

DATE: December 17, 2018
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **December 19, 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 November 30, 2018 (Rogers and Swanson)

Airport Activity – Air Traffic (Rogers)

The November 2018 air traffic count decreased 12% to 6,062 operations as compared to the November 2017 total of 6,062. For the year-to-date a total of 65,202 operations have been recorded which is 14% more than the November 2017 YTD total of 57,047.

Airport Activity – Fuel Flowage (Rogers)

November 2018 fuel flowage was 125,129 gallons, which was a 37% decrease as compared to the November 2017 total of 200,050 gallons. For the year-to-date, fuel flowage totals 2,315,386 gallons which is down 7% as compared to the November 2017 YTD total of 2,488,984 gallons.

Airport Activity – Passenger Counts (Rogers)

United/SkyWest flights enplaned 1,656 passengers, which was a 100% increase over the November 2017 total of 829 passengers. The airline's total passenger count was 3,279 which was a 99% increase over the November 2017 total of 3,279.

Financial Reports – Comments and Notes (Swanson)

Total operating revenue is exceeding budget at the end of November by \$296,653 and is exceeding 2017 income by 14.3% as a result of YOY growth in all major categories of revenue. Total operating expenses are tracking 10% over budget bringing net income before depreciation to \$133,085 YTD which represents a 32.4% increase over 2017.

The below table represent the November activity in our bond fund account. With the payoff of the 2017-1 Temporary Notes, the bond fund account will be closed.

Salina Airport Authority
Account QuickReport
As of November 30, 2018

| Type | Date | Num | Name | Memo | Split | Amount | Balance |
|-----------------------------------|------------|---------|------|-----------------|-------------------|-------------|------------|
| Cash in Bank-Bond Funds | | | | | | | 331,213.15 |
| FBK Imp Fund Temp Note 2017 | | | | | | | 331,213.15 |
| General Journal | 11/26/2018 | 2567-8 | | Interest pos... | Interest incom... | 125.67 | 331,338.82 |
| General Journal | 11/30/2018 | 2550... | | Pay-Off Tem... | GO Temp Not... | -331,338.82 | 0.00 |
| Total FBK Imp Fund Temp Note 2017 | | | | | | -331,213.15 | 0.00 |
| Total Cash in Bank-Bond Funds | | | | | | -331,213.15 | 0.00 |
| TOTAL | | | | | | -331,213.15 | 0.00 |

Short-term leasing activity: Nov. 2 – 15, Bombardier leased 21,017 sq. of hangar space and 2,322 sq. ft. of office space in Hangar 600 for flight test work on a Challenger 350. This temporary short-term lease generated \$12,650 in revenue in addition to fuel sales. January is already shaping up to be a good month for short-term leasing. The SAA already has five organizations we're working with for short-term leasing commencing early next year.

Financial Reports – November 2018 Significant Expenditures/Payables Report

Financial Reports – Accounts Receivable Past Due 30 days or more as of December 14, 2018
(Swanson)

| Account | Amount | Days | Comments |
|---------------------------------|----------|-------|--------------------------------------|
| AAL Organic Matters | \$14,745 | 31>90 | Bldg. rent and utility reimbursement |
| Federal Aviation Administration | \$2,510 | 31-60 | Bldg. rent |
| Kenny's Body Shop | \$284 | 31-60 | Storage Igloo |
| United Airlines Charter | \$1,608 | 61-90 | Landing Fees & ARFF fees |

The SAA has entered in a payment plan agreement with AAL Organic Matters. The agreement calls for the balance to be paid in full within 4 months.

Agenda Item #6 – Approval of the Airport Authority's 2019 Operating Plan and Budget (Rogers and Swanson)

Enclosed is a copy of the final draft of the Airport Authority's 2019 Operating Plan and Budget. Priorities for 2019 include:

- Continued fuel flowage growth
- Market available buildings, hangars and development lots
- Continue air service development and marketing efforts
- Complete an airport master plan update to determine future terminal building requirements
- Support implementation of the K-State Polytechnic Global Aeronautics Initiative final report
- Secure grant funding for hangar and building exterior improvements within the Beechcraft Road Redevelopment District
- Complete the Schilling Project mediation and Consent Decree phases
- Update and replace obsolete airfield maintenance equipment
- Publish and distribute the 2018 Salina Airport and Airport Industrial Center Economic Impact Report

- Review Airport Industrial Center development objectives and options
- Contract with the Salina Chamber for services to attract and retain a skilled aerospace workforce
- Increase cash reserves by \$100,000
- Secure FAA grant funding for the Taxiway Delta Extension project
- Support 2019 FOL deployments
- Actively pursue DoD projects in partnership with the State of Kansas, City, County, Chamber & SCEDO (Baker Donelson engagement)
- Complete a T-Hangar construction feasibility study
- Retain current SAA staff members and add one part-time maintenance/custodial person

Please note the following comments concerning 2019 priorities.

Fuel Flowage Growth – 2018 fuel flowage was slightly less than 2017. The total number of Ft. Riley charter flights was 47% more than 2017, but 80% of those flights were domestic and not international. The charter aircraft used by the airlines for domestic flights were smaller and did not require as much fuel. The 2019 fuel flowage will meet and exceed 2017 and 2018 levels due to scheduled deployments by NOAA, NASA and JSOC. Avflight Salina is completing its fifth year of operations at SLN (the FBO started SLN operations on January 1, 2014). Avflight has proven to be an excellent partner and the NOAA, NASA and JSOC deployments would not be possible without Avflight's ability to support deployments with additional staff and equipment from their other locations.

Market Available Buildings, Hangars and Development Lots – Since the fall of 2016 the SAA's vacancy rate has gone from 40% (699,241 SF leased) to 28% (832,262 SF leased). The Airport Authority is actively marketing 331,209 SF of available space valued at over \$1.9 million per year. Three aviation hangars that total 237,530 SF of available space are a focus of the recent Baker Donelson engagement that will focus on DoD related projects. The Baker Donelson engagement is consistent with both the SCEDO strategic plan and K-State Polytechnic Global Aeronautics Initiative.

Air Service Development and Marketing – A comprehensive air service marketing campaign will enable Salina to maintain momentum in air service growth. The City, County, Airport Authority, Chamber and Salina EDO will continue to partner with United and SkyWest to execute a marketing campaign that leads to Salina and North Central Kansas passengers to choosing SLN as their "airport of convenience."

Airport Master Plan Update – Terminal Building Requirements – Coffman Associates was selected to prepare a terminal building requirements study which will include an updated forecast for passenger growth. The FAA AIP grant agreement that will fund the study will be offered to the Airport Authority during the first half of 2019.

K-State Polytechnic Global Aeronautics Initiative - The Global Aeronautics Initiative (GAI) report will be presented to the City, County, Airport Authority, Chamber and SCEDO during Q1 2019. The report will be more than just a feasibility study, it will be a strategic plan for growing the K-State aviation programs. The plan will be a guide for growing and developing the K-State aviation program into an engine for local and state economic development.

Beechcraft Road Building and Hangars Improvement – Securing grant funding to rehabilitate

the exteriors of building B723 and hangars H703, H704, H713, H714 and H724 will complement the Beechcraft Rd. reconstruction and landscaping project.

Schilling Project CAD and Mediation – The next milestone we are approaching is the completion of a Corrective Action Decision (CAD) by the Kansas Department of Health and Environment (KDHE). KDHE is expected to issue a CAD during Q1 2019. The CAD will determine the methods for site remediation and the cost of remediation. There will be a 30-day public comment period associated with the CAD. Following the public comment period, the Salina Public Entities will probably participate in a second round of court supervised mediation with the U.S. Department of Justice.

Update and Replace Obsolete Airfield Maintenance Equipment – Several of the Airport Authority pick-ups are nearing the end of their service lives. There is also a need to update and replace equipment such as paint strippers used to maintain airfield markings to airport certification standards. When possible vehicles and equipment will be acquired through the federal surplus property program. Specialized equipment such as paint strippers will be acquired through a bid process.

Publish and Distribute the 2018 Salina Regional Airport and Airport Industrial Center Economic Impact Study – The 2018 study is nearing completion by the Docking Institute of Public Affairs, Fort Hays State University. Docking Institute staff completed the 2016 study that reported:

- The businesses and organizations located at the Salina Regional Airport and Airport Industrial Center (SLN/SAIC) contributed approximately 60 percent of the total economic activity in Saline County during 2014.
- The total employment associated with SLN/SAIC activity during 2014 was 6,459 jobs (17.3 percent of the employment in Saline County).
- The SLN/SAIC activity contributed approximately 25 percent of the total economic activity in the Seven County Region during 2014 and produced 6,010 jobs.
- The SLN/SAIC businesses and organizations contributed approximately 7.7 percent of the total economic activity in the Twenty-five County Region during 2014 and produced 6,505 jobs.
- SLN/SAIC activity contributed approximately 1.3 percent of the total economic activity in Kansas during 2014 and produced 7,796 jobs.

Summary of Airport and Airport Industrial Center Development Potential – SAA staff will work with our economic development partners to maintain a summary of Airport and Airport Industrial Center buildings and land available for development opportunities. The document (both paper and electronic) provides the reader information on buildings ready for lease and lots ready for development. The document will also highlight long term development areas such as the north ramp at the SLN Aviation Service Center.

Work Force Recruitment and Retention – A significant, limiting factor to Salina's economic growth is the availability of skilled labor to fill current job openings. At the Airport and Airport

Industrial Center there are over 200 job openings and not enough skilled workers to fill the jobs available. A potential source of qualified employees is Ft. Riley, KS. Approximately 300, Ft. Riley soldiers exit the military each month. Less than 10% of these soldiers stay in the region and many of the soldiers have aviation technical and maintenance skills. An Airport Authority and Salina Chamber services agreement will detail aviation and aerospace workforce recruitment services the Chamber can provide to recruit and train skilled aerospace workers to fill jobs created by leasing available SAA hangar space to aerospace companies.

