

DATE: October 12, 2018
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **October 17, 2018 Regular Board Meeting**

Enclosed are items for your review prior to Wednesday's meeting. Please note that the meeting will be held in the **second-floor conference room, Hangar 600, 2720 Arnold Ct.** A map showing the location of Hangar 600 is enclosed in your board meeting packet.

Please note the following agenda comments.

Agenda Item #5 – Review of Airport Activity and Financial Reports for the Month Ending September 30, 2018

(Rogers and Swanson)

Airport Activity – Air Traffic (Rogers)

The September 2018 air traffic count decreased 10% to 6,336 operations as compared to the September 2017 total of 7,081. For the year-to-date a total of 49,911 operations have been recorded which is 11% more than the September 2017 YTD total of 44,808. The September 2018 YTD count for air carrier aircraft operations (144) has increased 50% over the September YTD count of 96.

Airport Activity – Fuel Flowage (Rogers)

September 2018 fuel flowage (348,454 gallons) decreased 17% as compared to the September 2017 total of 418,616 gallons. For the year-to-date fuel flowage (2,028,694 gallons) is down 4% as compared to the September 2017 YTD total of 2,116,321 gallons.

Airport Activity – Passenger Counts (Rogers)

SkyWest Airlines completed another successful month with 3,139 total passengers which was a 112% increase over the September 2017 total of 1,479 total passengers. For the year-to-date 19,408 total passengers have passed through the M.J. Kennedy Air Terminal which is a 48% increase over the September 2017 YTD total of 13,062 total passengers.

Financial Reports – Comments and Notes (Swanson)

Sept. 1 represents the second of the bi-annual due dates for the Authority's outstanding general obligation bonds. You'll note on the Statement of Net Assets the reduction in Debt-long term of \$1,220,000 from the previous month representing the principal reduction in GO bonds resulting from the payments.

You'll also note a few new accounts and a renamed account on the Sept. Statement of Net Assets. First, under Other Assets, you'll see Deferred Outflows of Resources and under Long Term Liabilities, you'll find Deferred Inflows of Resources. A deferred outflow of resources is a consumption of net assets by a government that is applicable to a future reporting period and a deferred inflow is an acquisition of net assets applicable to a future reporting period.

The majority of the balance (\$1.39M) in deferred outflows relates to the Authority's 2017-A and 2017-B refunded GO bonds and represents the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt. (Previously name Irrevocable Escrow 2017.)

The second component of deferred outflows is related to our KPERS post-employment benefit plan and is calculated based upon data provided by the State and their actuarial firm.

Recent changes in governmental accounting standards requires employers, like the Authority, to recognize their proportionate share (currently \$603,456) of the KPER's unfunded pension liability on their balance sheets. The amounts reported in deferred outflows, inflows and net pension liability are provided to the SAA by KPERs and reflect items such as differences between projected and actual earnings on investments and changes in assumptions. We'll go into more detail on recent governmental accounting standards changes at our finance committee meeting Oct. 16th.

As we review the budget performance through Sept. 2018, you'll note total operating income arrived at 16% over budget and ahead of 2017 by \$244,976. Total operating expenses ended up at 6% over budget bringing net income before depreciation to \$187,354 which is 110% ahead year-over-year.

Financial Reports – September 2018 Significant Expenditures/Payables Report

There were no capital expenditures and no withdrawals from the two bond proceed improvement funds for the month of Sept.

Financial Reports – Accounts Receivable Past Due 30 days or more as of October 12, 2018 (Swanson)

Account	Amount	Days	Comments
AAL Organic Matters	\$26,190	31>90	Bldg. rent and utility reimbursement
Kansas Highway Patrol	\$655	31-60	Land rent
Tischlerei	\$29,910	31>90	Bldg. rent

Agenda Item #6 – Review of the September 30, 2018 Ten (10) Year Financial Trend Analysis Report (Rogers and Swanson)

Following the end of each quarter of the calendar year, a ten (10) year financial trend analysis is prepared for SAA board review and discussion. The enclosed report summarizes current quarterly revenue and expenses as compared to the same period over the past nine (9) years. Shelli will review and highlight the report at the meeting.

Agenda Item #7 – Consideration of the renewal of the Kansas State University and Salina Airport Authority Airport Access and Use Agreement (Rogers and Swanson)

Enclosed is a draft of an updated agreement with Kansas State University for access to the Salina Regional Airport from State of Kansas owned property located adjacent to the Salina Regional Airport. The agreement provides for K-State's "through the fence" access to the Salina Airport for the purpose of operating a FAA Part 141 flight school and transporting K-State personnel. In consideration of the access granted by the Airport Authority, K-State pays the same fuel flowage fee that applies to aircraft owners and operators based on the Salina Airport.

Recommendation: Approval of the updated K-State and Salina Airport Authority airport access and use agreement.

Agenda Item #8 – Review and discussion of forecasted 2019 Operating Expenses (Rogers and Swanson)

At the meeting Shelli and I will present the initial forecast of the Airport Authority's 2019 operating expenses.

Agenda Item #9–Review of Salina Regional Airport Projects eligible for Supplemental FAA Airport Improvement Program (AIP) grant funding (Rogers)

On March 23, 2018 President Trump signed legislation that provided the FAA's Airport Improvement Program an additional \$1 billion in discretionary grant funds. The first round of Supplemental AIP grants were awarded to airports with projects ready for immediate construction. The second round is for projects that can be designed and constructed within two years of grant award. The deadline for the second round is October 31, 2018.

Airport operators may submit more than one project for consideration by the FAA. The following Salina Regional Airport projects will be submitted for Supplemental AIP grant funding:

- Runway 17/35 Rehabilitation
- Taxiway Delta Extension
- M.J. Kennedy Air Terminal Parking Lot Expansion

At Wednesday's meeting I'll review the scope of work and estimated cost for each project.

STAFF REPORTS

Beechcraft Road Reconstruction (Bieker)

The landscaping will be completed this month. Final inspections with the City and project close-out will be completed by November 30.

Aircraft Rescue & Fire Fighting (ARFF) Vehicle (Bieker)

Oshkosh is currently manufacturing the ARFF vehicle. The truck should be off the production line by December 2018. Delivery will occur during Q1 2019.

Fossett Plaza (Bieker)

The Fossett Plaza destination sign base has been designed by Manley Structural Engineers and permit has been issued by the City. B & B Metal Arts is nearly finished fabricating the sign. Sharky Construction Inc. is scheduled to construct the footings by October 31. B&B Metal Arts will be able to install the sign in early November.

Fly Salina Marketing (Windhorst)

Google Analytics continue to show an increase in activity on the Salina Airport Authority website. During Q3 2018, the SAA website had over 72.6K views and 84.8% is new visitors using the site. The top five locations include; Salina, Kansas City, Wichita, Manhattan and Chicago. The increase is due to the Fly Salina marketing campaign and social media advertising. Native Digital, Facebook and Pandora ads continue to perform well above industry averages.

SAA Staff (Windhorst)

The Salina Airport Authority is accepting applications for a Maintenance, Operations and ARFF Technician. The vacant full-time position is posted online at www.salinaairport.com under the public

information tab.

Upcoming Events (Windhorst)

Schilling Aviation Services (SAS) Open House and Fly-In is right around the corner. The public is welcome to attend SAS open house on Saturday, October 27th from 7:00 a.m. – 12:00 p.m. at Hangar 409, 2010 Rogers Court. Multiple aircraft will be on display to include; Civil Air Patrol, K-State Aviation, experimental, classic and vintage aircraft.

Salina Airport Authority staff is assisting Kansas State University Polytechnic campus on several upcoming events which include; Girls in Aviation Day, Women in Aviation Wash and Wax, and the annual Candy Canes and Airplanes.

The Women in Aviation International chapter will be hosting its fourth-annual Girls in Aviation Day this Saturday, October 13th from 8:30 a.m. – 12:15 p.m. at the Stevens Flight Center. The free event is for girls ages 8-17 who is interested in aviation and aerospace.

