

DATE: July 13, 2020
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **July 15, 2020 Regular Board Meeting**

Transmitted with this memo are items for your review prior to Wednesday's meeting.

To accommodate social distancing recommendations, the meeting will be held in Room 100 at Hangar H600, 2720 Arnold Ct. Room 100 provides room for the recommended distancing of board members, staff, and visitors.

Please note the following agenda comments.

Agenda Item #5 – Review of Airport Activity and Financial Reports for the Month Ending June 30, 2020 (Rogers and Swanson)

Airport Activity – Air Traffic (Rogers)

The Salina air traffic control tower (ATCT) recorded 5,846 operations during June 2020 which was a 31% decrease as compared to the June 2019 total of 8,541. For the year-to-date, a total of 22,302 operations have occurred at the Salina Airport which is 41% less than the June 2019 YTD total of 37,896. K-State Aviation professional pilot training flights have continued since K-State's restart and business jet operations slowly increased. to pre-COVID19 levels.

Airport Activity – Fuel Flowage (Rogers)

The June 2020 fuel flowage came in at 105,987 gallons which was 33% less than the June 2019 total of 157,376 gallons. For the year-to-date, a total of 837,609 gallons has been delivered on the Airport which is 11% less than the 2019 YTD total of 940,702 gallons. Final planning for Jaded Thunder 20.2 scheduled for August 2020 and Ft. Riley APOE/D flights are expected to result in significant fuel deliveries during July and August.

Airport Activity – Passenger Count (Rogers)

During June 2020 SkyWest enplaned 228 passengers, which was an 87% decrease as compared to the June 2019 total of 1,727 passengers. The June YTD total passenger count was 455 which was an 87% decrease as compared to the June 2019 YTD total of 3,585. The July 6 schedule change restored SLN to/from ORD service. The Fly SLN marketing campaign has been resumed with key the key messages of "Be Here," "Be There," "Make a Clean Getaway," "Think Vacation," and "Book Your New Normal."

Financial Reports – Comments and Notes (Swanson)

As we reached the halfway mark of 2020, total operating revenue came in 2% under budget however, is tracking nearly 8% better than the same period in 2019. Despite a lag in airfield revenue due to the pandemic, all other sources of revenue are surpassing budget estimates. Planned late summer/early fall military and other forward operating location (FOL) activity will provide a boost to fuel flowage and

hangar rental as we enter the second half of 2020. Total operating expense arrived 7% under budget YTD bringing net income before depreciation to \$90,320 for the YTD. The Authority’s cash preservation response to the uncertainty surrounding the pandemic is evident in the mid-year numbers and the assistance of the CARES grant funding is allowing us to continue with critical expenditures necessary to operate the airport in a safe and efficient manner. Enclosed you’ll find the latest COVID-19 Fiscal Impact Report.

As of July 7, 2020, the Authority has submitted 365 eligible invoices totaling \$585,992.33 to the FAA for reimbursement under the CARES grant. The grant balance remaining is \$1,250,085.67. As a reminder, the grant funding is reported in contributed capital on the profit and loss statement under other income and is for the purpose of reimbursing the Authority for airport operation and maintenance expenditures.

Financial Reports – June 2020 Significant Expenditures/Payables Report Enclosed

Short-term Leasing Activity (Swanson)

Financial Reports – Accounts Receivable Past Due 31 days or more as of July 13, 2020 (Swanson)

Account	Amount	Days	Comments
Brown, Shane	\$482	31-90	Storage Igloo Rent
Centurion Aviation	\$40	>90	Finance Charges
Exide	\$42,686	31-90	Building Rental & Utilities <i>(pre-petition claims submitted)</i>
Hertz Corp.	\$543	31-60	Facility Rental

Agenda Item #6 – Airline Industry Recovery and Fly SLN Marketing Updates (Rogers)

At the meeting I will review two reports prepared by Gary Foss and his ArkStar associates. First will be the July 9, 2020 Salina Market Review that is a snapshot of SLN performance considering national events. You will see that nationally; passenger enplanements are slowly returning to pre-COVID19 levels. With the resumption of Chicago nonstop service to ORD this past week, SLN one-stop destinations are back to 100. Local passenger enplanements are slowly recovering, and advanced bookings are trending up. SLN fares continue to be at or below our \$75 maximum differential threshold.

The second report that will be presented is a performance review of the first two weeks of the relaunched Fly SLN marketing campaign. Out of the starting blocks we registered 351,756 impressions with above industry standards for click through rates (CTRs). The use of digital media has been improved to better communicate Fly SLN messaging.