Secure FAA Grant Funding for the Taxiway Delta Extension Project – The next major airfield improvement project is converting Runway 4/22 into the reconstructed Taxiway Delta. The project includes the rehabilitation of the Taxiway Delta pavement, a new geometric alignment to Runway 17/35, abandoned pavement removal, drainage improvements and taxiway lighting. The project is being considered for AIP Supplemental Appropriation grant funding.

Complete a T-Hangar Construction Feasibility Study – The T-hangar construction feasibility study will be completed during Q1 2019. The study will provide options for construction of new T-Hangars on the North Ramp area of the airport.

SAA Staffing Priorities – Retention of current SAA staff will involve emphasis on training, updating equipment and tools, performance evaluations and competitive compensation. The addition of a part-time maintenance/custodial staff member will give more flexibility in meeting expectations for the appearance and use of the terminal building, H600, H606 and H959. Funds currently used for contract custodial services will be reallocated to hiring a part-time maintenance/custodial employee.

Recommendation: Approval of the 2019 Operating Plan and Budget Report

Agenda Item #7 – Consideration of a 2-year Airport Use Agreement with Long McArthur Ford, LLC. (Rogers and Swanson)

Since January 1, 2017, Long McArthur has been providing Salina Airport passengers, pilots and visiting military units a third choice for rental car services. During 2017, Long McArthur was a significant provider of rental cars to the Jaded Thunder 17.1 exercise participants.

The current use agreement is set to expire at the end of 2018. Enclosed is a copy of the proposed new Airport Use Agreement with Long McArthur, Inc. of Salina, KS. The agreement authorizes the dealership to offer rental car services at the Salina Regional Airport in accordance with Airport Rules and Regulations. The proposed two-year agreement effective January 1, 2019, has a rental rate structure that includes airport rental fees in the amount of 10% of all gross revenues derived from rental operations conducted at the Airport. Page 3 of the enclosed agreement defines “rented at Airport” in subsection III (B). In addition to the 10% of gross rental fee, the agreement calls for a \$250 annual facilities fee to be paid by Long McArthur as the Lessee.

Recommendation: Approval of the proposed Airport Use Agreement with Long McArthur Ford, LLC.

Agenda Item #8 – Executive Session. (Weisel)

An executive session is scheduled to discuss the executive director’s 2018 performance review.

STAFF REPORTS

AIP 39 - ARFF Vehicle (ARFF #7) (Bieker)

ARFF 7 along with all associated equipment has been delivered by the manufacturer Oshkosh Corporation. Oshkosh will train Airport Authority staff and SFD fire fighters during the week of January 7th. After the training is completed and final acceptance, the vehicle will be put into service.



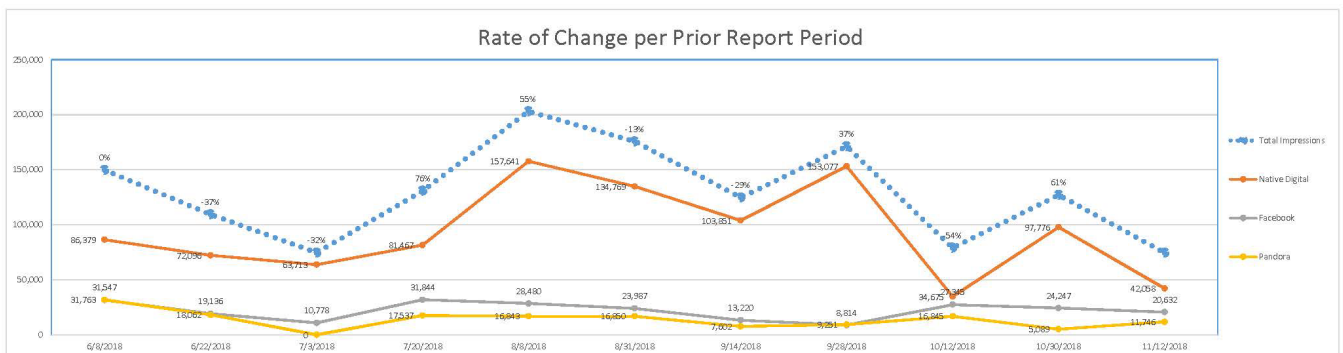
Terminal Building Overflow Parking (Bieker)

The overflow parking at the Terminal Building will soon receive area lighting installed by Westar Energy. A power pole will be placed at three locations on the west edge of the overflow parking area to provide security and convenience lighting.

Fly Salina Marketing (Windhorst)

During the month of November, the SAA Facebook page has reached over 31K viewers which is an increase of 18% as compared to the previous month. The paid social media advertising has resulted in a 59% increase in Facebook page likes. Overall the marketing campaign continues to exceed benchmark and has reached over 2 million impressions with the Native Digital, Facebook and Pandora ads.

| Period Impressions | | | | | | | | | | | | | | | | | | | | | |
|--------------------|--------------------|-------|-------------------|-------|--------------------|-------|-------------------|-------|--------------------|-------|-------------------|-------|-------------------|-------|-------------------|-------|-------------------|-------|-------------------|-------|---------------------------------|
| Media | As of 6/22/2018 | (+/-) | As of 7/3/2018 | (+/-) | As of 7/20/2018 | (+/-) | As of 8/8/2018 | (+/-) | As of 8/31/2018 | (+/-) | As of 09/14/18 | (+/-) | As of 09/28/18 | (+/-) | As of 10/12/18 | (+/-) | As of 10/30/18 | (+/-) | As of 11/12/18 | (+/-) | Total Cumulative Impressions |
| Native Digital | 72,096 | -17% | 63,713 | -12% | 81,467 | 28% | 157,641 | 94% | 134,769 | -15% | 103,851 | -23% | 153,077 | 47% | 34,675 | -77% | 97,776 | 182% | 42,058 | -57% | 1,385,448 |
| Facebook | 19,136 | -39% | 10,778 | -44% | 31,844 | 195% | 28,480 | -11% | 23,987 | -16% | 13,220 | -45% | 8,814 | -33% | 27,345 | 210% | 24,247 | -11% | 20,632 | -15% | 301,641 |
| Pandora | 18,062 | -43% | 0 | -100% | 17,537 | 100% | 16,843 | -4% | 16,850 | 0% | 7,602 | -55% | 9,251 | 22% | 16,845 | 82% | 5,089 | -70% | 11,746 | 131% | 156,681 |
| Total | 109,294 | -27% | 74,491 | -32% | 130,848 | 76% | 202,964 | 55% | 175,606 | -13% | 124,673 | -29% | 171,142 | 37% | 78,865 | -54% | 127,112 | 61% | 74,436 | -41% | 1,918,206 |



Salina to
Denver

Salina to
Chicago
(O'Hare)

\$89*

one way

BOOK NOW

UNITED

SLN Airport

*Standard Economy Fare. Book by 02/26/19 for travel through 05/22/19.
14 day Advance Purchase and Other Restrictions Apply

\$89 Fare (January 9 – February 26)

SkyWest will again offer a special fare for United flights to Chicago and Denver. The fare will be available effective January 9, 2019. Flight must be booked by February 26, 2019 for travel through May 22, 2019.

Events (Windhorst)

Fly Salina passengers were able to enjoy Christmas carols by the Salina South High School New Dawn performers during the month of December. This is the second year for amazing performances by a talented group of young men and women.



Candy Canes and Airplanes was another huge success. Despite the cold, over 800 people waited in Hangar 600 to watch Santa's arrival into KSLN and visit booths setup by Kansas State Polytechnic clubs and organizations as well as SkyWest Airlines and Kansas Army National Guard. Mark your calendars now for the next Candy Canes and Airplanes event scheduled for Saturday, December 7th.

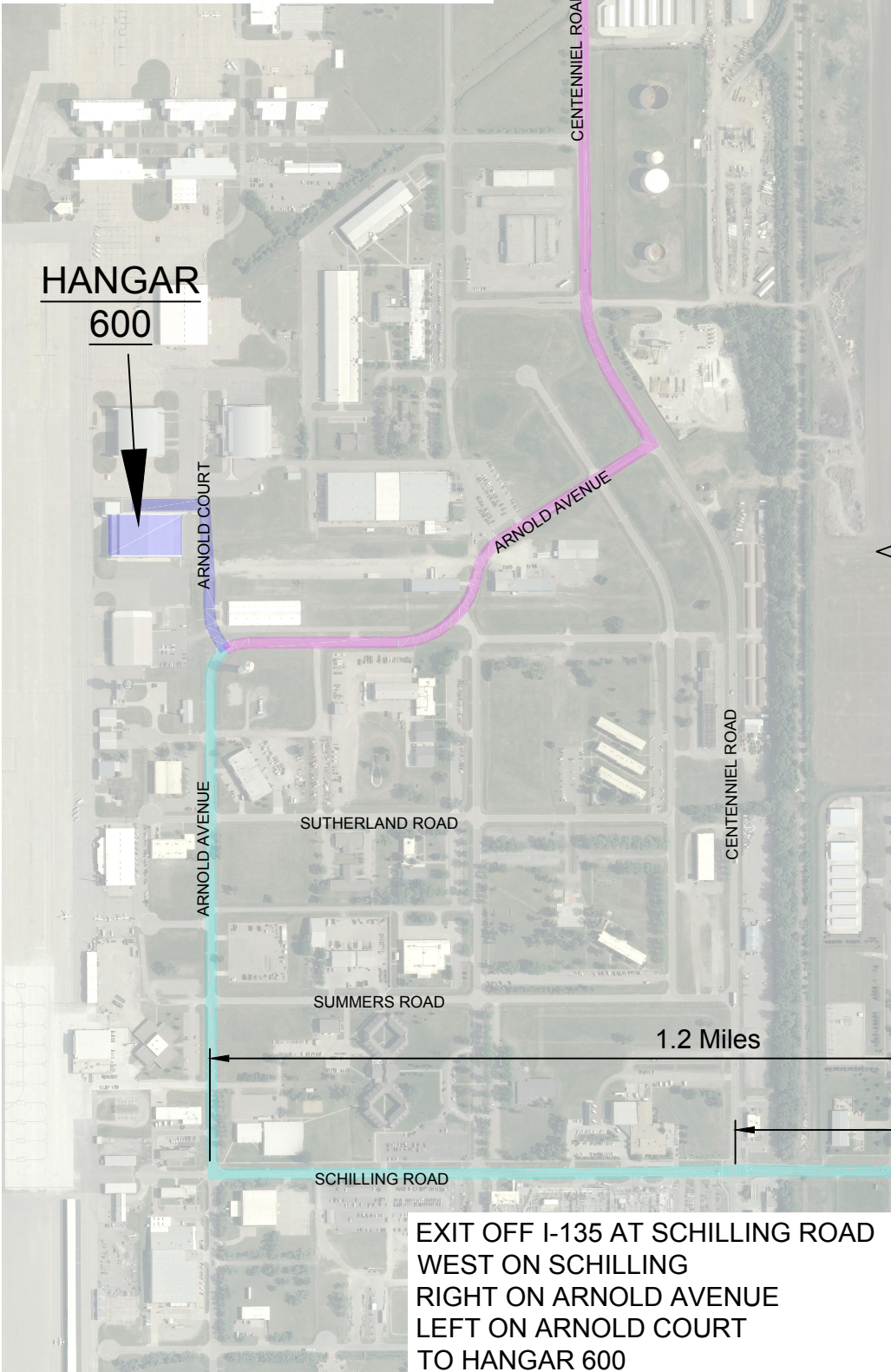
Salina Airport Authority staff is working with SkyWest/United and the Transportation Security Administration on several airport tours and presentations after the first of the year.