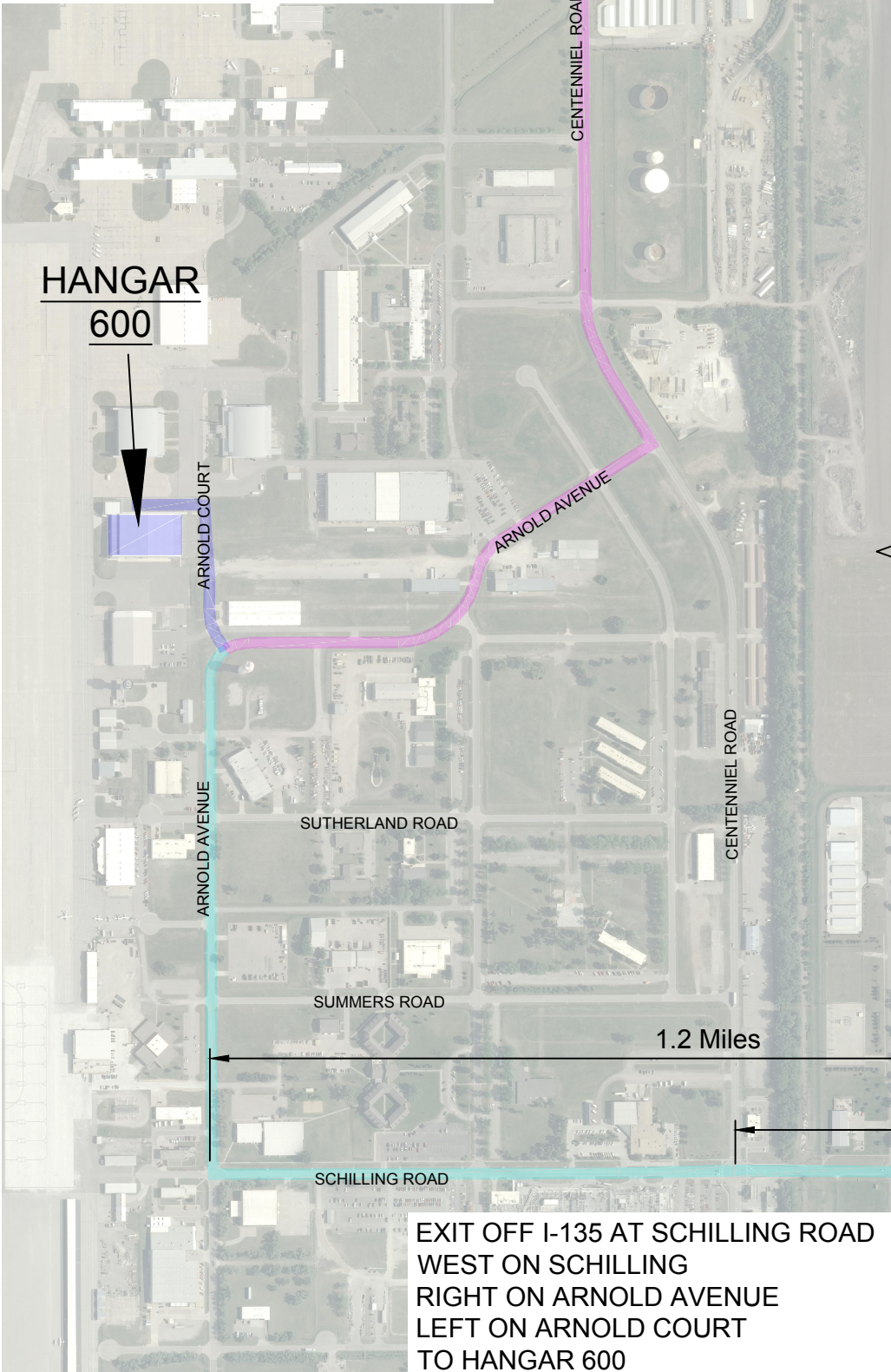
The annual airplane Wash and Wax is hosted by Women in Aviation KSUP chapter. The event will be located on the east side of Hangar 600 on November 10th and November 11th from 9:00 a.m. – 5:00 p.m. All donations received will help the club attend the upcoming Women in Aviation International conference.

Candy Canes and Airplanes is scheduled for Saturday, December 1, 2018 in Hangar 600. Doors open at 1:00 p.m. and Santa will fly into SLN at 2:00 p.m. This is a great event for kids of all ages. Book your calendars now, you won't want to miss it!

Please contact me if you have any questions or comments.

DIRECTIONS TO HANGAR 600 (2720 ARNOLD COURT)

EXIT OFF I-135 AT MAGNOLIA ROAD
WEST ON MAGNOLIA
LEFT ON CENTENNIAL
RIGHT ON ARNOLD AVENUE
RIGHT ON ARNOLD COURT
TO HANGAR 600



EXIT OFF I-135 AT SCHILLING ROAD
WEST ON SCHILLING
RIGHT ON ARNOLD AVENUE
LEFT ON ARNOLD COURT
TO HANGAR 600



SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING

Hangar H600, Second Floor Conference Room

2720 Arnold Court

October 17, 2018– 8:00 AM

AGENDA

Action Items

1. Call to order and determine a quorum is present. (Weisel)
2. Recognition of guests. (Weisel)
3. Additions to the agenda. (Weisel)
4. Approval of the minutes of the September 19, 2018 regular board meeting. (Weisel)
5. Review of airport activity and financial reports for the month ending September 30, 2018. (Rogers & Swanson)
6. Review of the September 30, 2018 (Q3), ten (10) year financial trend analysis report. (Swanson)
7. Consideration of the renewal of the Salina Airport Authority and Kansas State University agreement for access to and use of the Salina Regional Airport. (Rogers)
8. Review and discussion of forecasted 2019 operating expenses. (Rogers and Swanson)
9. Report on the Airport Authority's options for Supplemental Airport Improvement Program grant funding. (Rogers)

Directors' Forum (Weisel)

Visitor's Questions and Comments (Weisel)

Staff Reports (Rogers)

Announcements (Windhorst)

Adjournment (Weisel)



**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
SEPTEMBER 19, 2018
HANGAR 600 SECOND FLOOR CONFERENCE ROOM**

Call to Order

The meeting was called to order at 8:00 AM by Chairman Brian Weisel.

Attendance

Attendance was taken. Chairman Weisel, Directors Eichelberger, Vancil (via conference call), Buer, and Gunn were present. Also present were Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Business and Communications Manager Kasey Windhorst, Administrative Assistant Kaycie Taylor, and Attorney Greg Bengtson. Bob Vidricksen, Saline County Commissioner and Michael Bunn, T-Hangar Tenant were guests.

Additions to the Agenda

Chairman Weisel asked if there were any additions. Executive Director Rogers stated there were no additions.

Minutes

Chairman Weisel asked if the board members had additions or corrections to the minutes of the August 15, 2018 regular board meeting. Director Buer moved, seconded by Director Gunn, to approve the minutes of the August 15, 2018 regular board meeting. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reported on airport activity for the month of August 2018. The Salina Air Traffic Control Tower (ATCT) recorded 4,910 operations during August 2018 which was a 4% increase as compared to August 2017. For the year-to-date, a total of 43,575 operations have occurred, which is 15% more than the August 2017 year-to-date total. The August 2018 fuel flowage came in at 303,273 gallons which was 139% more than the August 2017 total of 126,751. For the year-to-date, a total of 1,680,240 gallons has been delivered on the airport which is 1% less than the 2017 total of 1,697,705. Rogers anticipates fuel flowage to increase due to ongoing military charter operations and an increase in Kansas State University Professional Pilot Training Program enrollment. SkyWest reported 3,239 total passengers during August 2018 which was 120% more than the August 2017 total of 746 total passengers.

Rogers commented on United/SkyWest advanced bookings, noting the comparison between Salina and Hays. Rogers reviewed the Fly SLN marketing results as of September 14, 2018. Approximately 1,466,651 impressions have been recorded since the beginning of the air service marketing campaign.

Director of Administration and Finance Swanson reported on the financials for August 2018. At the end of the August 2018, total year-to-date operating expenses arrived at 5% over budget.

Total fuel flowage fees exceeded budget projections by 2%. Airfield revenue arrived at 7% over budget due to \$13,000 in landing fees during August 2018. Other income totaled \$99,000, which includes ground equipment rental and ARFF standby fees. Net operating income is at \$125,502 which is \$147,740 ahead of 2017. Swanson reviewed significant capital expenditures for the month of August 2018. Chairman Weisel directed staff to file the financials for audit.

2019 Operating Revenue

Rogers reviewed both aeronautical and industrial Center prospect activity summary Reports. Total occupancy rate is at 78% as compared to the 60% March 2017 occupancy rate. Director of Administration and Finance Swanson, presented the 2019 budget summary to include a 10% increase in gross operating income. The budget includes CPI adjustments and risk level on all current long-term Airport and Industrial Center leases.

Results of Consulting Firm Interviews for the Completion of an Airport Terminal Building Requirements Study.

Executive Director Rogers announced that the Airport Authority completed interviews with Coffman Associates and Burns & McDonnell who submitted Statements of Qualifications to complete a terminal building requirements study. As a result of the interviews, Coffman Associates was ranked as the number one, qualified firm. Rogers recommended that the board authorize SAA staff to initiate scope of work and contract fee negotiations with Coffman Associates for the completion of a FAA Airport Improvement Program funded terminal building requirements study.

Director Gunn moved, seconded by Director Eichelberger. The motion passed unanimously.

Results of Consulting Firm Interviews for the Design and Construction of Certain Airport Improvement Projects.