Agenda Item #7 – Hangar H600 Lease Agreement with Kansas State University Polytechnic

(Swanson)

The KSU Salina campus has leased a portion of Hangar 600 for their Interim Applied Aviation Research Center operations since June 2018. Their current Lease expired at the end of May 2020 and SAA staff and KSU have negotiated the attached renewal agreement that would be effective retroactively to June 1, 2020 if approved by the Authority. The new agreement provides for an increase in square footage from 9,734 sq. ft. to 13,350 sq. ft. as a result of adding one additional office/brief room and increasing the hangar floor space. Additionally, the agreement provides for a CPI increase of 1.7% over the expiring rate. The proposed key terms are as follows and a copy of the Lease Agreement is enclosed for your review.

Term: Three years with two 1-year options to renew
Rental: \$6,432.93/month or \$5.78/SF/Year
Additional rental: Pro-rata share of electricity, water and natural gas
Rate adjustment: Every 24-months during term and renewal options
Fiscal Necessity: Lessee has right to terminate with 90-days written notice

Recommendation: Approval of the Lease Agreement with Kansas State University Polytechnic for the leasing of 13,350 sq. ft. in Hangar 600 as presented.

Agenda Item #8 – Review of Building B824 Remodeling, Financing and Leasing (Swanson and Bieker)

Construction bids have been received for the remodel of the Authority’s Bldg. 824 and the construction of a 1.9-acre equipment storage yard and employee parking lot. Additionally, bids for the lease purchase financing were received on July 9. Authority staff will provide a brief update at the Wednesday meeting on the project in anticipation of action items scheduled for the July 22 special board meeting.

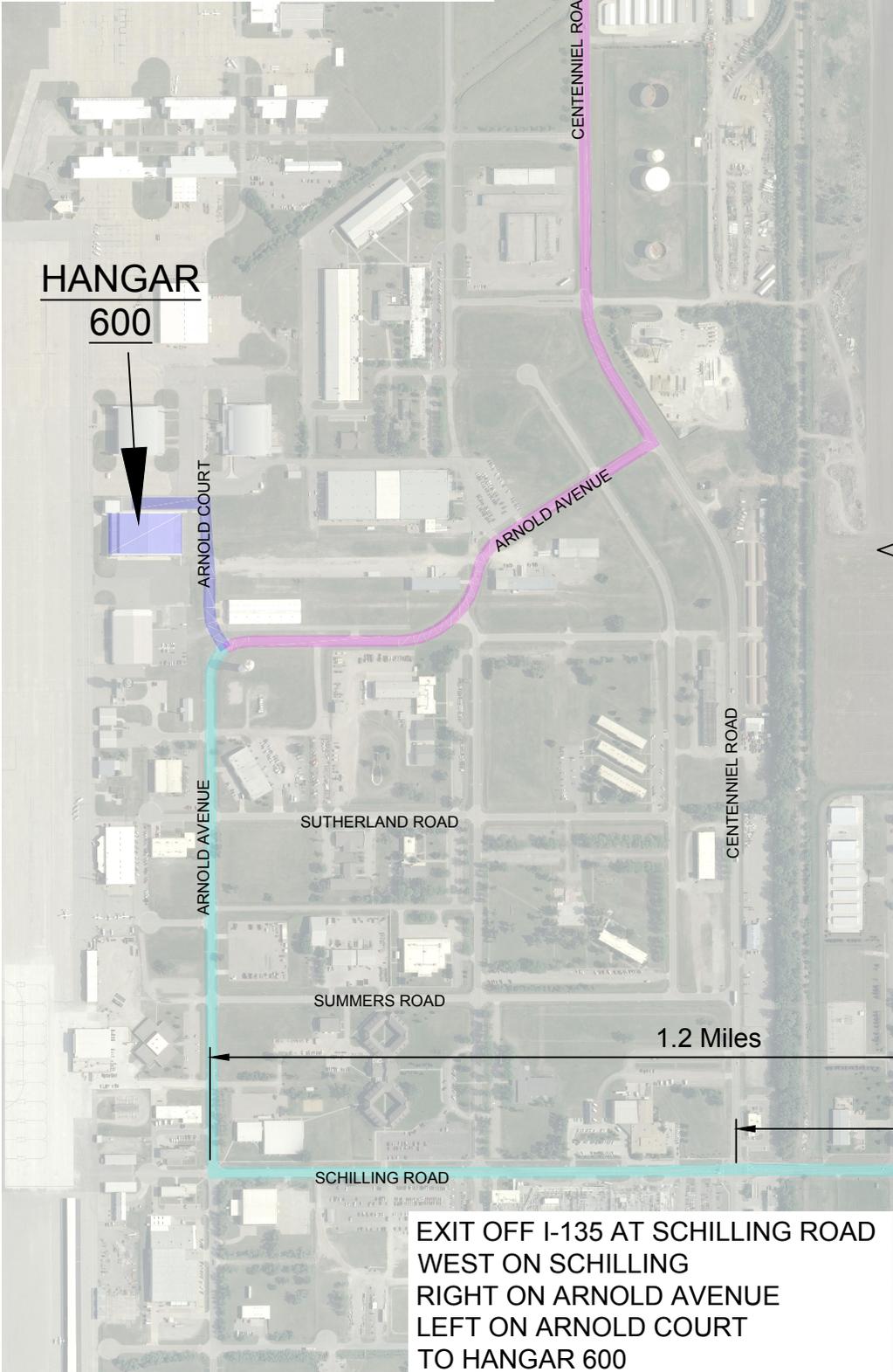
Agenda Item #9 – Land and Building Acquisition Efforts for Project Rise (Rogers)