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

December 19, 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 November 21, 2018 regular board meeting. (Weisel)
5. Review of airport activity and financial reports for the month ending November 30, 2018. (Rogers & Swanson)
6. Approval of the Airport Authority's 2019 Operating Plan and Budget. (Rogers and Swanson)
7. Consideration of a 2-year Airport Use Agreement with Long McArthur Ford, LLC. (Swanson)

Directors' Forum (Weisel)

Visitor's Questions and Comments (Weisel)

Staff Reports (Rogers)

Announcements (Windhorst)

Executive Session (Weisel)

8. An executive session of the board of directors to discuss matters of non-elected personnel. (Weisel)

I move the board recess into executive session for 15 minutes to discuss the subject of the Executive Director's performance evaluation based upon the need to discuss personnel matters of non-elected personnel pursuant to K.S.A. 75-4319(b)(1). The open meeting will resume in this room at ____ AM.

Adjournment (Weisel)



**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
NOVEMBER 21, 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, 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; Administrative Assistant Kaycie Taylor, and Attorney Greg Bengtson. Bob Vidricksen, Saline County Commissioner was a guest.

Additions to the Agenda

Chairman Weisel asked if there were any additions. Executive Director Rogers stated there was an addition of item 8 (a), consideration of a termination agreement with Tischlerei LLC. for Unit A, Building B655.

Minutes

Chairman Weisel asked if the board members had additions or corrections to the minutes of the October 17, 2018 regular board meeting. Director Vancil moved, seconded by Director Gunn, to approve the minutes of the October 17, 2018 regular board meeting. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reported on airport activity for the month of October 2018. The Salina Air Traffic Control Tower (ATCT) recorded 9,974 operations during October 2018 which was a 61% increase as compared to October 2017 total of 6,177, due to operations occurring during SAFECON regionals. The peak day during October was 976 operations, which was 61 operations per hour, or one operation per minute. For the year-to-date, a total of 59,885 operations have occurred, which is 17% more than the October 2017 year-to-date total. The October 2018 fuel flowage came in at 161,563 gallons which was 6% less than the October 2017 total of 172,614. For the year-to-date, a total of 2,190,257 gallons has been delivered on the airport which is 4% less than the 2017 total of 2,288,934. 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 3,456 total passengers during October 2018 which was 123% more than the October 2017 total of 1,547 total passengers.

Director of Administration and Finance Swanson reported on the financials for October 2018. Total operating expenses arrived at 8% over budget. Net operating income arrived at 16% over budget and ahead of the same period of 2017 by \$300,907, bringing net income before depreciation to \$185,105 which is 131% ahead year-over-year. Swanson commented on October activity in the two bond fund accounts. Airfield revenue arrived at 16% over budget. Rental rate

shows an increase due to scheduled rental rate increases for 2018 and an increase in building rental improvement of 7% during 2018. Swanson commented on the SAA's process to increase cash funds over the coming year. Chairman Weisel directed staff to file the financials for audit.

2019 Property and Liability Insurance Coverages

Executive Director Rogers welcomed Salina Airport Authority's risk management consultant, James Charlesworth with Charlesworth and Associates. Charlesworth reviewed the insurance renewal process and commented on the property and liability insurance coverages and deductibles for 2019. Director of Administration and Finance, Shelli Swanson distributed the 2014-2018 commercial property and liability insurance expense analysis and premium summary for 2019. The total 2019 cost is expected to be \$167,886 which is an 11.4% increase over the 2018 expense of \$148,665, due to an auto loss and worker's compensation claim filed in 2018.

Renewal of the Insurance Broker Services Agreement with Lockton Companies, LLC., Kansas City, MO.

Executive Director Rogers reviewed the history of the Lockton insurance broker services agreement. The agreement will renew their services for a three-year term, effective October 1, 2018 and extending to October 1, 2021. The proposed rental rate is as follows:

| | |
|-------------|----------|
| 2019 | \$18,000 |
| 2020 | \$18,500 |
| 2021 | \$19,000 |

Rogers recommended that the board approve Addendum B with Lockton Companies, Inc.

Director Gunn moved to approve Addendum B with Lockton Companies, Inc., seconded by Director Eichelberger. The motion passed unanimously.

Facility/tower use agreement with Nex-Tech, Inc., Lenora, KS for radio and communications equipment.

Executive Director Rogers reviewed the history of the Airport Use/Lease Agreement with Nex-Tech, Inc. The agreement will renew the current agreement for another three-year term, with an increase in rent from \$300 to \$325 per month.

Rogers recommended that the board approve the agreement with Nex-Tech, Inc.

Director Vancil moved, seconded by Director Eichelberger to approve the facility use agreement with Nex-Tech, Inc. for radio and communications equipment. The motion passed unanimously.

Termination Agreement with Tischlerei, LLC for Unit A, Building B655.

Executive Director, Rogers provided the board with the proposed Termination Agreement with Tischlerei. Rogers reviewed the terms and noted that the agreement sets a negotiated settlement payment of \$22,000 that will close out all rental obligations. Director Gunn moved to approve the Termination Agreement with Tischlerei, LLC., seconded by Director Vancil. The motion passed unanimously.

2019 Preliminary Operating Plan and Budget Report.

Director of Administration and Finance, Shelli Swanson distributed the preliminary 2019 operating expense and budget reports and highlighted significant operating expenses for 2019. Executive Director Rogers noted that the final budget will be presented to the board at the December 19, 2018 regular board meeting.

Staff Reports

- i. **Beechcraft Road Reconstruction**
Executive Director Rogers updated the board on the status of Beechcraft Road. The final inspection was held on October 30, 2018. Bieker stated that a few clean-up items were identified and will be completed before making final payment to Pavers, Inc. Bieker noted that final payment will be contingent on receipt of lien waivers from all subcontractors confirming that they have been paid.
- ii. **Aircraft Rescue and Fire Fighting (ARFF) Vehicle**
Rogers announced that the ARFF vehicle has been assembled and is going through the final outfitting process at the Oshkosh Plant. Delivery is expected in late December or early January. SAA ARFF and maintenance staff will complete 40 hours of training in the new 3,000-gallon vehicle.
- iii. **Fossett Plaza**
Rogers informed the board that the Fossett Plaza destination sign has been completed and installed. Solar powered ground lighting will be installed for the sign.
- iv. **Terminal building Overflow Parking Lot**
Rogers reviewed the status of work on the overflow parking for the terminal building. T & R Dirt Construction has completed the regrading and expansion of the lot, which now accommodates 106 vehicles. Total terminal building parking has increased to 226 parking spaces.
- v. **Terminal Building Signs**
Rogers informed the board of the completed, installed terminal building way finding signs. He noted that feedback from new visitors to the terminal has been positive.
- vi. **Fly SLN Marketing**
Rogers reviewed the results of marketing in October 2018 from Google Analytics. The SAA website had over 4.2K new users viewing the site during October 2018, which resulted in a 19.12% increase from September 2018. The most active page on the site is Fly Salina, due to the recent marketing campaign and social media advertising activity. Native Digital, Facebook, and Pandora ads continue to perform well above industry average.
- vii. **SAA Staff Training**
Rogers informed the board of the recently completed, annual Mobile ARFF Trainer

(MAFT) training that occurred at SLN. The live fire training is a two-day event and included firefighters from the Salina Fire Department, Rural Fire, and Liberal Fire Departments.

Upcoming Events

i. Tours

Executive Director Rogers informed the board of upcoming airport tours and events to promote Fly Salina. The Airport Authority is working with SkyWest and the Transportation Security Administration to coordinate tours. Recently, the Boy Scouts and Solomon High School travel and tourism class toured the terminal building and enjoyed presentation regarding airport management, operations, and security.

viii. Candy Canes and Airplanes

Rogers reminded the board that Candy Canes and Airplanes is scheduled for December 1, 2018 in Hangar H600. Doors will open at 1:00 P.M., with Santa flying in at 2:00 P.M.

Executive Session

At 9:10 A.M. Director Vancil moved the following:

Mister Chairman, I move to recess the Open meeting for an Executive Session for thirty (30) minutes to discuss the subject of the Executive Director's performance evaluation based upon the need to discuss personal matters of non-elected personnel pursuant to K.S.A. 75-4319(b)(1).

The Open meeting shall resume in this room at 9:40 A.M.

Director Gunn seconded the motion. Motion passed unanimously.

The open meeting resumed at 9:40 A.M.

Upon a motion duly made, the meeting adjourned at 9:43 A.M.

Minutes approved at the December 19, 2018 Board Meeting.