Executive Director Rogers announced that the Airport Authority completed interviews with three pre-selected firms who submitted Statements of Qualifications for the design and construction of certain airport improvement projects. The projects scheduled for design and construction are:

1. Taxiway Delta Extension
2. Runway 17/35 rehabilitation
3. Runway 17/35 lighting improvements
4. Runway 12/30 rehabilitation

Jviation, Kirkham Michael, and Lochner were pre-selected for interviews out of six firms who submitted Statements of Qualification and Interest. As a result of the interviews, Jviation was ranked as the number one, qualified firm. Jviation provided information that confirmed the following:

- The ability to operate a UAS mounted camera system for photogrammetric survey of SLN pavements.
- In-house survey capability that is focused on airport work.
- Demonstrated understanding of the means available to select a quality general contractor other than competitive bidding. Jviation is able to pursue design-build and construction

- manager at risk (CMAR) options.
- Jviation has a St. George, UT office and a working relationship with SkyWest Airlines. SkyWest is headquartered in St. George.

Rogers recommended that the board authorize SAA staff to initiate scope of work and contract fee negotiations with Jviation for the design and construction of FAA funded Airport Capital Improvement Projects during the 2018 to 2022 timeframe. Director Gunn moved, seconded by Director Eichelberger. The motion passed unanimously

Staff Reports

- i. **T-Hangar Feasibility Study**
Executive Director Rogers updated the board on a T-hangar construction feasibility study to be completed by Jviation. A total of 72 units, consisting of both T-hangar and box hangars would be located on the north ramp. The existing A, B, D, and P hangars would be vacated and salvaged following construction of new hangar units.
- ii. **Overflow Parking**
Rogers updated the board on the terminal building overflow parking lot. The improvements will increase available parking by approximately 25 spaces and improve drainage. Work will be completed by T&R Dirt Construction and is estimated to cost \$4,220.
- iii. **Reporting Points**
Rogers revealed an improved version of the Reporting Points newsletter, which will feature former Salina Journal reporter, Tim Unruh. Unruh will be writing articles for the newsletter, focusing on aviation businesses, industrial center tenants, and air service.

Upon a motion duly made, the meeting adjourned at 9:35 A.M.

Minutes approved at the October 17, 2018 Board Meeting.

Secretary

(SEAL)

**SALINA AIRPORT AUTHORITY
AIRPORT ACTIVITY REPORT
2018**

AIR TRAFFIC/ATCT

September, 2018	6,336 Operations 961 Instrument Operations 520 Peak Day
September, 2017	7,081 Operations 855 Instrument Operations 525 Peak Day
January 2018 - September 2018	49,911 Operations
January 2017 - September 2017	44,808 Operations
January 2016 - September 2016	60,653 Operations

FUEL FLOWAGE

September, 2018	348,454 Gallons
September, 2017	418,616 Gallons
January 2018 - September 2018	2,028,694 Gallons
January 2017 - September 2017	2,116,321 Gallons
January 2016 - September 2016	1,451,102 Gallons

		Avflight	
KSU-S	Avflight Salina	Military/Gov't Portion	Self-fuel Station Portion
7,811	340,643	208,558	467
10,690	407,926	72,574	1,074
66,046	1,962,648	1,016,252	6,437
75,662	2,040,659	805,282	6,586
84,694	1,366,408	539,640	7,878

SkyWest Airlines

ENPLANEMENTS

September, 2018	1,599 Passengers
September, 2017	719 Passengers
January 2018 - September 2018	9,666 Passengers
January 2017 - September 2017	6,455 Passengers
January 2016 - September 2016	1,435 Passengers

DEPLANEMENTS

TOTAL

1,540 Passengers	3,139
760 Passengers	1,479

ENPLANEMENTS - Charter Flights

September, 2018	496 Passengers
September, 2017	3,155 Passengers
January 2018 - September 2018	5,025 Passengers
January 2017 - September 2017	4,122 Passengers
January 2016 - September 2016	624 Passengers

TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights

September, 2018	2,095 Passengers
September, 2017	3,874 Passengers
January 2018 - September 2018	14,691 Passengers
January 2017 - September 2017	10,577 Passengers
January 2016 - September 2016	2,059 Passengers

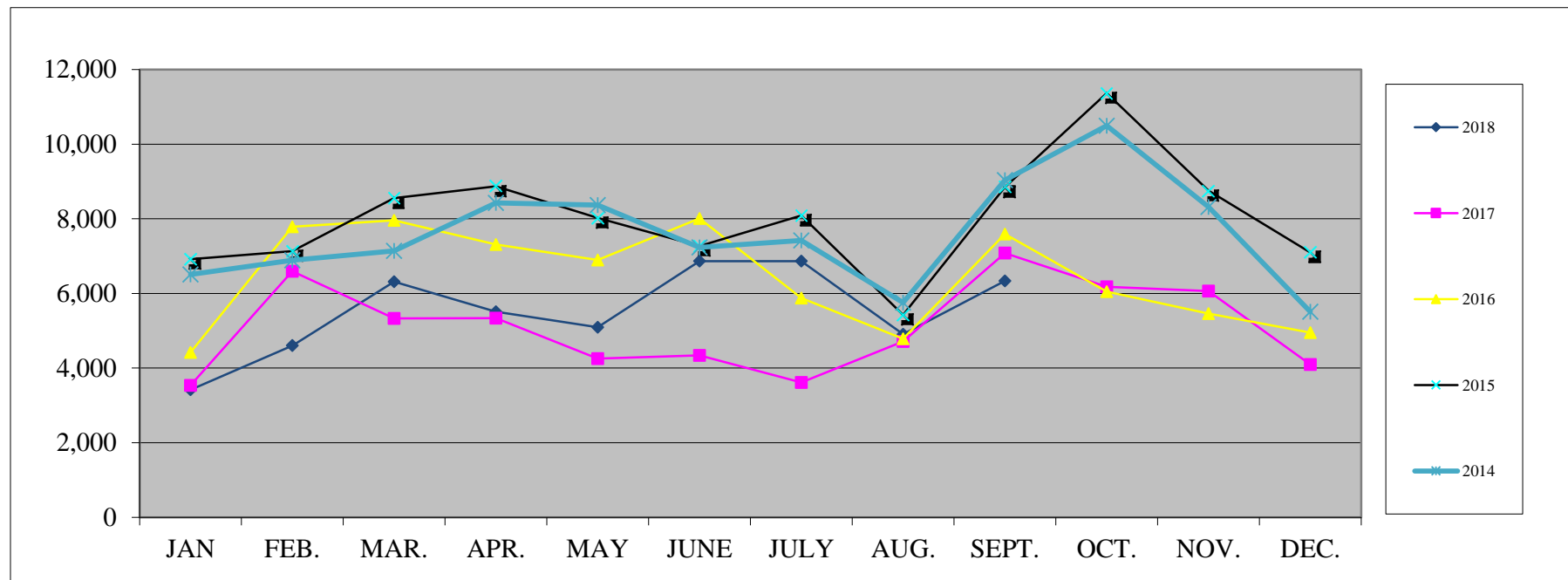
AIRPORT TRAFFIC RECORD

2017 - 2018

	ITINERANT					LOCAL			
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	Total Operations
2018									
January, 18	0	1,068	587	205	1,860	1,390	168	1,558	3,418
February, 18	17	1,282	541	316	2,156	2,103	342	2,445	4,601
March, 18	2	1,413	840	462	2,717	2,976	619	3,595	6,312
April, 18	6	1,469	670	284	2,429	2,666	415	3,081	5,510
May, 18	7	1,431	811	264	2,513	2,370	211	2,581	5,094
June, 18	14	1,696	983	348	3,041	3,088	736	3,824	6,865
July, 18	4	1,444	874	464	2,786	3,502	577	4,079	6,865
August, 18	46	1,390	899	289	2,624	2,124	162	2,286	4,910
September, 18	48	1,846	767	332	2,993	2,823	520	3,343	6,336
October, 18									
November, 18									
December, 18									
Totals January - September	144	13,039	6,972	2,964	23,119	23,042	3,750	26,792	49,911
2017									
January, 17	5	1,154	585	141	1,885	1,438	216	1,654	3,539
February, 17	25	2,062	751	831	3,669	2,553	376	2,929	6,598
March, 17	2	1,426	805	260	2,493	2,518	318	2,836	5,329
April, 17	6	1,793	688	230	2,717	2,317	306	2,623	5,340
May, 17	2	1,433	823	165	2,423	1,612	218	1,830	4,253
June, 17	22	1,241	841	452	2,556	1,328	454	1,782	4,338
July, 17	6	1,035	795	205	2,041	1,320	252	1,572	3,613
August, 17	0	1,281	810	310	2,401	1,800	516	2,316	4,717
September, 17	28	1,953	793	302	3,076	3,496	509	4,005	7,081
October, 17									
November, 17									
December, 17									
Totals January - September	96	13,378	6,891	2,896	23,261	18,382	3,165	21,547	44,808
Difference	48	-339	81	68	-142	4,660	585	5,245	5,103
YTD % Change	50%	-3%	1%	2%	-1%	25%	18%	24%	11%
Legend:	AC: Air Carrier		AT: Air Taxi						
	GA: General Aviation		MI: Military						

