

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF
DIRECTORS OF THE SALINA AIRPORT AUTHORITY
DECEMBER 8, 2010
M. J. KENNEDY AIR TERMINAL CONFERENCE ROOM**

Call to Order

The meeting was called to order at 11:30 A.M. by Chairman Thompson.

Attendance

Attendance was taken. Chairman Thompson, Directors Hardman and Vancil were present. Also present were Executive Director Tim Rogers; Manager of Administration and Finance Shelli Swanson; Manager of Operations Gunner Wiles; Manager of Facilities and Construction Kenny Bieker; Manager of Public Affairs and Communications Melissa McCoy; Executive Assistant Kasey Windhorst; Administrative Assistant Gretchen Engstrom and Board Attorney Greg Bengtson. Lori Walker, Clark, Mize & Linville; James Charlesworth, Charlesworth & Associates; Mark Skidmore, Sunflower Bank; Leslie Webb, Sunflower Bank; Dennis Lauver, Chamber of Commerce; and Former Board member Bill Horton were guests.

Additions to the Agenda

Chairman Thompson asked if there were additions to the Agenda. Executive Director Rogers noted the addition of item 6A to include discussion and approval of architectural contracts with JGR.

Executive Session

At 11:31 A.M. Director Hardman moved to recess the open meeting until 11:51 A.M. for an executive session for the following:

Discussion of confidential data relating to financial affairs or trade secrets of a corporation for the reason that public discussion of that information would unfairly disadvantage the business in relation to its competitors. The subjects to be discussed were specific companies' plans for expansion at the SLN Aviation Service Center.

The open meeting shall resume in the Salina Airport Authority Conference Room at 11:51 A.M.

Director Vancil seconded the motion. Motion carried unanimously.

The Open meeting resumed at 11:51 A.M.

Project Spyglass

Executive director Rogers reported on the developments on a new land lease agreement with Project Spyglass. Construction for a new facility is planned to begin March or April 2011 just south of H959. The company plans its own construction financing. The Authority will apply for grant funding for site, apron and taxiway improvements. The improvements will benefit both Spyglass and Project Copperhead. The

proposed lease will be reviewed by Zimmer and Attorney Bengtson. The final negotiated lease will be presented to the board for approval.

2011 Property & Liability Insurance

Executive director Rogers introduced James Charlesworth who reviewed the RFP process for the selection of the Authority’s 2011 insurance broker and determining the insurance program. The fair and transparent process helped determine the best qualified broker and an insurance program most advantageous to the Authority. Rogers commented that as a result of the Charlesworth & Associates professional services, the SAA staff has a better understanding and knowledge about the Authority insurance program. The RFP process resulted in a reduction in the SAA’s total cost for property, liability and workers compensation insurance. The following table provides a comparison between 2010 costs and 2011 costs based on the selection of the recommended Sunflower Insurance proposal. Both Charlesworth and staff recommend the insurance program presented by Sunflower Insurance as the most advantageous to the Authority.

2010-2011 Commercial Property / Liability Insurance Programs				
	2010 Expiring Program	2011 Recommended Program	+/-	% increase/ decrease
Commercial Property, Business Income & Inland Marine	85,903	69,460	(16,443)	-19%
Crime	409	1,625	1,216	297%
Commercial Aviation and General Liability including hangarkeepers	11,645	7,946	(3,699)	-32%
Public Official Liability	4,823	6,966	2,143	44%
Automobile Liability & Physical Damage	7,301	8,451	1,150	16%
Worker’s Compensation	13,274	13,824	550	4%
Broker Fee (Sunflower Insurance Group)	14,000	14,000	-	0%
Subtotal	137,355	122,272	(15,083)	-11%
Consultant Fee (Charlesworth & Associates)	-	6,500	6,500	100%
Total Program	137,355	128,772	(8,583)	-6%

Director Hardman moved, seconded by Director Vancil to approve the Sunflower Insurance proposal. Motion passed unanimously.

JGR Architectural Services Contracts

The board reviewed detailed cost breakdowns for the design of building B824 renovations and the Wings Over Salina Air Museum design. Executive director Rogers recommended the approval of a remodeling contract for building 824 with JGR. The initial proposal by JGR was \$ 83,393. After negotiations, the final amount for the proposed contract came to \$75,585.

The proposed cost for the initial design of the restaurant, museum and GA terminal from JGR, David Exline and Lockner (BWR) was \$394,056. Additional negotiations lowered the price to \$350,460.

Director Vancil moved, seconded by Director Hardman to approve these contracts with JGR. Motion passed unanimously.

Upon a motion duly made, the meeting adjourned at 12:39 P.M.

Minutes approved at the December 15, 2010 Board meeting.

Secretary

(SEAL)