Secretary

(SEAL)

**SALINA AIRPORT AUTHORITY
AIRPORT ACTIVITY REPORT
2018**

AIR TRAFFIC/ATCT

| | |
|------------------------------|---|
| November, 2018 | 5,317 Operations 763 Instrument Operations 452 Peak Day |
| November, 2017 | 6,062 Operations 870 Instrument Operations 490 Peak Day |
| January 2018 - November 2018 | 65,202 Operations |
| January 2017 - November 2017 | 57,047 Operations |
| January 2016 - November 2016 | 72,163 Operations |

FUEL FLOWAGE

| | |
|------------------------------|-------------------|
| November, 2018 | 125,129 Gallons |
| November, 2017 | 200,050 Gallons |
| January 2018 - November 2018 | 2,315,386 Gallons |
| January 2017 - November 2017 | 2,488,984 Gallons |
| January 2016 - November 2016 | 1,678,849 Gallons |

| | | Avflight | |
|--------------|------------------------|-----------------------|------------------------|
| | | Military/Gov't | Self-fuel |
| KSU-S | Avflight Salina | Portion | Station Portion |
| 8,166 | 116,963 | 9,128 | 380 |
| 7,446 | 192,604 | 31,576 | 958 |
| 83,665 | 2,231,721 | 1,080,797 | 7,391 |
| 92,076 | 2,396,908 | 880,051 | 8,288 |
| 109,647 | 1,569,202 | 586,896 | 9,273 |

SkyWest Airlines

ENPLANEMENTS

| | |
|------------------------------|-------------------|
| November, 2018 | 1,656 Passengers |
| November, 2017 | 829 Passengers |
| January 2018 - November 2018 | 13,020 Passengers |
| January 2017 - November 2017 | 8,050 Passengers |
| January 2016 - November 2016 | 2,567 Passengers |

DEPLANEMENTS

TOTAL

| | |
|------------------|-------|
| 1,623 Passengers | 3,279 |
| 819 Passengers | 1,648 |

ENPLANEMENTS - Charter Flights

| | |
|------------------------------|------------------|
| November, 2018 | 100 Passengers |
| November, 2017 | 400 Passengers |
| January 2018 - November 2018 | 5,657 Passengers |
| January 2017 - November 2017 | 4,702 Passengers |
| January 2016 - November 2016 | 624 Passengers |

TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights

| | |
|------------------------------|-------------------|
| November, 2018 | 1,756 Passengers |
| November, 2017 | 1,229 Passengers |
| January 2018 - November 2018 | 18,677 Passengers |
| January 2017 - November 2017 | 12,752 Passengers |
| January 2016 - November 2016 | 3,191 Passengers |

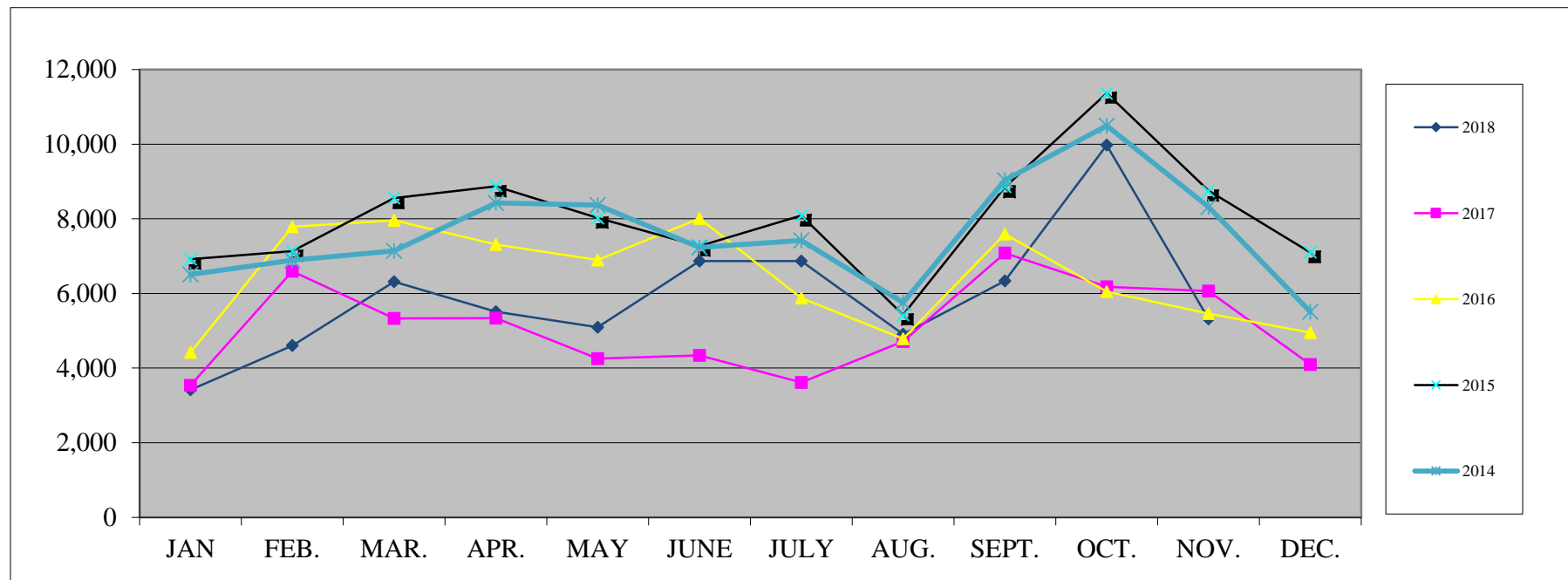
AIRPORT TRAFFIC RECORD

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 | 12 | 2,443 | 838 | 354 | 3,647 | 5,941 | 386 | 6,327 | 9,974 |
| November, 18 | 6 | 1,702 | 640 | 173 | 2,521 | 2,742 | 54 | 2,796 | 5,317 |
| December, 18 | | | | | | | | | |
| Totals January - November | 162 | 17,184 | 8,450 | 3,491 | 29,287 | 31,725 | 4,190 | 35,915 | 65,202 |
| 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 | 5 | 1,676 | 759 | 220 | 2,660 | 3,283 | 234 | 3,517 | 6,177 |
| November, 17 | 70 | 1,516 | 818 | 258 | 2,662 | 3,042 | 358 | 3,400 | 6,062 |
| December, 17 | | | | | | | | | |
| Totals January - November | 171 | 16,570 | 8,468 | 3,374 | 28,583 | 24,707 | 3,757 | 28,464 | 57,047 |
| Difference | -9 | 614 | -18 | 117 | 704 | 7,018 | 433 | 7,451 | 8,155 |
| YTD % Change | -5% | 4% | 0% | 3% | 2% | 28% | 12% | 26% | 14% |
| Legend: | AC: Air Carrier | | AT: Air Taxi | | | | | | |
| | GA: General Aviation | | MI: Military | | | | | | |

AIR TRAFFIC

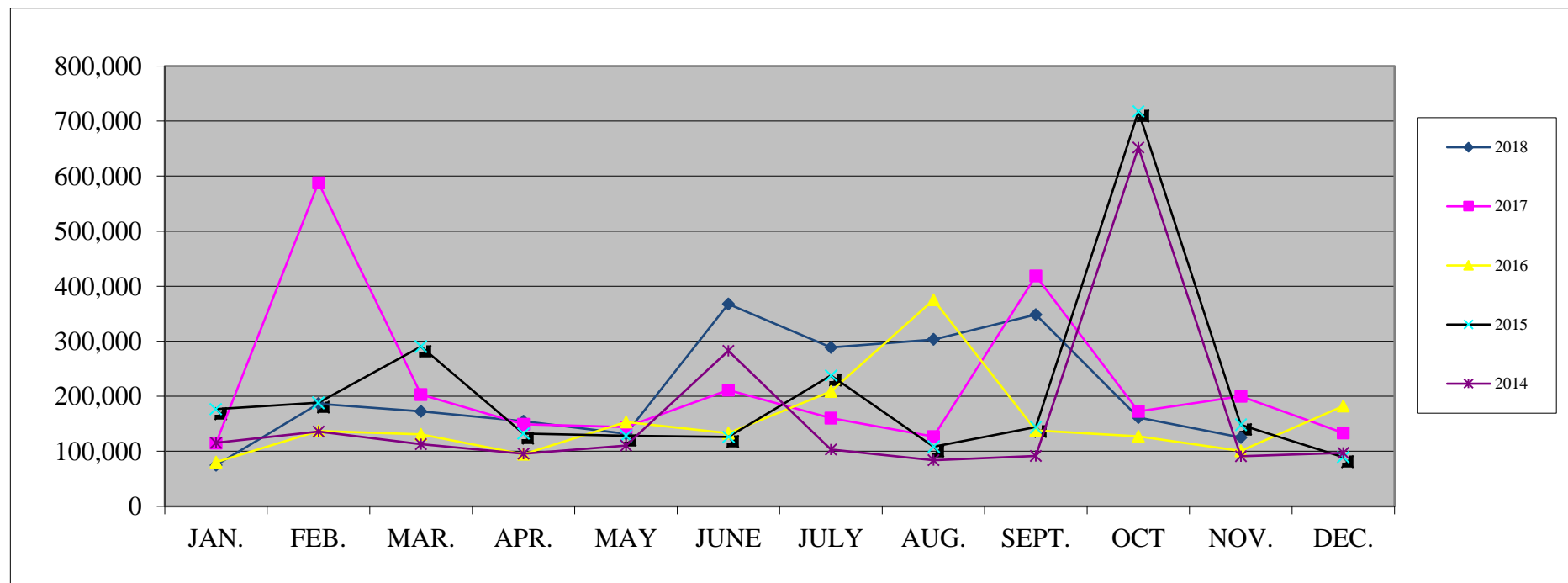
| | <u>JAN</u> | <u>FEB.</u> | <u>MAR.</u> | <u>APR.</u> | <u>MAY</u> | <u>JUNE</u> | <u>JULY</u> | <u>AUG.</u> | <u>SEPT.</u> | <u>OCT.</u> | <u>NOV.</u> | <u>DEC.</u> | <u>TOTAL</u> |
|-------------|------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| 2018 | 3,418 | 4,601 | 6,312 | 5,510 | 5,094 | 6,865 | 6,865 | 4,910 | 6,336 | 9,974 | 5,317 | | 65,202 |
| 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