AIR TRAFFIC

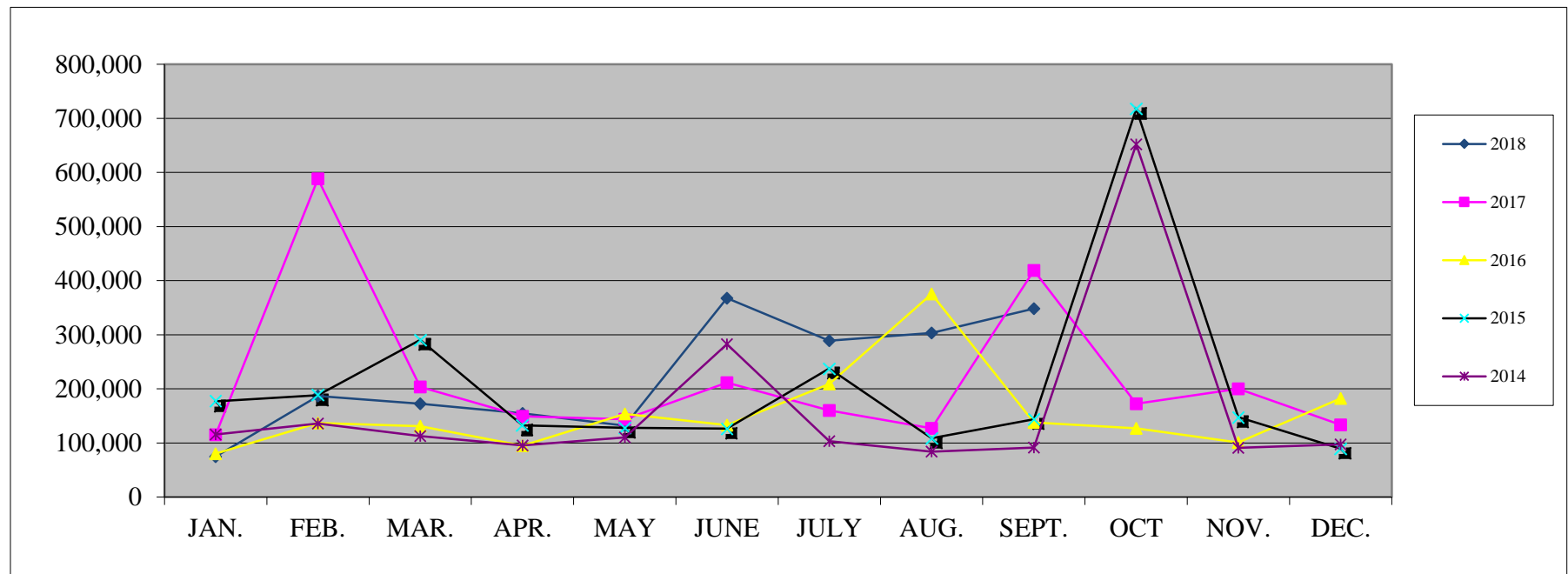
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2018	3,418	4,601	6,312	5,510	5,094	6,865	6,865	4,910	6,336				49,911
2017	3,539	6,598	5,329	5,340	4,253	4,338	3,613	4,717	7,081	6,177	6,062	4,094	61,141
2016	4,422	7,789	7,962	7,312	6,898	8,011	5,877	4,789	7,593	6,052	5,458	4,948	77,111
2015	6,918	7,133	8,557	8,870	8,022	7,268	8,089	5,426	8,846	11,367	8,753	7,101	96,350
2014	6,511	6,887	7,143	8,426	8,365	7,234	7,423	5,756	9,035	10,496	8,316	5,509	91,101
2013	5,341	7,146	7,440	7,349	7,336	8,291	6,696	6,694	8,755	10,136	7,946	7,001	90,131
2012	4,642	6,700	8,189	8,002	11,819	7,532	7,635	7,802	10,478	10,292	8,838	5,409	97,338
2011	3,088	3,880	4,632	5,671	5,418	6,379	5,639	4,804	9,355	9,249	6,138	4,954	69,207
2010	2,760	4,430	5,743	5,964	4,611	4,572	4,364	4,009	6,816	7,653	5,100	4,429	60,451
2009	4,345	6,822	5,675	5,888	6,209	5,883	5,082	3,860	6,470	5,258	5,775	3,795	65,062
2008	4,233	6,749	6,063	6,291	5,530	6,345	5,356	4,112	7,425	8,125	6,571	4,775	71,575



FUEL FLOWAGE

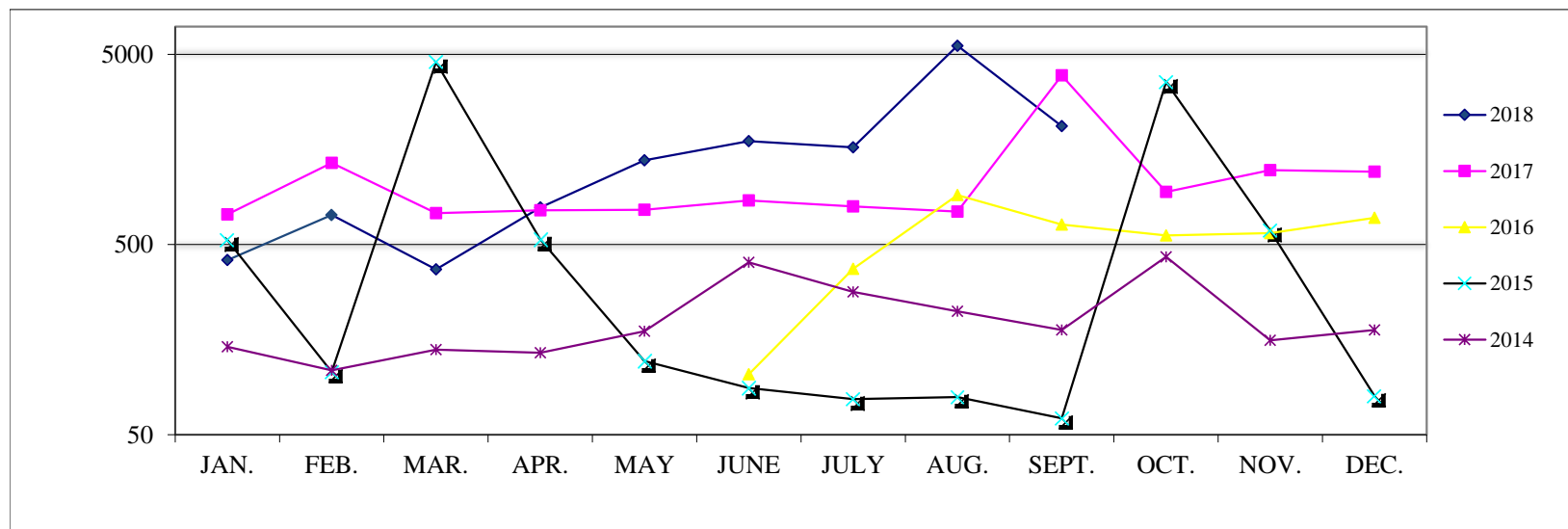
Gallons of Fuel Sold at SLN

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2018	74,807	186,507	172,561	154,513	131,941	367,663	288,977	303,273	348,454				2,028,696
2017	115,075	588,072	203,387	149,134	143,801	211,351	160,134	126,751	418,616	172,614	200,050	133,173	2,622,158
2016	80,221	136,763	130,990	94,673	153,410	132,964	208,846	375,330	137,906	126,983	100,764	182,062	1,860,912
2015	176,746	188,406	290,470	132,543	128,100	126,428	237,782	108,581	143,816	717,601	147,853	89,277	2,487,603
2014	115,573	135,651	112,694	95,549	110,387	282,468	103,108	83,757	91,423	652,207	90,948	97,295	1,971,061
2013	139,227	165,167	138,056	121,295	120,083	282,743	134,677	137,840	126,523	134,024	151,427	106,917	1,757,981
2012	136,995	163,253	303,472	142,770	307,541	365,938	162,584	169,534	163,515	149,404	287,619	241,424	2,594,049
2011	158,199	175,703	311,254	168,490	141,986	261,097	246,687	202,390	178,133	172,586	203,684	166,461	2,386,670
2010	140,149	174,668	276,837	195,019	195,859	333,684	271,029	212,013	170,735	209,067	315,010	269,921	2,763,991
2009	202,765	239,649	182,205	183,738	192,029	306,421	222,991	145,268	171,251	216,190	256,904	162,174	2,481,585
2008	240,060	298,097	293,841	231,396	212,675	319,814	218,666	236,294	245,330	374,857	236,718	206,767	3,114,515



