".

Great Lakes Airlines boarded a total of 223 passengers during the month which results in a 28% decrease as compared to the same period last year. Rogers stated the U.S.DOT has issued an order requesting proposals for a new two-year essential air service (EAS) contract at Salina. EAS proposals are due to the U.S. DOT by January 6, 2010 with an effective date of April 2010.

Manager of Administration and Finance Swanson reviewed the financial statements for the month ending November 30, 2009. Total assets are up 14% over last year with total liabilities increasing 21% over the same period in 2008. Total revenue is tracking 9.2% below budget resulting from the 25% decrease in fuel flowage fee income. Swanson commented on the scheduled CPI adjustment, increasing fuel flowage fees from \$0.667/gallon to \$0.689/gallon. Swanson reported on significant capital expenditures. Director Vancil inquired about the members of the audit committee and if there would be new or a change of membership. Executive Director

Rogers mentioned he would be proposing a slate of audit committee members at the January board meeting. Chairman Miller directed the staff to file the financials for audit.

**Builders Choice Concrete Land Lease Renewal**

Executive Director Rogers reviewed the current Builders Choice land lease for 8.2 acres of land at the Salina Airport Industrial Center. The Airport Authority and Builders Choice first entered into a lease agreement on December 21, 1994. The site is used for the purpose of the manufacture and sale of concrete and concrete related products.

The new lease provides for the following:

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|-----------------|--|
| Lease Term:     | Five (5) years   |
| Options:        | Three (3) additional options of five (5) years each                    |
| Basic Rental:   | \$1,652 per month<br>\$19,824 per year<br>\$.0865 per sq. ft. per year |
| CPI Adjustment: | Every five (5) years (60 months)                                       |

Director Hardman questioned the potential for any environmental issues. Rogers stated the lease contains a cause concerning a baseline environmental assessment, stating that it is the tenant’s responsibility if contamination should occur. Director Vancil moved to approve the proposed Builders Choice land lease. Director Hassler seconded the motion. Motion carried unanimously.

**Consultation Selection for ARFF Station Design**

Rogers stated the Federal Aviation Administration has designated the architectural design of a new ARFF station at the Salina Municipal Airport as a priority for Airport Improvement Program (AIP) grant funding. The proposed federal share is \$380,000 and the SAA’s share is estimated at \$20,000 for a \$400,000 design project. The FAA AIP program requires selection of a consulting engineer using the procedures outline in FAA Advisory Circular No. 150/5100-14d. The ARFF station design selection committee included; SAA Manager of Administration and Finance Swanson, Manager of Facilities and Construction Bieker, Manager of Operations Wiles, and Salina Fire Department Division Chief Larry Hemphill. The committee interviewed three selected firms which resulted in the highest results received by BWR Corporation. Director Vancil asked about the current agreement between the Salina Airport Authority and the Salina Fire Department. Rogers reviewed the existing contract and noted all SAA ARFF personnel are cross-trained with the Salina Fire Department. Director Hassler approved awarding the design phase of the new ARFF station to BWR Corporation and authorized the executive director to initiate contract negotiations. Seconded by Director Hardman. Motion passed unanimously.

**2010 Property and Liability Insurance Coverages**

Executive Director Rogers reported on the proposed property and liability insurance coverages, premiums and fess. Rogers noted he will will prepare and issue request for proposals for 2010 – 2011 insurance broker services and competitive bids for all insurance coverages.

Manager of Administration and Finance Swanson distributed and reviewed the 2009/2010 commercial property / liability insurance expense analysis. The proposed 2010 insurance rates result in a 18.76% decrease in total property and liability insurance premiums and fees. Total insurance expense will cost an estimated \$131,671 as compared to the 2009 cost of \$162,702.

**2010 Budget Report**

Rogers distributed the 2010 budget summary to the board and will provide a final budget report to the board at the January 20, 2010 board meeting.

**Executive Session**

At 8:55 A.M. Director Hardman moved to recess the open meeting until 9:15 A.M. for an executive session for the following:

Consultation with the board's legal counsel on a subject deemed privileged in the attorney-client relationship.

The subject to be discussed is the status of Former Schilling Air Force Base environmental contamination settlement negotiations with the U.S. Department of Justice.

The Open meeting shall resume in the Salina Airport Authority Conference Room at 9:15 A.M.

Director Vancil seconded the motion. Motion carried unanimously.

The Open meeting resumed at 9:15 A.M.

**Staff Reports**

Executive Director Rogers reported on a short-term lease agreement for 20,000 sq. ft. of Hangar No. 600 with Bombardier / Learjet for a period of 4 months with potential continuation of the lease on a month by month basis thereafter. The total monthly revenue for a portion of Hangar No. 600 is \$18,950.

Manager of Facilities Bieker reviewed the ongoing improvements to Building 412 for the KSANG. The improvements consist of improved lighting, insulation, interior walls and restroom facilities. Bieker anticipates completion by mid-February 2010.

Manager of operations Wiles reported on the recent winter storm which resulted in no airport closures at SLN.

Manager of Public Affairs and Communications McCoy reported on the purchase of 2 ads for both FBO's that will be published in the upcoming National Business Aviation Association (NBAA) Schedulers and Dispatchers Conference advertisement. McCoy reviewed the ongoing marketing efforts to market available properties at the Salina Airport and Airport Industrial Center.

Upon a motion duly made, the meeting adjourned at 9:37 a.m.

Minutes approved at the January 20, 2010 Board meeting.

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Secretary

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