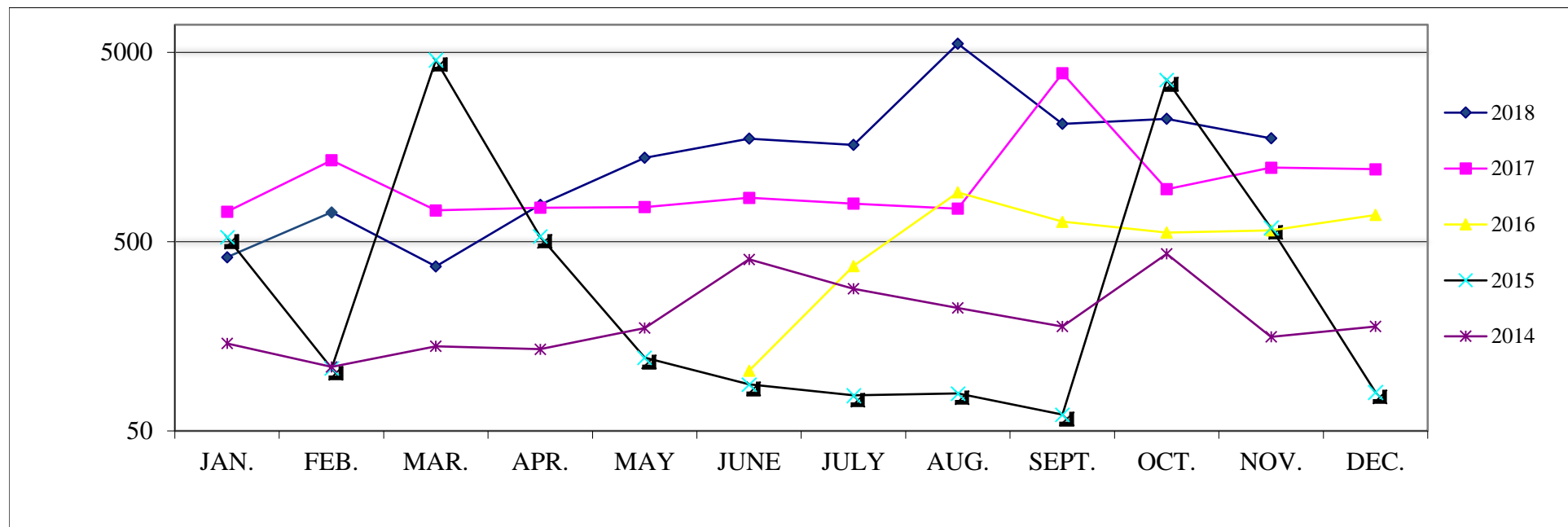
Gallons of Fuel Sold at SLN

| | <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 | 161,563 | 125,129 | | 2,315,388 |
| 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 | 2,230 | 1,756 | | | 18,677 |
| 2017 | 720 | 1,344 | 731 | 756 | 761 | 852 | 793 | 746 | 3,874 | 946 | 1,229 | 1,207 | -109 | 13,850 |
| 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 November 30, 2018

12/13/2018

| | Nov 30, 18 | Oct 31, 18 | \$ Change | Nov 30, 17 | \$ Change | % Change |
|--|-------------------|-------------------|-------------------------|-------------------|-------------------|--------------|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Checking/Savings | | | | | | |
| Cash in Bank-Bond Funds | 0 | 331,213 | -331,213 | 41,990 | -41,990 | -100% |
| Cash in bank-Operating Funds | 280,849 | 166,495 | 114,354 | 138,372 | 142,477 | 103% |
| Cash in Bank - Mill Levy | 465 | 190,477 | -190,012 | 54,435 | -53,970 | -99% |
| Total Checking/Savings | 281,314 | 688,185 | -406,871 | 234,797 | 46,517 | 20% |
| Accounts Receivable | | | | | | |
| Accounts Receivable | 233,823 | 208,901 | 24,922 | 329,683 | -95,860 | -29% |
| Total Accounts Receivable | 233,823 | 208,901 | 24,922 | 329,683 | -95,860 | -29% |
| Other Current Assets | | | | | | |
| Mill Levy receivable | 0 | 0 | 0 | 71,179 | -71,179 | -100% |
| Other current assets | 19,188 | 136,366 | -117,178 | 12,383 | 6,805 | 55% |
| Undeposited Funds | 2,354 | 0 | 2,354 | 7,492 | -5,138 | -69% |
| Total Other Current Assets | 21,542 | 136,366 | -114,824 | 91,054 | -69,512 | -76% |
| Total Current Assets | 536,679 | 1,033,452 | -496,773 | 655,534 | -118,855 | -18% |
| Fixed Assets | | | | | | |
| Fixed assets at cost | 87,400,946 | 88,414,531 | -1,013,585 | 85,184,996 | 2,215,950 | 3% |
| Less accumulated depreciation | -44,278,170 | -44,053,270 | -224,900 | -41,685,546 | -2,592,624 | -6% |
| Total Fixed Assets | 43,122,776 | 44,361,261 | -1,238,485 | 43,499,450 | -376,674 | -1% |
| Other Assets | | | | | | |
| Deferred Outflow of Resources | 1,496,655 | 1,496,655 | 0 | 1,468,140 | 28,515 | 2% |
| Other assets | 0 | 0 | 0 | 5,239 | -5,239 | -100% |
| Total Other Assets | 1,496,655 | 1,496,655 | 0 | 1,473,379 | 23,276 | 2% |
| TOTAL ASSETS | 45,156,110 | 46,891,368 | -1,735,258 | 45,628,363 | -472,253 | -1% |
| LIABILITIES & EQUITY | | | | | | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Accounts Payable | | | | | | |
| Accounts payable | 76,964 | 133,291 | -56,327 | 233,608 | -156,644 | -67% |
| Total Accounts Payable | 76,964 | 133,291 | -56,327 | 233,608 | -156,644 | -67% |
| Credit Cards | | | | | | |
| Sam's Club Discover | -131 | 2,411 | -2,542 | 1,083 | -1,214 | -112% |
| VISA - Sunflower Bank, N.A. - S | 48 | 0 | 48 | 0 | 48 | 100% |
| Total Credit Cards | -83 | 2,411 | -2,494 | 1,083 | -1,166 | -108% |
| Other Current Liabilities | | | | | | |
| Accrued debt interest payable | 202,744 | 140,504 | 62,240 | 559,986 | -357,242 | -64% |
| Debt, current portion | 1,222,153 | 1,222,153 | 0 | 1,024,320 | 197,833 | 19% |
| Deferred Mill Levy revenue | 355,393 | 355,393 | 0 | 179,220 | 176,173 | 98% |
| Other current liabilities | 210,830 | 202,405 | 8,425 | 124,610 | 86,220 | 69% |
| Total Other Current Liabilities | 1,991,120 | 1,920,455 | 70,665 | 1,888,136 | 102,984 | 5% |
| Total Current Liabilities | 2,068,001 | 2,056,157 | 11,844 | 2,122,827 | -54,826 | -3% |
| Long Term Liabilities | | | | | | |
| Debt - Long Term | 21,356,722 | 22,796,722 | ¹ -1,440,000 | 22,571,353 | -1,214,631 | -5% |
| 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 | 48,680 | 48,591 | 89 | 49,797 | -1,117 | -2% |
| Total Long Term Liabilities | 20,883,191 | 22,323,102 | -1,439,911 | 22,293,591 | -1,410,400 | -6% |
| Total Liabilities | 22,951,192 | 24,379,259 | -1,428,067 | 24,416,418 | -1,465,226 | -6% |
| Equity | | | | | | |
| Invested in Capital Assets net | 21,556,022 | 21,556,022 | 0 | 20,854,999 | 701,023 | 3% |
| Net assets, Designated | 90,000 | 90,000 | 0 | 90,000 | 0 | 0% |
| Net assets, Unrestricted | 161,394 | 161,394 | 0 | 778,237 | -616,843 | -79% |
| Net Income | 397,502 | 704,693 | -307,191 | -511,289 | 908,791 | 178% |
| Total Equity | 22,204,918 | 22,512,109 | -307,191 | 21,211,947 | 992,971 | 5% |
| TOTAL LIABILITIES & EQUITY | 45,156,110 | 46,891,368 | -1,735,258 | 45,628,365 | -472,255 | -1% |