ENPLANEMENTS

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>FAA</u> <u>Adjustment</u>	<u>TOTAL</u>
2018	414	715	370	783	1,387	1,751	1,623	5,553	2,095					14,691
2017	720	1,344	731	756	761	852	793	746	3,874	946	1,229	1,207	-162	13,797
2016	36	0	0	0	0	104	372	910	637	558	574	692	84	3,967
2015	528	107	4,550	531	122	88	77	79	61	3,574	592	80	-310	10,079
2014	145	109	140	135	175	403	282	223	178	431	157	178	-158	2,398
2013	166	191	205	214	243	218	202	205	161	178	212	243	391	2,829
2012	237	249	247	216	287	213	174	198	151	187	229	335	803	3,526
2011	146	156	205	181	254	258	261	234	225	287	264	234	152	2,857
2010	81	97	139	116	668	166	162	154	178	436	234	510	203	3,144
2009	224	227	275	223	232	210	225	242	439	190	223	129	29	2,868
2008	228	147	224	283	372	396	393	450	524	930	309	398	516	5,170
2007	109	81	133	107	185	226	221	285	241	325	679	353	1,182	4,127



****Adjustment based on Nonscheduled/On-Demand Air Carrier Filings FAA Form 1800-31**

Salina Airport Authority
Statement of Net Assets Prev Year Comparison
As of September 30, 2018

	10/12/2018					
	Sep 30, 18	Aug 31, 18	\$ Change	Sep 30, 17	\$ Change	% Change
ASSETS						
Current Assets						
Checking/Savings						
Cash in Bank - Bond Funds	359,108	358,953	155	208,233	150,875	72%
Cash in bank & Petty Cash-Op	273,870	1,732,045	-1,458,175	94,037	179,833	191%
Total Checking/Savings	632,978	2,090,998	-1,458,020	302,270	330,708	109%
Accounts Receivable						
Accounts Receivable	217,612	138,940	78,672	242,219	-24,607	-10%
Total Accounts Receivable	217,612	138,940	78,672	242,219	-24,607	-10%
Other Current Assets						
Agri Land Receivable	55,000	55,000	0	0	55,000	100%
Mill Levy receivable	0	0	0	71,179	-71,179	-100%
Other current assets	139,754	141,643	-1,889	127,787	11,967	9%
Undeposited Funds	4,393	5,112	-719	9,464	-5,071	-54%
Total Other Current Assets	199,147	201,755	-2,608	208,430	-9,283	-4%
Total Current Assets	1,049,737	2,431,693	-1,381,956	752,919	296,818	39%
Fixed Assets						
Fixed assets at cost	88,188,604	88,186,892	1,712	84,962,203	3,226,401	4%
Less accumulated depreciation	-43,828,370	-43,603,470	-224,900	-41,276,417	-2,551,953	-6%
Total Fixed Assets	44,360,234	44,583,422	-223,188	43,685,786	674,448	2%
Other Assets						
Deferred Outflow of Resources	1,496,655	1,496,655	0	1,468,140	28,515	2%
Other assets	0	0	0	9,202	-9,202	-100%
Total Other Assets	1,496,655	1,496,655	0	1,477,342	19,313	1%
TOTAL ASSETS	46,906,626	48,511,770	-1,605,144	45,916,047	990,579	2%
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts payable	39,136	115,112	-75,976	103,578	-64,442	-62%
Total Accounts Payable	39,136	115,112	-75,976	103,578	-64,442	-62%
Credit Cards						
Sam's Club Discover	0	2,777	-2,777	1,919	-1,919	-100%
VISA - Sunflower Bank, N.A. - K	0	0	0	22	-22	-100%
VISA - Sunflower Bank, N.A. - S	-37	657	-694	214	-251	-117%
VISA - Sunflower Bank, N.A. - T	853	0	853	1,219	-366	-30%
Total Credit Cards	816	3,434	-2,618	3,374	-2,558	-76%
Other Current Liabilities						
Accrued debt interest payable	78,264	362,471	-284,207	404,213	-325,949	-81%
Debt, current portion	1,222,153	1,222,153	0	1,024,320	197,833	19%
Deferred Agri Land Revenue	13,750	18,333	-4,583	0	13,750	100%
Deferred Mill Levy revenue	533,090	710,787	-177,697	524,532	8,558	2%
Other current liabilities	192,657	210,630	-17,973	197,614	-4,957	-3%
Total Other Current Liabilities	2,039,914	2,524,374	-484,460	2,150,679	-110,765	-5%
Total Current Liabilities	2,079,866	2,642,920	-563,054	2,257,631	-177,765	-8%
Long Term Liabilities						
Debt - Long Term	22,796,722	24,016,722	-1,220,000	22,573,414	223,308	1%
Deferred Inflows of Resources	96,486	96,486	0	114,057	-17,571	-15%
Less current portion	-1,222,153	-1,222,153	0	-1,024,320	-197,833	-19%
Net Pension Liability	603,456	603,456	0	582,704	20,752	4%
Security Deposits Returnable	48,502	47,157	1,345	49,572	-1,070	-2%
Total Long Term Liabilities	22,323,013	23,541,668	-1,218,655	22,295,427	27,586	0%
Total Liabilities	24,402,879	26,184,588	-1,781,709	24,553,058	-150,179	-1%
Equity						
Invested in Capital Assets net	21,607,814	20,271,667	1,336,147	21,064,729	543,085	3%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	110,370	1,446,516	-1,336,146	568,507	-458,137	-81%
Net Income	695,564	518,999	176,565	-360,247	1,055,811	293%
Total Equity	22,503,748	22,327,182	176,566	21,362,989	1,140,759	5%
TOTAL LIABILITIES & EQUITY	46,906,627	48,511,770	-1,605,143	45,916,047	990,580	2%

Salina Airport Authority
Profit & Loss Budget Performance
September 2018

8:04 AM
10/12/2018
Accrual Basis

	Sep 18	Jan - Sep 18	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense						
Income						
Airfield revenue						
Fuel Flowage Fees	27,319	162,608	148,500	14,108	110%	198,000
Hangar rent	60,956	352,094	326,250	25,844	108%	435,000
Landing fees	10,991	50,504	11,250	39,254	449%	15,000
Ramp rent	4,269	34,491	37,499	-3,008	92%	50,000
Total Airfield revenue	103,535	599,697	523,499	76,198	115%	698,000
Building and land rent						
Agri land rent	4,583	41,750	41,250	500	101%	55,000
Building rents - Long Term						
Short-term leasing	27,021	253,843	157,500	96,343	161%	210,000
Building rents - Long Term - Other	64,508	577,205	647,213	-70,008	89%	862,950
Total Building rents - Long Term	91,529	831,048	804,713	26,335	103%	1,072,950
Land rent						
Basic Land Rent	8,568	75,592	67,500	8,092	112%	90,000
Property tax - tenant share	10,019	90,169	90,000	169	100%	120,000
Land rent - Other	0	0	0	0	0%	0
Total Land rent	18,587	165,761	157,500	8,261	105%	210,000
Tank rent	1,128	9,252	7,125	2,127	130%	9,500
Total Building and land rent	115,827	1,047,811	1,010,588	37,223	104%	1,347,450
Other revenue						
Airport Marketing	4,140	122,728	58,875	63,853	208%	78,500
Commissions	0	17,342	26,250	-8,908	66%	35,000
Other income	41,404	140,422	48,750	91,672	288%	65,000
Total Other revenue	45,544	280,492	133,875	146,617	210%	178,500
Uncategorized Income	0	0	0	0	0%	0
Total Income	264,906	1,928,000	1,667,962	260,038	116%	2,223,950
Gross Profit	264,906	1,928,000	1,667,962	260,038	116%	2,223,950
Expense						
Administrative expenses						
A/E, consultants, brokers	0	21,072	21,000	72	100%	28,000
Airport promotion						
Air Serv. Mktg - City	4,771	51,364	24,000	27,364	214%	32,000
Air Serv. Mktg - County	4,771	51,364	24,000	27,364	214%	32,000
Air Serv. Mktg - SAA	1,064	7,234	9,000	-1,766	80%	12,000
Air Serv. Mktg - SkyWest	0	20,000	9	19,991	222,222%	12
Airport promotion - Other	0	5,305	7,875	-2,570	67%	10,500
Total Airport promotion	10,606	135,267	64,884	70,383	208%	86,512
Bad Debt Expense	0	2,480	1	2,479	248,000%	1
Computer/Network Admin.	322	10,029	10,313	-284	97%	13,750
Dues and subscriptions	1,209	16,059	19,125	-3,066	84%	25,500
Employee retirement	7,232	55,665	56,480	-815	99%	75,307
FICA and medicare tax expense	5,791	44,796	45,432	-636	99%	60,576
Industrial development	0	37,500	37,500	0	100%	50,000
Insurance , property	13,238	101,919	114,188	-12,269	89%	152,250
Insurance, medical	17,571	158,244	168,476	-10,232	94%	224,634
Kansas unemployment tax	0	386	750	-364	51%	1,000
Legal and accounting	2,763	36,854	24,375	12,479	151%	32,500
Office salaries	63,745	368,830	366,015	2,815	101%	488,020
Office Supplies	1,019	9,468	5,250	4,218	180%	7,000
Other administrative expense						
Merchant Processing Fees	261	2,482	338	2,144	734%	450
Other administrative expense - Other	643	4,612	3,412	1,200	135%	4,550
Total Other administrative expense	904	7,094	3,750	3,344	189%	5,000
Postage	215	2,816	2,250	566	125%	3,000

