

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
MAY 20, 2020
VIA GOTO MEETING VIDEO AND AUDIO LINK**

Call to Order

The meeting was called to order at 8:00 AM by Chairman Alan Eichelberger. Business and Communications Manager Kasey Windhorst completed roll call and confirmed that a quorum was present. Windhorst noted the board meeting notice was published and distributed on Friday, May 15th. The news release was distributed to the media on Monday, May 18th and the board meeting slide deck and draft 2019 CAFR was published and distributed on Wednesday, May 20th.

Meeting Procedures

Executive Director Rogers reviewed the following meeting procedures (K.A.R. 16-20-1 concerning open meetings during an emergency declaration).

- a. Mute all participant microphones, phones or other electronic devices.
- b. SAA board members, staff and presenters are required to state the individual's name each time the individual begins to speak or vote.
- c. The **Visitor's Forum** that follows the **Directors' Forum** is the time for public comment.
- d. Each board motion will be clearly stated before a board vote and the results of the vote will be announced.
- e. All motions will identify the SAA board officer and/or staff member authorized to sign a legally binding document for the Airport Authority.

- f. The meeting will be recorded (video and audio) and posted to the Airport Authority's web site.

Attendance

Roll call attendance was taken. Chairman Eichelberger was present. Directors Buer, Gunn, Vancil and Weisel attended via video conference. Also present were Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson and Business and Communications Manager Kasey Windhorst. Attorney Greg Bengtson; Danielle Hollingshead, Adams, Brown, Beran & Ball; Mitch Robinson, Salina Community Economic Development Organization; Melissa Hodges, Salina City Commissioner; Jay Hatchett, SLN ATCT; Julie Yager-Zucker, Avflight Salina and Michael Bunn, T-hangar tenant were guests via video conference.

Additions to the Agenda

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

Minutes

Chairman Eichelberger asked if the board members had additions or corrections to the minutes of the May 6, 2020 special board meeting. Director Vancil moved, seconded by Director Weisel to approve the minutes of the May 6, 2020 special board meeting.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye,

Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reported on airport activity for the month of April 2020. The Salina Air Traffic Control Tower (ATCT) recorded 1,398 operations during April 2020 which was a 83% decrease as compared to the April 2019 total of 8,225. Year-to-date total operations are tracking 40% less than the same period last year. Rogers noted the suspension of K-State Aviation professional pilot training flights, FOL/aviation event cancellations and the Runway 17/35 closure are reflected in the April traffic count. Fuel Flowage for April 2020 came in at 56,765 gallons which was a decrease of 52% compared to the April 2019 total of 119,745. SkyWest enplaned a total of 52 passengers in the month of April which is a 97% decrease compared to the April 2019 total of 1,548 passengers. The May 1 schedule change reduced service to one daily flight to/from Denver. Gary Foss, Managing Partner of the ArkStar Group is working closely with United to resume flights to the pre-COVID schedule. The economic impact of COVID-19 is reflected in operations, fuel flowage and enplanements.

Director of Administration and Finance Swanson reported on the financials for the month of April 2020. Total operating revenue came in slightly under by budget by 2% or \$14,085. Building leasing activity is making up for the decrease in fuel sales and hangar rent. Total administrative expenses and total maintenance expenses arrived under budget by 7% or \$56,487. Net operating income before depreciation arrived at nearly \$66,000 at the end of April 2020. Swanson commented on the short-term leasing activity which included a short-term lease with Vestas American Wind Technology for a portion of Bldg. 724. The short-term lease will

generate \$8,700 for 5,000 SF of space over the lease term. Chairman Eichelberger directed staff to file the financials for audit.

2019 Comprehensive Annual Financial Report

Swanson introduced Danielle Hollingshed, CPA with Adams, Brown, Beran & Ball. Swanson noted the draft 2019 Comprehensive Annual Financial Report (CAFR) can be reviewed online at https://www.salinaairport.com/media/36380/draft_cafr.pdf. Swanson highlighted several significant items reported in the CAFR and asked the board to review the Notes to Financial Statements on pages 24-49. Hollingshed reviewed procedures and mentioned the SAA had no internal control findings or recommendations during the 2019 audit. Swanson noted the final CAFR will be finalized by June 2020.

SAA Resolution 20-02

Executive Director Rogers presented SAA Resolution 20-02 that declares the Airport Authority's intent to levy a tax not to exceed one (1) mill to qualify for and match a Federal Aviation Administration Airport Improvement Program grant for the rehabilitation of Runway 17/35. The resolution provides that the Airport Authority will publish notice of the intent to levy a tax not to exceed one (1) mill and is subject to petition.

Director Gunn moved, seconded by Director Vancil, to approve Resolution 20-02.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye, Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

Renovation Projects Building B1021 and B824

Rogers reviewed the proposed building expansion project for B1021 and building renovation project for B824. Kansas Erosion LLC is looking at expanding their existing facility at Building B1021, 3600 Airport Road. The proposed plan includes an additional area of nearly 30,000 SF. Kansas Erosion has been a principal customer of the SAA since 2015 and leasing over 100,000 SF of space at the Airport Industrial Center. SAA staff will be obtaining bids and finalize project budget. The building renovation project at B824 involves a transportation company interested in leasing office and shop space at the Airport Industrial Center. The proposed plan at B824 also includes vehicle storage up to 85 vehicles. SAA staff is continuing work with both prospects.

Aircraft Storage Hangar Construction

Rogers reviewed the project and scope of work for the new aircraft storage hangars to be constructed. The north ramp location on Tony's Road provides enough space to accommodate 52 units at an estimated cost of \$6M. The estimated monthly rental rate would be \$675/month and would require a prelease agreement of three years. The second location on the south ramp located off Jumper Road would provide space for up to five box hangars at an estimated cost of \$600K. The estimated monthly rental would be \$575 with a prelease requirement of three years. Rogers reviewed project financing options and commented on the next steps to proceed ahead with the project. Current hangar tenants and waiting list aircraft owners will be contacted to determine interest in constructing five box hangars at the south ramp location.

Adjournment

Director Gunn moved, seconded by Director Vancil, to adjourn the meeting.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye,
Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

The meeting adjourned at 8:54 A.M.

Minutes approved at the June 17, 2020 Board Meeting.

Secretary

(SEAL)