Salina Airport Authority
Profit & Loss Budget Performance
November 2018

4:07 PM
12/13/2018
Accrual Basis

| | Nov 18 | Jan - Nov 18 | YTD Budget | \$ Over Budget | % of Budget | Annual Budget |
|--------------------------------------|---------|--------------|------------|----------------|-------------|---------------|
| Ordinary Income/Expense | | | | | | |
| Income | | | | | | |
| Airfield revenue | | | | | | |
| Fuel Flowage Fees | 9,788 | 185,063 | 181,500 | 3,563 | 102% | 198,000 |
| Hangar rent | 46,627 | 440,553 | 398,750 | 41,803 | 110% | 435,000 |
| Landing fees | 2,686 | 57,087 | 13,750 | 43,337 | 415% | 15,000 |
| Ramp rent | 4,269 | 43,029 | 45,833 | -2,804 | 94% | 50,000 |
| Total Airfield revenue | 63,370 | 725,732 | 639,833 | 85,899 | 113% | 698,000 |
| Building and land rent | | | | | | |
| Agri land rent | 0 | 70,689 | 50,417 | 20,272 | 140% | 55,000 |
| Building rents - Long Term | | | | | | |
| Short-term leasing | 27,303 | 308,448 | 192,500 | 115,948 | 160% | 210,000 |
| Building rents - Long Term - Other | 56,218 | 696,916 | 791,038 | -94,122 | 88% | 862,950 |
| Total Building rents - Long Term | 83,521 | 1,005,364 | 983,538 | 21,826 | 102% | 1,072,950 |
| Land rent | | | | | | |
| Basic Land Rent | 9,080 | 93,111 | 82,500 | 10,611 | 113% | 90,000 |
| Property tax - tenant share | 10,019 | 102,762 | 110,000 | -7,238 | 93% | 120,000 |
| Total Land rent | 19,099 | 195,873 | 192,500 | 3,373 | 102% | 210,000 |
| Tank rent | 1,128 | 11,508 | 8,708 | 2,800 | 132% | 9,500 |
| Total Building and land rent | 103,748 | 1,283,434 | 1,235,163 | 48,271 | 104% | 1,347,450 |
| Other revenue | | | | | | |
| Airport Marketing | 0 | 144,863 | 71,958 | 72,905 | 201% | 78,500 |
| ARFF Training | 900 | 900 | 1 | 899 | 90,000% | 1 |
| Commissions | 0 | 21,863 | 32,083 | -10,220 | 68% | 35,000 |
| Other income | 10,383 | 158,482 | 59,583 | 98,899 | 266% | 65,000 |
| Total Other revenue | 11,283 | 326,108 | 163,625 | 162,483 | 199% | 178,501 |
| Total Income | 178,401 | 2,335,274 | 2,038,621 | 296,653 | 115% | 2,223,951 |
| Gross Profit | 178,401 | 2,335,274 | 2,038,621 | 2 296,653 | 115% | 2,223,951 |
| Expense | | | | | | |
| Administrative expenses | | | | | | |
| A/E, consultants, brokers | 0 | 21,072 | 25,667 | -4,595 | 82% | 28,000 |
| Airport promotion | 6,408 | 197,028 | 79,302 | 117,726 | 248% | 86,512 |
| Bad Debt Expense | 7,910 | 10,390 | 1 | 10,389 | 1,039,000% | 1 |
| Computer/Network Admin. | 1,383 | 13,095 | 12,604 | 491 | 104% | 13,750 |
| Dues and subscriptions | 2,277 | 20,935 | 23,375 | -2,440 | 90% | 25,500 |
| Employee retirement | 8,614 | 70,124 | 69,031 | 1,093 | 102% | 75,307 |
| FICA and medicare tax expense | 6,178 | 55,636 | 55,528 | 108 | 100% | 60,576 |
| Industrial development | 0 | 50,000 | 45,833 | 4,167 | 109% | 50,000 |
| Insurance , property | 13,238 | 128,394 | 139,563 | -11,169 | 92% | 152,250 |
| Insurance, medical | 17,529 | 193,301 | 205,915 | -12,614 | 94% | 224,634 |
| Kansas unemployment tax | 0 | 586 | 917 | -331 | 64% | 1,000 |
| Legal and accounting | 3,885 | 42,809 | 29,792 | 13,017 | 144% | 32,500 |
| Office salaries | 53,170 | 457,389 | 447,352 | 10,037 | 102% | 488,020 |
| Office Supplies | 536 | 11,889 | 6,417 | 5,472 | 185% | 7,000 |
| Other administrative expense | | | | | | |
| Merchant Processing Fees | 670 | 3,381 | 413 | 2,968 | 819% | 450 |
| Other administrative expense - Other | 959 | 5,890 | 4,171 | 1,719 | 141% | 4,550 |
| Total Other administrative expense | 1,629 | 9,271 | 4,584 | 4,687 | 202% | 5,000 |
| Postage | 56 | 3,557 | 2,750 | 807 | 129% | 3,000 |
| Property tax expense | 12,083 | 132,917 | 132,917 | 0 | 100% | 145,000 |
| Special Events | 436 | 436 | 917 | -481 | 48% | 1,000 |
| Telephone | 1,518 | 17,419 | 16,042 | 1,377 | 109% | 17,500 |
| Training | 0 | 6,638 | 4,583 | 2,055 | 145% | 5,000 |
| Travel and meetings | 452 | 7,626 | 10,542 | -2,916 | 72% | 11,500 |
| Total Administrative expenses | 137,302 | 1,450,512 | 1,313,632 | 136,880 | 110% | 1,433,050 |

| | Nov 18 | Jan - Nov 18 | YTD Budget | \$ Over Budget | % of Budget | Annual Budget |
|--|-----------------|------------------|------------------|------------------|-------------|------------------|
| Maintenance expenses | | | | | | |
| Airfield maintenance | 6,051 | 32,528 | 27,500 | 5,028 | 118% | 30,000 |
| Airport Security | 185 | 2,814 | 458 | 2,356 | 614% | 500 |
| Building maintenance | 8,860 | 75,451 | 43,542 | 31,909 | 173% | 47,500 |
| Equipment fuel and repairs | 8,970 | 94,170 | 59,583 | 34,587 | 158% | 65,000 |
| Fire Services | 0 | 660 | 18,333 | -17,673 | 4% | 20,000 |
| Grounds maintenance | 674 | 3,282 | 3,667 | -385 | 90% | 4,000 |
| Maintenance salaries | 38,480 | 314,263 | 313,198 | 1,065 | 100% | 341,670 |
| Other maintenance expenses | 894 | 13,588 | 18,333 | -4,745 | 74% | 20,000 |
| Snow removal expense | 0 | 3,439 | 20,167 | -16,728 | 17% | 22,000 |
| Utilities | 10,819 | 211,484 | 181,500 | 29,984 | 117% | 200,000 |
| Total Maintenance expenses | 74,933 | 751,679 | 686,281 | 65,398 | 110% | 750,670 |
| Total Expense | 212,235 | 2,202,191 | 1,999,913 | 3 202,278 | 110% | 2,183,720 |
| Net Ordinary Income | -33,834 | 133,083 | 38,708 | 4 94,375 | 344% | 40,231 |
| Other Income/Expense | | | | | | |
| Other Income | | | | | | |
| Capital contributed | 13,653 | 5 1,430,264 | 1,247,494 | 182,770 | 115% | 1,360,902 |
| Gain on sale of assets | 0 | 5,375 | 25,000 | -19,625 | 22% | 25,000 |
| Interest income | | | | | | |
| Interest income on deposits | 130 | 3,744 | 917 | 2,827 | 408% | 1,000 |
| Total Interest income | 130 | 3,744 | 917 | 2,827 | 408% | 1,000 |
| Mill levy income | 0 | 1,983,574 | 1,954,663 | 28,911 | 101% | 2,132,360 |
| Total Other Income | 13,783 | 3,422,957 | 3,228,074 | 194,883 | 106% | 3,519,262 |
| Other Expense | | | | | | |
| Debt interest expense net | | | | | | |
| Bond issue cost | 0 | 0 | 0 | 0 | 0% | 0 |
| Interest Expense on Debt | 62,240 | 684,639 | 684,639 | 0 | 100% | 746,879 |
| Total Debt interest expense net | 62,240 | 684,639 | 684,639 | 0 | 100% | 746,879 |
| Depreciation expense | 224,900 | 2,473,900 | 2,473,900 | 0 | 100% | 2,698,800 |
| Total Other Expense | 287,140 | 3,158,539 | 3,158,539 | 0 | 100% | 3,445,679 |
| Net Other Income | -273,357 | 264,418 | 69,535 | 194,883 | 380% | 73,583 |
| Net Income | -307,191 | 397,501 | 108,243 | 289,258 | 367% | 113,814 |

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

4:14 PM
12/13/2018
Accrual Basis

| | Jan - Nov 18 | Jan - Nov 17 | \$ Change | % Change |
|---|---------------------|---------------------|-------------------|-----------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Airfield revenue | | | | |
| Fuel Flowage Fees | 185,063.15 | 192,286.66 | -7,223.51 | -3.76% |
| Hangar rent | 440,552.85 | 390,086.00 | 50,466.85 | 12.94% |
| Landing fees | 57,086.81 | 43,058.39 | 14,028.42 | 32.58% |
| Ramp rent | 43,029.00 | 42,958.00 | 71.00 | 0.17% |
| Total Airfield revenue | 725,731.81 | 668,389.05 | 57,342.76 | 8.58% |
| Beech Bankruptcy Distributions | 0.00 | 0.00 | 0.00 | 0.0% |
| Building and land rent | | | | |
| Agri land rent | 70,689.00 | 55,773.98 | 14,915.02 | 26.74% |
| Building rents - Long Term | | | | |
| Short-term leasing | 308,447.92 | 212,089.40 | 96,358.52 | 45.43% |
| Building rents - Long Term - Other | 696,915.68 | 733,427.73 | -36,512.05 | -4.98% |
| Total Building rents - Long Term | 1,005,363.60 | 945,517.13 | 59,846.47 | 6.33% |
| Land rent | | | | |
| Basic Land Rent | 93,111.24 | 94,670.94 | -1,559.70 | -1.65% |
| Property tax - tenant share | 102,762.18 | 112,861.88 | -10,099.70 | -8.95% |
| Land rent - Other | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Land rent | 195,873.42 | 207,532.82 | -11,659.40 | -5.62% |
| Tank rent | 11,508.00 | 8,908.00 | 2,600.00 | 29.19% |
| Total Building and land rent | 1,283,434.02 | 1,217,731.93 | 65,702.09 | 5.4% |
| Other revenue | | | | |
| Airport Marketing | 144,863.36 | 44,255.54 | 100,607.82 | 227.33% |
| ARFF Training | 900.00 | 0.00 | 900.00 | 100.0% |
| Commissions | 21,862.88 | 35,401.29 | -13,538.41 | -38.24% |
| Other income | 158,482.47 | 78,306.38 | 80,176.09 | 102.39% |
| Total Other revenue | 326,108.71 | 157,963.21 | 168,145.50 | 106.45% |
| Uncategorized Income | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Income | 2,335,274.54 | 2,044,084.19 | 291,190.35 | 14.25% |
| Gross Profit | 2,335,274.54 | 2,044,084.19 | 291,190.35 | 6 14.25% |
| Expense | | | | |
| Administrative expenses | | | | |
| A/E, consultants, brokers | 21,072.25 | 4,465.30 | 16,606.95 | 371.91% |
| Airport promotion | | | | |
| Air Serv. Mktg - City | 62,431.69 | 22,127.76 | 40,303.93 | 182.14% |
| Air Serv. Mktg - County | 62,431.70 | 22,127.77 | 40,303.93 | 182.14% |
| Air Serv. Mktg - SAA | 43,183.61 | 2,807.59 | 40,376.02 | 1,438.1% |
| Air Serv. Mktg - SkyWest | 20,000.00 | 0.00 | 20,000.00 | 100.0% |
| Airport promotion - Other | 8,980.35 | 3,889.15 | 5,091.20 | 130.91% |
| Total Airport promotion | 197,027.35 | 50,952.27 | 146,075.08 | 286.69% |
| Bad Debt Expense | 10,390.40 | 0.00 | 10,390.40 | 100.0% |
| Computer/Network Admin. | 13,095.39 | 14,213.47 | -1,118.08 | -7.87% |
| Dues and subscriptions | 20,934.89 | 25,313.13 | -4,378.24 | -17.3% |
| Employee retirement | 70,124.08 | 58,042.15 | 12,081.93 | 20.82% |
| FICA and medicare tax expense | 55,635.67 | 50,960.58 | 4,675.09 | 9.17% |
| Industrial development | 50,000.00 | 25,000.00 | 25,000.00 | 100.0% |
| Insurance , property | 128,393.59 | 132,862.56 | -4,468.97 | -3.36% |
| Insurance, medical | 193,300.62 | 174,857.51 | 18,443.11 | 10.55% |
| Kansas unemployment tax | 585.57 | 553.22 | 32.35 | 5.85% |
| Legal and accounting | 42,808.50 | 17,447.90 | 25,360.60 | 145.35% |
| Office salaries | 457,389.24 | 399,129.02 | 58,260.22 | 14.6% |
| Office Supplies | 11,888.64 | 6,697.00 | 5,191.64 | 77.52% |
| Other administrative expense | | | | |
| Merchant Processing Fees | 3,380.85 | 743.29 | 2,637.56 | 354.85% |
| Other administrative expense - Other | 5,889.80 | 8,455.21 | -2,565.41 | -30.34% |