	Sep 18	Jan - Sep 18	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Property tax expense	12,083	108,750	108,750	0	100%	145,000
Special Events	0	0	750	-750	0%	1,000
Telephone	1,552	13,818	13,125	693	105%	17,500
Training	0	4,888	3,750	1,138	130%	5,000
Travel and meetings	646	5,987	8,625	-2,638	69%	11,500
Total Administrative expenses	138,896	1,141,922	1,074,789	67,133	106%	1,433,050
Maintenance expenses						
Airfield maintenance	1,129	23,084	22,500	584	103%	30,000
Airport Security	67	2,091	375	1,716	558%	500
Building maintenance	3,595	58,372	35,625	22,747	164%	47,500
Equipment fuel and repairs	9,878	70,621	48,750	21,871	145%	65,000
Fire Services	0	596	15,000	-14,404	4%	20,000
Grounds maintenance	480	1,856	3,000	-1,144	62%	4,000
Maintenance salaries	33,637	249,291	256,253	-6,962	97%	341,670
Other maintenance expenses	952	11,210	15,000	-3,790	75%	20,000
Snow removal expense	0	3,439	16,500	-13,061	21%	22,000
Utilities	13,963	178,164	151,000	27,164	118%	200,000
Total Maintenance expenses	63,701	598,724	564,003	34,721	106%	750,670
Uncategorized Expenses	0	0	0	0	0%	0
Total Expense	202,597	1,740,646	1,638,792	6	106%	2,183,720
Net Ordinary Income	62,309	187,354	29,170	7	642%	40,230
Other Income/Expense						
Other Income						
Capital contributed	54,567	1,317,286	1,020,677	8	129%	1,360,902
Gain on sale of assets	5,375	5,375	10,000	-4,625	54%	25,000
Interest income						
Interest income on deposits	158	3,445	750	2,695	459%	1,000
Total Interest income	158	3,445	750	2,695	459%	1,000
Mill levy income	341,295	1,766,361	1,599,270	167,091	110%	2,132,360
Total Other Income	401,395	3,092,467	2,630,697	461,770	118%	3,519,262
Other Expense						
Debt interest expense net						
Bond issue cost	0	0	0	0	0%	0
Interest Expense on Debt	62,240	560,159	560,159	0	100%	746,879
Total Debt interest expense net	62,240	560,159	560,159	0	100%	746,879
Depreciation expense	224,900	2,024,100	2,024,100	0	100%	2,698,800
Total Other Expense	287,140	2,584,259	2,584,259	0	100%	3,445,679
Net Other Income	114,255	508,208	46,438	461,770	1,094%	73,583
Net Income	176,564	695,562	75,608	619,954	920%	113,813

Salina Airport Authority
Profit & Loss Prev Year Comparison
January through September 2018

8:18 AM
10/12/2018
Accrual Basis

	Jan - Sep 18	Jan - Sep 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
Airfield revenue				
Fuel Flowage Fees	162,608.48	163,501.42	-892.94	-0.55%
Hangar rent	352,094.06	315,286.00	36,808.06	11.67%
Landing fees	50,504.44	37,007.29	13,497.15	36.47%
Ramp rent	34,491.00	35,730.00	-1,239.00	-3.47%
Total Airfield revenue	599,697.98	551,524.71	48,173.27	8.74%
Beech Bankruptcy Distributions	0.00	0.00	0.00	0.0%
Building and land rent				
Agri land rent	41,749.97	55,773.98	-14,024.01	-25.14%
Building rents - Long Term				
Short-term leasing	253,842.92	175,914.40	77,928.52	44.3%
Building rents - Long Term - Other	577,204.92	597,413.11	-20,208.19	-3.38%
Total Building rents - Long Term	831,047.84	773,327.51	57,720.33	7.46%
Land rent				
Basic Land Rent	75,592.28	78,206.99	-2,614.71	-3.34%
Property tax - tenant share	90,168.75	90,000.00	168.75	0.19%
Land rent - Other	0.00	0.00	0.00	0.0%
Total Land rent	165,761.03	168,206.99	-2,445.96	-1.45%
Tank rent	9,252.00	7,272.00	1,980.00	27.23%
Total Building and land rent	1,047,810.84	1,004,580.48	43,230.36	4.3%
Other revenue				
Airport Marketing	122,728.27	41,439.44	81,288.83	196.16%
Commissions	17,341.55	32,343.83	-15,002.28	-46.38%
Other income	140,421.51	53,135.54	87,285.97	164.27%
Total Other revenue	280,491.33	126,918.81	153,572.52	121.0%
Uncategorized Income	0.00	0.00	0.00	0.0%
Total Income	1,928,000.15	1,683,024.00	244,976.15	14.56%
Gross Profit	1,928,000.15	1,683,024.00	244,976.15	9 14.56%
Expense				
Administrative expenses				
A/E, consultants, brokers	21,072.25	850.00	20,222.25	2,379.09%
Airport promotion				
Air Serv. Mktg - City	51,364.15	20,719.96	30,644.19	147.9%
Air Serv. Mktg - County	51,364.11	20,719.94	30,644.17	147.9%
Air Serv. Mktg - SAA	7,234.35	2,807.59	4,426.76	157.67%
Air Serv. Mktg - SkyWest	20,000.00	0.00	20,000.00	100.0%
Airport promotion - Other	5,305.15	2,886.12	2,419.03	83.82%
Total Airport promotion	135,267.76	47,133.61	88,134.15	186.99%
Bad Debt Expense	2,480.00	0.00	2,480.00	100.0%
Computer/Network Admin.	10,028.95	12,224.90	-2,195.95	-17.96%
Dues and subscriptions	16,058.89	20,586.22	-4,527.33	-21.99%
Employee retirement	55,664.87	46,727.77	8,937.10	19.13%
FICA and medicare tax expense	44,795.99	42,320.79	2,475.20	5.85%
Industrial development	37,500.00	18,750.00	18,750.00	100.0%
Insurance , property	101,918.59	109,929.48	-8,010.89	-7.29%
Insurance, medical	158,243.60	146,039.83	12,203.77	8.36%
Kansas unemployment tax	385.77	553.22	-167.45	-30.27%
Legal and accounting	36,853.70	13,470.70	23,383.00	173.58%

	Jan - Sep 18	Jan - Sep 17	\$ Change	% Change
Office salaries	368,830.11	332,959.98	35,870.13	10.77%
Office Supplies	9,468.06	4,838.10	4,629.96	95.7%
Other administrative expense				
Merchant Processing Fees	2,481.51	581.90	1,899.61	326.45%
Other administrative expense - Other	4,611.58	7,470.46	-2,858.88	-38.27%
Total Other administrative expense	7,093.09	8,052.36	-959.27	-11.91%
Payroll expenses	0.00	0.00	0.00	0.0%
Postage	2,815.91	1,666.31	1,149.60	68.99%
Property tax expense	108,749.97	119,999.97	-11,250.00	-9.38%
Telephone	13,817.82	13,519.22	298.60	2.21%
Training	4,888.43	40.00	4,848.43	12,121.08%
Travel and meetings	5,986.50	7,919.54	-1,933.04	-24.41%
Total Administrative expenses	1,141,920.26	947,582.00	194,338.26	20.51%
Bank Service Charges	0.00	0.00	0.00	0.0%
Maintenance expenses				
Airfield maintenance	23,084.17	22,886.56	197.61	0.86%
Airport Security	2,090.99	800.63	1,290.36	161.17%
Building maintenance	58,372.25	77,689.98	-19,317.73	-24.87%
Equipment fuel and repairs	70,620.83	89,435.24	-18,814.41	-21.04%
Fire Services	595.80	750.00	-154.20	-20.56%
Grounds maintenance	1,856.29	3,392.19	-1,535.90	-45.28%
Maintenance salaries	249,291.20	251,312.61	-2,021.41	-0.8%
Other maintenance expenses	11,210.27	11,594.83	-384.56	-3.32%
Snow removal expense	3,438.86	514.36	2,924.50	568.57%
Utilities	178,164.09	188,183.18	-10,019.09	-5.32%
Total Maintenance expenses	598,724.75	646,559.58	-47,834.83	-7.4%
Uncategorized Expenses	0.00	0.00	0.00	0.0%
Total Expense	1,740,645.01	1,594,141.58	146,503.43	9.19%
Net Ordinary Income	187,355.14	88,882.42	98,472.72	110.79%
Other Income/Expense				
Other Income				
Capital contributed	1,317,286.00	852,224.00	465,062.00	54.57%
Gain on sale of assets	5,375.00	0.00	5,375.00	100.0%
Interest income				
Interest income on deposits	3,445.31	791.18	2,654.13	335.47%
Total Interest income	3,445.31	791.18	2,654.13	335.47%
Mill levy income	1,766,361.35	1,555,002.11	211,359.24	13.59%
Total Other Income	3,092,467.66	2,408,017.29	684,450.37	28.42%
Other Expense				
Debt interest expense net				
Bond issue cost	0.00	135,085.20	-135,085.20	-100.0%
Interest Expense on Debt	560,159.28	700,976.25	-140,816.97	-20.09%
Total Debt interest expense net	560,159.28	836,061.45	-275,902.17	-33.0%
Depreciation expense	2,024,100.00	2,021,085.00	3,015.00	0.15%
Total Other Expense	2,584,259.28	2,857,146.45	-272,887.17	-9.55%
Net Other Income	508,208.38	-449,129.16	957,337.54	213.15%
Net Income	<u>695,563.52</u>	<u>-360,246.74</u>	<u>1,055,810.26</u>	<u>293.08%</u>