| | Jan - Nov 18 | Jan - Nov 17 | \$ Change | % Change |
|------------------------------------|--------------|--------------|-------------|-----------|
| Total Other administrative expense | 9,270.65 | 9,198.50 | 72.15 | 0.78% |
| Payroll expenses | 0.00 | 0.00 | 0.00 | 0.0% |
| Postage | 3,557.13 | 1,716.62 | 1,840.51 | 107.22% |
| Property tax expense | 132,916.63 | 151,238.90 | -18,322.27 | -12.12% |
| Special Events | 436.08 | 28.83 | 407.25 | 1,412.59% |
| Telephone | 17,419.17 | 16,296.22 | 1,122.95 | 6.89% |
| Training | 6,638.43 | 175.00 | 6,463.43 | 3,693.39% |
| Travel and meetings | 7,625.79 | 9,634.32 | -2,008.53 | -20.85% |
| Total Administrative expenses | 1,450,510.07 | 1,148,782.50 | 301,727.57 | 26.27% |
| Bank Service Charges | 0.00 | 0.00 | 0.00 | 0.0% |
| Maintenance expenses | | | | |
| Airfield maintenance | 32,528.19 | 22,772.38 | 9,755.81 | 42.84% |
| Airport Security | 2,814.03 | 848.63 | 1,965.40 | 231.6% |
| Building maintenance | 75,450.64 | 102,912.07 | -27,461.43 | -26.68% |
| Equipment fuel and repairs | 94,169.92 | 113,757.98 | -19,588.06 | -17.22% |
| Fire Services | 659.74 | 1,217.82 | -558.08 | -45.83% |
| Grounds maintenance | 3,281.97 | 4,273.22 | -991.25 | -23.2% |
| Maintenance salaries | 314,263.21 | 308,302.79 | 5,960.42 | 1.93% |
| Other maintenance expenses | 13,587.82 | 14,687.88 | -1,100.06 | -7.49% |
| Snow removal expense | 3,438.86 | 514.36 | 2,924.50 | 568.57% |
| Utilities | 211,484.46 | 225,512.68 | -14,028.22 | -6.22% |
| Total Maintenance expenses | 751,678.84 | 794,799.81 | -43,120.97 | -5.43% |
| Uncategorized Expenses | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Expense | 2,202,188.91 | 1,943,582.31 | 258,606.60 | 13.31% |
| Net Ordinary Income | 133,085.63 | 100,501.88 | 32,583.75 | 32.42% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| Capital contributed | 1,430,263.56 | 899,586.00 | 530,677.56 | 58.99% |
| Gain on sale of assets | 5,375.00 | 15,065.00 | -9,690.00 | -64.32% |
| Interest income | | | | |
| Interest income on deposits | 3,743.56 | 898.64 | 2,844.92 | 316.58% |
| Total Interest income | 3,743.56 | 898.64 | 2,844.92 | 316.58% |
| Mill levy income | 1,983,573.64 | 1,935,260.72 | 48,312.92 | 2.5% |
| Total Other Income | 3,422,955.76 | 2,850,810.36 | 572,145.40 | 20.07% |
| Other Expense | | | | |
| Debt interest expense net | | | | |
| Bond issue cost | 0.00 | 135,134.10 | -135,134.10 | -100.0% |
| Interest Expense on Debt | 684,639.12 | 857,252.41 | -172,613.29 | -20.14% |
| Total Debt interest expense net | 684,639.12 | 992,386.51 | -307,747.39 | -31.01% |
| Depreciation expense | 2,473,900.00 | 2,470,215.00 | 3,685.00 | 0.15% |
| Total Other Expense | 3,158,539.12 | 3,462,601.51 | -304,062.39 | -8.78% |
| Net Other Income | 264,416.64 | -611,791.15 | 876,207.79 | 143.22% |
| Net Income | 397,502.27 | -511,289.27 | 908,791.54 | 177.75% |

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

4:22 PM
12/13/2018
Accrual Basis

| | Nov 18 | Jan - Nov 18 | Annual 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% |
| AIP-41 Txy D Extension | | 8,517 | 0 | 8,517 | 100% |
| Airfield Improvements | | 77,286 | 40,000 | 37,286 | 193% |
| KAIP-19 Rwy 12/30 Slurry Seal | | 2,850 | 150,000 | -147,150 | 2% |
| Total Airfield | 0 | 1,652,786 | 1,742,391 | -89,605 | 95% |
| Buildings & Improvements | | | | | |
| Building improvements | | | | | |
| Bldg. Imps. Other | 6,540 | 90,649 | 45,000 | 45,649 | 201% |
| Total Building improvements | 6,540 | 90,649 | 45,000 | 45,649 | 201% |
| Total Buildings & Improvements | 6,540 | 90,649 | 45,000 | 45,649 | 201% |
| Equipment | | | | | |
| ARFF equipment | | 119,691 | 25,650 | 94,041 | 467% |
| Communications equipment | 4,567 | 16,319 | 2,500 | 13,819 | 653% |
| Computer equipment | | 1,690 | 2,500 | -810 | 68% |
| Shop equipment | | 25,658 | 26,000 | -342 | 99% |
| Total Equipment | 4,567 | 163,358 | 56,650 | 106,708 | 288% |
| Land | | | | | |
| Airport Indust. Cent. Imps. | | 17,356 | 10,000 | 7,356 | 174% |
| Environmental | | | | | |
| Environmental - SAFB | 6,231 | 74,542 | 15,000 | 59,542 | 497% |
| Total Environmental | 6,231 | 74,542 | 15,000 | 59,542 | 497% |
| West Beechcraft Road Imps. | | -159,301 | 1,178,000 | -1,337,301 | -14% |
| Total Land | 6,231 | -67,403 | 1,203,000 | -1,270,403 | -6% |
| Total Fixed assets at cost | 17,338 | 1,839,390 | 3,047,041 | -1,207,651 | 60% |

Salina Airport Authority

Significant Capital Expenditures Detail

November 2018

| Type | Date | Name | Memo | Amount | Balance |
|-------------------------------------|------------|-----------------------------|--|------------------|------------------|
| Fixed assets at cost | | | | | |
| Airfield | | | | | |
| Fossett Plaza | | | | | |
| Bill | 11/05/2018 | B&B Metal Arts, LLC | 8 Fossett Plaza / Avflight Entrance Sign (Final Payment) | 12,667.81 | 12,667.81 |
| Total Fossett Plaza | | | | 12,667.81 | 12,667.81 |
| Total Airfield | | | | 12,667.81 | 12,667.81 |
| Buildings & Improvements | | | | | |
| Building Improvements | | | | | |
| Bldg. Imps. Other | | | | | |
| Bill | 11/19/2018 | Helm Electric | 9 Installed 30 6 lamp lights in B655 | 6,540.00 | 6,540.00 |
| Total Bldg. Imps. Other | | | | 6,540.00 | 6,540.00 |
| Total Building improvements | | | | 6,540.00 | 6,540.00 |
| Total Buildings & Improvements | | | | 6,540.00 | 6,540.00 |
| Equipment | | | | | |
| Communications equipment | | | | | |
| Bill | 11/13/2018 | Salina Blueprint, Inc. | New Media TVs Terminal Lobby | 4,567.00 | 4,567.00 |
| Total Communications equipment | | | | 4,567.00 | 4,567.00 |
| Total Equipment | | | | 4,567.00 | 4,567.00 |
| Land | | | | | |
| Environmental | | | | | |
| Environmental - SAFB | | | | | |
| Bill | 11/30/2018 | Stinson Leonard Street, LLP | Professional services - November 2018 | 5,604.50 | 5,604.50 |
| Bill | 11/30/2018 | Clark, Mize & Linville | Env. legal fees -November 2018 | 626.25 | 6,230.75 |
| Total Environmental - SAFB | | | | 6,230.75 | 6,230.75 |
| Total Environmental | | | | 6,230.75 | 6,230.75 |
| Total Land | | | | 6,230.75 | 6,230.75 |
| Total Fixed assets at cost | | | | 30,005.56 | 30,005.56 |
| TOTAL | | | | 30,005.56 | 30,005.56 |

AIRPORT USE AGREEMENT

This Agreement, made this 5th day of December, 2018 by and between the **SALINA AIRPORT AUTHORITY** of Salina, Saline County, Kansas, a political subdivision, hereinafter referred to as "Lessor", and **LONG MCARTHUR, a Kansas Corporation**, referred to as the "Lessee", WITNESSETH:

WHEREAS, Lessor is the operator of the Salina Regional Airport and Salina Airport Industrial Center, hereinafter sometimes referred to as the "Airport", and Lessor represents that it has the right to lease the property specified herein at the Airport, together with all the facilities, rights, licenses and privileges herein granted, and has full power and authority to enter into this lease in respect thereof. Lessor agrees that on payment of the rent and performance of the covenants and agreements on the part of the Lessee to be performed hereunder, Lessee shall peaceably have and enjoy the leased premises and all the rights and privileges of said Airport, its appurtenances and facilities; and,

WHEREAS, the Rules and Regulations for the Salina Regional Airport as adopted by ordinance of the City of Salina provide that "No person shall engage in any business or commercial activity or in the sale of any commodity or service whatsoever on the Airport, except in conformance with the requirements of the Airport Authority and upon such terms and conditions as they may prescribe and without having previously secured permission to do so in writing from the Airport Authority."

WHEREAS, Lessee is engaged in the business of leasing vehicles to people and Lessor desires to grant, and Lessee desires to obtain the right to use certain facilities on said 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

Lessor does hereby grant unto Lessee and the Lessee does hereby acquire from Lessor, the use of the facilities, rights, licenses and privileges in connection with the Airport facilities at said Airport, as more particularly hereinafter set forth:

(A). Use of Airport. The use, in common with others authorized so to do, of said Airport and 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 Airport Terminal Building, FBO facilities, Aircraft Hangars, and without limiting the generality thereof, shall include:

- (1). The leasing of vehicles to Lessee's customers on Lessor's property.

- (2). The pick-up and delivery of vehicles.
- (3). The pick-up and delivery of Lessee's customers.
- (4). The right to conduct any other operation or activity which is reasonably necessary to the conduct by Lessee of vehicle leasing and rental.

(B). Miscellaneous Rights of Lessee. Lessee shall have the full and complete right to purchase or otherwise obtain all materials, equipment, apparatus, appliances, furniture, stores, provisions, supplies, and personal property of any nature deemed by it to be necessary or desirable for the conduct of its business (includes, but not limited to, gasoline, fuels, propellants, lubricating oil, grease, food, beverages, and other materials, equipment and supplies) from any person, partnership, firm, association, or corporation of its choice wherever located.

ARTICLE II - TERM

Lessee shall have and hold said premises, facilities, rights, licenses and privileges heretofore described for a term of two (2) years commencing on January 1, 2019 and terminating December 31, 2020, unless sooner terminated as hereinafter provided.

Lessee agrees to pay to Lessor for the use of the premises, facilities, rights, licenses, services and privileges granted hereunder the following rentals, fees and charges (there being no other rentals, fees or charges, and no tolls payable by Lessee unless otherwise specifically provided herein), all payable in monthly installments (unless otherwise specified) covering the preceding calendar month, and in the event that the commencement or termination of the term with respect to any of the particular premises, facilities, rights, licenses, services or privileges as herein provided falls on any date other than the first or last day of the calendar month, the applicable rentals, fees and charges for that month shall be paid for said month pro rata according to the number of days in that month during which the particular premises, facilities, rights, licenses, services or privileges were enjoyed; the Lessee shall, following the end of each calendar month, transmit to Lessor a statement of the rentals, fees and charges incurred by Lessee during said month, and the same shall be paid by Lessee by the 15th day of the month following preceding month in which the fees were incurred.

ARTICLE III - FEES

(A). Facilities Fee. Rentals, fees and charges for the use of all the premises, facilities, rights, licenses, services and privileges be combined in and represented by a facilities fee per lease term year payable and due on the first day of the effective lease term and the anniversary date for

every year thereafter.

Two Hundred Twenty-Five Dollars (\$225) per year

(B). Airport Rental Fee. In addition to the facility fee provided for in Section (A)., the Lessee agrees to pay the Authority an airport rental fee equal to 10% of its gross revenues derived from all of its vehicle rental operations conducted on Premises. [For purposes of the lease the term "gross revenues" shall be defined as time, mileage and drop fees charged on all vehicles rented at Salina Regional Airport.] Automobiles are considered "rented at Airport" (and therefore included in gross revenues) if:

1. The automobile is delivered to the customer at the Airport; or
2. The rental agreement is entered into at the Airport even though the automobile is delivered elsewhere; or
3. The automobile was reserved in advance at the Airport through an FBO, airline, or travel agency operating from the Airport; or
4. A vehicle rented at the Airport is exchanged for another rental vehicle at any location within twenty-five (25) miles of the Airport for a time period running consecutively with the original Lease Agreement; or
5. The Lessee transports its customers from the Airport to another location to rent the automobile.

The Lessee shall deliver to the authority within fifteen (15) days of signing this Agreement a copy of the Lessee's customer rental agreement form, which shall specifically identify the airport rental fee. The customer rental form shall indicate the total customer charge plus the charge for the airport rental fee.

The additional airport rental fee shall be due and payable on or before the fifteenth day after the end of each month. Lessee agrees that it will provide the Authority a monthly accounting of its gross revenues from customer airport rental agreements and the books of the Lessee shall be available for inspection by the authority at all reasonable times.

If the facilities fee or airport rental fee hereunder is not received by the Authority within five (5) days of due date, a late charge of six percent (**6%**) of the total amount due and currently owing, or Seventy-Five Dollars (**\$75.00**), whichever is greater, will be assessed against the Lessee. Failure to pay the rent and the late charge within twenty (20) days shall be grounds for termination of this agreement, in addition to recovery of the unpaid rent and the late charge.

Lessee 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 said fees.

ARTICLE IV - OPERATION OF AIRPORT

Lessor agrees during the term of the lease and any renewal thereof to maintain and operate the Airport with adequate and efficient personnel and to keep said Airport and the space used by Lessee in good repair.

ARTICLE V - RULES AND REGULATIONS

Lessee agrees to observe and obey all reasonable rules and regulations promulgated and enforced by Lessor and any other appropriate authority having jurisdiction during the term hereof provided the said 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 Lessee's aircraft at said Airport.

ARTICLE VI - INDEMNITY

Lessee shall indemnify, protect, defend and save Lessor 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 premises during this lease term or Lessee's period of actual possession of premises, whichever is longer resulting from or arising out of the willful or negligent acts and omissions of officers, agents and employees of Lessee. Upon notice from Lessor, Lessee shall defend Lessor in any action or proceeding brought in connection with such claims or demands.

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

ARTICLE VII - LIABILITY INSURANCE

Lessee agrees to procure and maintain public liability insurance covering its use and operations on the premises covered hereby, naming the Lessor and the City of Salina, KS as an additional insured thereunder, with limits of not less than \$2,000,000 which could be asserted

against the Salina Airport Authority, for any number of claims arising out of a single occurrence or accident at all times during the term of this lease and shall maintain such limits. Said policy shall provide that such insurance may not be canceled by issuer thereof without at least ten days' written notice to Lessor. Lessee shall deliver to the Lessor a certificate of such insurance.

ARTICLE VIII - BREACH OF LEASE

In the event the Lessee shall fail to comply with any substantial term, condition or covenant of this Lease within ten (10) days after written notice so to do has been mailed to it by the Authority, or in the event the Lessee abandons the Premises before the end of the term, or in the event the Lessee is adjudged bankrupt or insolvent or makes an assignment for the benefit of creditors or commits any act of bankruptcy, any of such events shall be deemed an immediate breach and forfeiture of this Lease and all unpaid installments of rent and other expenses herein provided for shall immediately become due and payable.

In the event legal action must be taken because of the breach of any agreement or obligation contained in this Lease on the part of the Lessee or Authority to be kept or performed, and a breach shall be established, the prevailing party shall be entitled to recover all expenses incurred therefore, including reasonable attorney fees.

ARTICLE IX - EARLY TERMINATION

Lessee shall have the option to terminate the lease agreement prior to the end of the two-year lease term as provided herein, by providing the other party (30) days advance written notice of the desire to terminate the lease agreement prior to the end of the two-year lease term.

ARTICLE X - NOTICES

Notices to the Lessor 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 Lessee, if sent by registered mail, postage prepaid, addressed to 3450 S 9th St., Salina, KS 67401, or to such respective address as the parties may designate in writing from time to time.

ARTICLE XI - CONFORMITY OF AGREEMENT

In the event Lessor shall enter into any lease, contract or agreement with any other cars rental company with respect to the Airport containing more favorable terms than this Agreement, or shall grant to any other car rental company rights or privileges, with respect to the Airport which are

not accorded to Lessee hereunder, then the same rights, privileges, and more favorable terms shall be concurrently and automatically made available to Lessee.

ARTICLE XII - AIRPORT PROTECTION

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

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

(A). The Lessee, 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 said property described in this lease, 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 Lessee 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 Lessee, 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 Lessee shall use the premises 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 Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure 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 Lessee assures 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 Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee 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). Lessee 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 Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

ARTICLE XIV - 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 Lessor or the Lessee in their respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

IN WITNESS WHEREOF, the Salina Airport Authority of Salina, Kansas, has executed these presents and has caused the seal of the Salina Airport Authority to be hereunto affixed, and said Lessee has caused these presents to be signed by its proper officers and its corporate seal to be hereunto affixed and attested as of the day and year above written.

SALINA AIRPORT AUTHORITY

Date _____

By: _____
Brian Weisel
Chairman of Board of Directors

ATTEST

Date _____

By: _____
Al Eichelberger
Secretary of the Board of Directors

LESSEE

Date 12/5/2018

By:  _____
Derek E Lee [Name]

General Manager [Title]

Long McArthur Ford Lincoln

ATTEST

Date 12/5/18

By: Rebecca Charbonneau

Rebecca Charbonneau [Name]
Exec. Asst. to Derek Lee [Title] ^{GM}