Salina Airport Authority
Capital Additions Budget vs. Actual
As of September 30, 2018

8:20 AM
10/12/2018
Accrual Basis

	Jan - Sept 18	Budget	+/- Annual Budget	% of Annual Budget
ASSETS				
Fixed Assets				
Fixed assets at cost				
Airfield				
AIP-36 Txy E Rehab Const. Ph 1	263,915	30,054	233,861	878%
AIP-38 Txy B Rehab Const. Ph 2	1,300,018	1,423,837	-123,819	91%
AIP-39 ARFF Vehicle Acquisition	200	98,500	-98,300	0%
Airfield Improvements	33,018	40,000	-6,982	83%
KAIP-19 Rwy 12/30 Slurry Seal	0	150,000	-150,000	0%
Total Airfield	1,597,151	1,742,391	-145,240	92%
Buildings & Improvements				
Building improvements				
Bldg. Imps. Other	53,573	45,000	8,573	119%
Total Building improvements	53,573	45,000	8,573	119%
Total Buildings & Improvements	53,573	45,000	8,573	119%
Equipment				
ARFF equipment	119,691	25,650	94,041	467%
Communications equipment	8,192	2,500	5,692	328%
Computer equipment	1,690	2,500	-810	68%
Shop equipment	25,658	26,000	-342	99%
Total Equipment	155,231	56,650	98,581	274%
Land				
Airport Indust. Cent. Imps.	0	10,000	-10,000	0%
Environmental				
Environmental - SAFB	56,241	15,000	41,241	375%
Total Environmental	56,241	15,000	41,241	375%
West Beechcraft Road Imps.	750,329	1,178,000	-427,671	64%
Total Land	806,570	1,203,000	-396,430	67%
Total Fixed assets at cost	2,612,525	3,047,041	-434,516	86%
Total Fixed Assets	2,612,525	3,047,041	-434,516	86%
TOTAL ASSETS	2,612,525	3,047,041	-434,516	86%

Page 1 of 2

**Salina Airport Authority
Profit Loss
Q3 - Ten Year Trend Analysis
2009-2017**

[illegible]

AIRPORT USE AGREEMENT

This Agreement, made this ____ day of _____, ~~2013~~2018, by and between the **SALINA AIRPORT AUTHORITY** of Salina, Saline County, Kansas a political subdivision (the "Authority"), and **KANSAS STATE UNIVERSITY SALINA**, a state educational institution, (the "University"), WITNESSETH:

Recitals

1. The Authority is the operator of the Salina Regional Airport, (the "Airport") and has the right to enter into this Agreement for the use of the Airport, together with all the facilities, rights, licenses and privileges herein granted.
2. The University is engaged in business of aeronautical education and transporting people and property by air.
3. The Authority and the University (as successor to Kansas Technical Institute) were parties to a letter of agreement executed in 1985 (the "Letter Agreement"), relating to the use of the Airport which the parties updated by way of an airport use agreement (the "Use Agreement") entered into on May 15, 2002, which the parties subsequently renewed on December 20, 2006 and June 19, 2013, which the parties now wish to renew again.
4. The Authority desires to continue to grant and the University desires to continue to have the right to use certain facilities on the Airport, together with certain rights, licenses and privileges thereon.

NOW THEREFORE, the parties hereto, for and in consideration of the rents, covenants and agreements contained herein, agree as follows:

ARTICLE I - PREMISES

The Authority does hereby grant unto the University and the University does hereby acquire from the Authority, the use of the facilities, rights, licenses and privileges in connection with the Airport, as follows:

- A. Use of Airport. The University, in common with other authorized users, shall have use of the Airport and its appurtenances, together with all facilities, equipment, improvements and services which have been or may hereafter be provided at or in connection with the Airport from time to time, including, but not limited to, the landing field, runways, aprons, taxiways, flood lights, landing lights, control tower, signals, radio aids and all conveniences for flying, landings and takeoffs

of aircraft of the University, which use shall include:

1. The operation of a transportation system of aircraft for the carriage of persons, property, and training flights ("University Transportation").
2. The landing, taking off, parking, servicing, repairing, maintaining, conditioning, testing, loading and unloading of the University's aircraft in the course of conducting University Transportation.
3. The right to conduct any other operation or activity which is reasonably necessary in the course of conducting University Transportation.

B. Points of Access. The University owns Lot Twelve (12), Block One (1) of the Schilling Subdivision No. 3 to the City of Salina (the "University Ramp") and shall have 24-hour, direct access to the Airport facilities via "Taxiway Alpha" and vehicular access to the University Ramp via secured gates H2 and H3, all as depicted on the attached Exhibit A.

C. Allocation of Responsibilities. The Authority shall be responsible for maintaining the security fence and gates H2 and H3 common to the boundary of the Airport and the University Ramp. The University shall be responsible for all security for the University Ramp and University buildings and facilities.

D. Aircraft Operations Area ("AOA") Access Training. The University shall be responsible for insuring that its entire faculty, staff and students that operate a University motor vehicle within the Salina Regional Airport AOA undergo an annual access and driver's training course conducted by the Authority. The driver training shall be scheduled with the Authority by appointment.

ARTICLE II - TERM

The Letter Agreement shall terminate upon this Agreement taking effect. This Agreement shall be in effect for a term of five (5) years commencing on ~~May~~October 1, ~~2013~~2018 and terminating ~~April~~September 30, ~~2018~~2023. The University shall have the option to terminate this Agreement without penalty to it or the State of Kansas if funds anticipated for the continued fulfillment of this Agreement are at any time not forthcoming, either through failure of the legislature to appropriate funds or the discontinuance or material alteration of the program under which funds were provided, in which case the University shall have the right to terminate this Agreement by giving the Authority a reasonable notice for such necessary termination.

ARTICLE III – FACILITIES FEE

A. Facilities Fee. Rentals, fees and charges for the use of the Airport and related facilities, rights, licenses, services and privileges shall be combined in and represented by a facilities fee for each calendar month based upon all aviation fuel delivered, loaded and/or provided by Lessee to aircraft at the University Ramp ("Fuel Flowage") at the rate of \$0.~~0722~~0784 per gallon, subject to the Consumer Price Index adjustment outlined below (the "Facilities Fee").

B. Payment of Facilities Fee. The University shall, following the end of each calendar month, transmit to Authority a statement of the Fuel Flowage and the resulting Facilities Fee incurred by the University during the month. The Facilities Fee shall be paid by the University no later than the 15th day of the month following the month in which the Facilities Fee was incurred. The Authority shall have the right to examine or cause examination of the books and records of the University for the purpose of determining whether there has been compliance with the requirements of this paragraph.

C. C.P.I. Adjustment. The facilities fee shall be adjusted October 1, ~~2013~~2019 and biennially adjusted thereafter by the same percentage as the percentage of increase in the U.S. Government Consumer Price Index (C.P.I.) over the same prior 24-month period. The C.P.I. shall be the statistical report prepared and published by the Bureau of Labor Statistics for the United States for all items for urban consumers, or such other index or report substituted therefore by the U.S. Government. The reference basis for the C.P.I. shall be 1967 equals 100 or the most current index base as established by the Bureau of Labor Statistics. The difference between such index nearest to the first day of the prior 24-month period and the latest available index to the last day of the prior 24-month period divided by such index nearest to the first day of the prior 24-month period will determine either the percentage of increase, or that the facilities fee will remain the same as the prior 24-month period, as provided above. Any increase in facilities fee shall not exceed ten percent (10%) of the facilities fee for the prior 24-month period.

D. FAA Audit. The University acknowledges that it is aware that as required by AAIA Section 511(a) (9), the Authority must maintain a fee and rental structure for its facilities and services which will make the airport as self-sustaining as possible under the circumstances. In the event that an FAA audit should determine that the facility's fees provided for herein are inadequate, the parties agree to renegotiate the Facilities Fee.

ARTICLE IV - OPERATION OF AIRPORT

The Authority agrees during the term of the Agreement and any renewal thereof to maintain and operate the Airport with adequate and efficient personnel and to keep the Airport in good repair, in accordance with the requirements of the Federal Aviation Administration for the operation of general aviation owners and operators using the type of equipment employed by the University thereon.

ARTICLE V - RULES AND REGULATIONS

The University agrees to observe and obey all reasonable rules and regulations promulgated and enforced by the Authority and any other appropriate authority having jurisdiction during the term hereof provided the said rules and regulations are consistent with safety and do not conflict with the rules and procedures prescribed by the Federal Aviation Administration for landing and take-off of The University's aircraft at the Airport.

ARTICLE VI – INDEMNITY FOR BENEFIT OF AUTHORITY

The University shall indemnify, protect, defend and save the Authority harmless from and against all claims, demands, liabilities and costs, including attorney's fees, arising from damage or injury, actual or claimed, of whatever kind or character to property or persons allegedly occurring on or about the Airport during this Agreement resulting from or arising out of the willful or negligent acts and omissions of officers, agents, employees, and students of The University. Upon notice from the Authority, the University shall defend the Authority in any action or proceeding brought in connection with such claims or demands.

Nothing in this Article shall require the University to indemnify, protect, defend and save the Authority harmless against claims, demands, liabilities and costs arising from negligence of the Authority, its officers, employees, agents, licensees and invitees.

ARTICLE VII – INDEMNITY FOR BENEFIT OF UNIVERSITY

The Authority shall indemnify, protect, defend and save the University harmless from and against all claims, demands, liabilities and costs, including attorney's fees, arising from damage or injury, actual or claimed, of whatever kind or character to property or persons allegedly occurring on or about the Airport during this Agreement resulting from or arising out of the willful or negligent acts and omissions of officers, agents, and employees of the Authority. Upon notice from the University, the Authority shall defend the University in any action or proceeding brought in connection with such claims or demands.

Nothing in this Article shall require the Authority to indemnify, protect, defend and save the University harmless against claims, demands, liabilities and costs arising from negligence of the University, its officers, employees, students, agents, licensees and invitees.

ARTICLE VIII - NOTICES

Notice to the Authority provided for herein shall be sufficient if sent by registered mail, postage prepaid, addressed to the Salina Airport Authority, 3237 Arnold Ave., Salina, Kansas 67401,

and notice to the University, if sent by registered mail, postage prepaid, addressed to Kansas State University, Anderson Hall, Room 110, Manhattan, Kansas 66502, or to such respective address as the parties may designate in writing from time to time.

ARTICLE IX - AIRPORT PROTECTION

It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with, or adversely affect the use, operation or maintenance of the Airport.

ARTICLE X - COMPLIANCE WITH EQUAL EMPLOYMENT OPPORTUNITY REGULATIONS AND NONDISCRIMINATION ASSURANCES

A. The University, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on the property described in this agreement, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the University shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

B. The University, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that The University shall use the Airport facilities in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

C. The University assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The University assured that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The University assures that it will require that its covered suborganizations provide assurances to The University that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

D. It is understood and agreed that nothing herein contained shall be construed to grant

or authorize the granting of any exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 and amendments thereto.

E. The University agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that the University may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

ARTICLE XI - INVALID PROVISION

It is further expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either the Authority or The University in their respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers on the dates shown below.

SALINA AIRPORT AUTHORITY

Dated: _____

By: _____
~~Daran Neuschafer~~ Brian Weisel, Chairman

KANSAS STATE UNIVERSITY SALINA

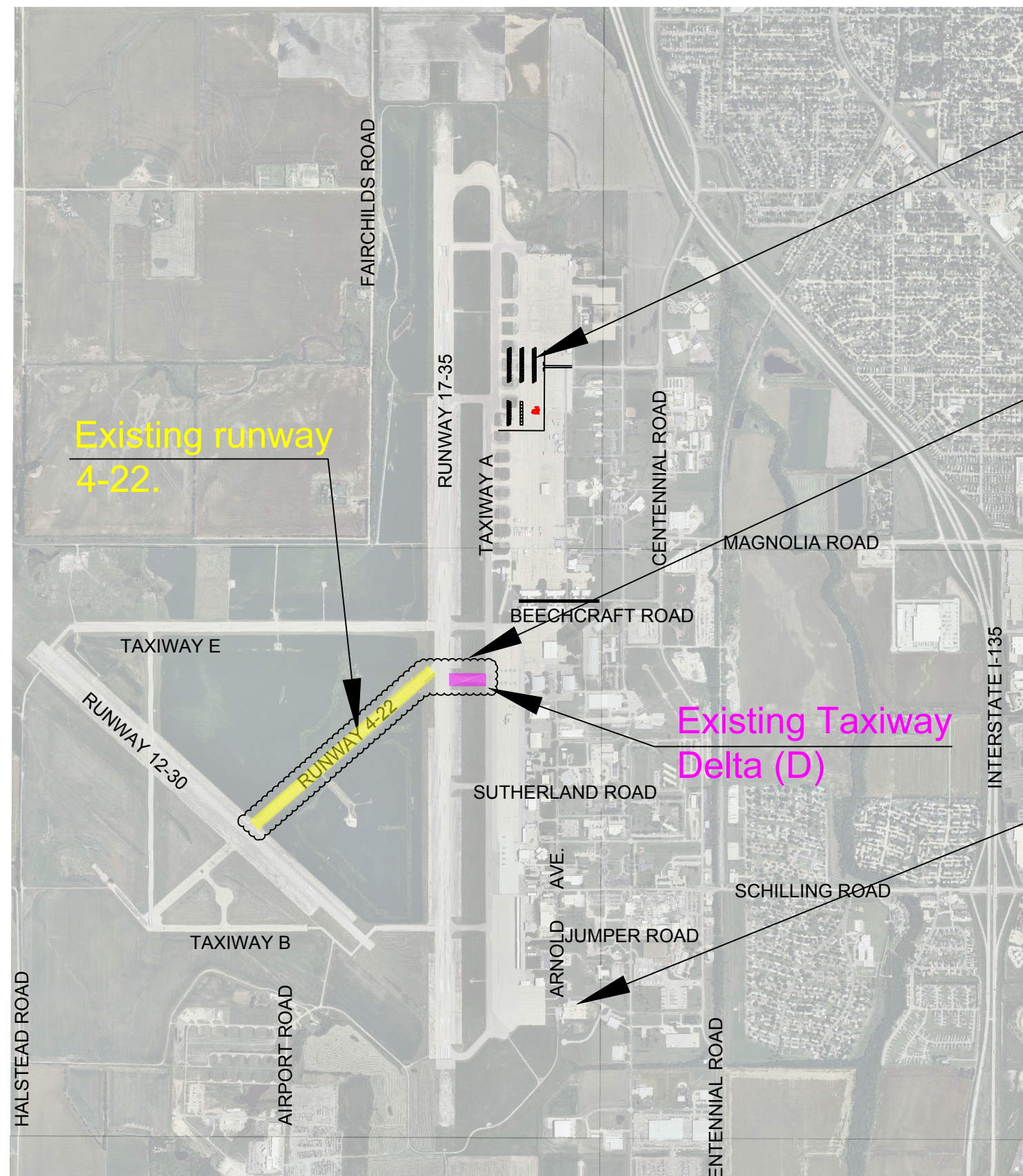
Dated: _____

By: _____
Dr. ~~Verna Fitzsimmons~~ Alysia Starkey
Interim Dean

Dated: _____

By: _____
~~Bruce Shubert~~ James Bach
~~V.P. for Administration and Finance~~ DFS

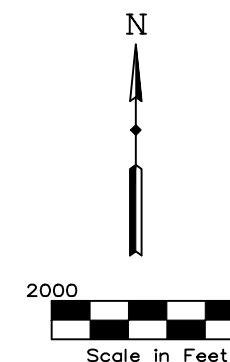
Director of Operations



North Ramp Stage I
T-Hangar Planning
Review.

Convert Runway
4-22 to Taxiway
Delta Extension.

M. J. Kennedy
Airport Terminal
Planning Review
Project.



Drawing Number 2512-10-18



3237 ARNOLD, SALINA, KS 67401
(785-827-3914 FAX: 785-827-2221)

None : REVISIONS

KRB : DESIGNED BY

KRB : DRAWN BY

1" = 2000' : SCALE

10/10/18, 08:44 : DATE