All the property requirements for Project Rise have now been determined. At the meeting I’ll review the land parcels needed for Project Rise and the manner by which the parcels will be acquired and conveyed to Project Rise.

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, First Floor Conference Room
2720 Arnold Court

July 15, 2020 – 8:00 AM

AGENDA

Action Items

1. Call to order, determine that a quorum is present and confirm that the meeting notice has been published. (Eichelberger)
2. Recognition of guests. (Eichelberger)
3. Additions to the agenda and agenda overview. (Rogers)
4. Approval of the minutes of the June 17, 2020 regular board meeting and June 24, 2020 Special Joint SPE Board Meeting. (Eichelberger)
5. Review of airport activity and financial reports for the month ending June 30, 2020. (Rogers and Swanson)
6. Airline industry recovery and Fly SLN marketing updates. (Rogers)
7. Consideration of the proposed lease agreement with Kansas State University Polytechnic for hangar H600 office, lab, and hangar space. (Swanson)
8. Building B824 remodeling, financing, and leasing update. (Swanson and Bieker)
9. Land and building acquisition for Project Rise update. (Rogers)

Directors' Forum (Eichelberger)

Visitor's Questions and Comments (Eichelberger)

Staff Reports (Rogers)

- Salina Airport Authority staffing requirements and recruitment efforts. (Rogers and Swanson)

Announcements (Windhorst)

Adjournment (Eichelberger)



**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
JUNE 17, 2020
HANGAR 600 FIRST FLOOR CONFERENCE ROOM**

Call to Order

The meeting was called to order at 8:00 AM by Chairman Alan Eichelberger. Chairman Eichelberger confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst noted the board meeting notice was published and distributed on Friday, June 12th.

Attendance

Attendance was taken. Chairman Eichelberger, Directors Buer, Gunn, Vancil and Weisel 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 and Attorney Greg Bengtson. Melissa Hodges, Salina City Commissioner and Michael Bunn, T-hangar tenant were guest.

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 20, 2020 regular board meeting. Director Gunn moved, seconded by Director Vancil, to approve the minutes of the May 20, 2020 board meeting. Motion passed unanimously.

Chairman Eichelberger asked if the board members had additions or corrections to the minutes of the June 10, 2020 special board meeting. Director Vancil moved, seconded by Director Gunn, to approve the minutes of the June 10, 2020 special board meeting. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reported on airport activity for the month of May 2020. The Salina Air Traffic Control Tower (ATCT) recorded 2,614 operations during May 2020, which was a 59% decrease compared to the same period last year. A total of 16,456 operations have occurred year-to-date which is a 44% less than the May 2019 year-to-date total of 29,355. Rogers noted that KSUP resumed flight operations on May 20, 2020. May fuel flowage came in at 90,236 gallons which was 48% less than the May 2019 total of 172,835 gallons. A total of 731,622 gallons have been delivered on the airport during 2020 which is a 7% decrease from the 2019 total of 783,326. Upcoming military training scheduled for the month of August 2020 will result in increased fuel sales. SkyWest reported 105 enplaned passengers for the month of May which was a 94% decrease compared to the May 2019 total of 1,865 passengers. The July 6th schedule change will restore non-stop service from SLN – ORD and add connections to over 100 US destinations.

Director of Administration and Finance, Shelli Swanson reported on the financials for the month of May 2020. Total operating income arrived within 1% of budget and is tracking \$73,806 ahead of the same period last year. Administrative expenses ended up 6% under budget while maintenance expenses arrived 8% under budget bringing total operating cost to \$65,764 or 7% below budget. Year-to-date net operating income before depreciation equaled \$87,634. Swanson commented on receipt of first reimbursement under the CARES act grant in the amount of \$438,388. The grant funds are reported in contributed capital on the P&L statement under other income. Swanson noted an airport use agreement has been executed with Heinen Brothers Agra Service. Heinen operates as an ag service company specializing in aerial applications. Heinen will pay the SAA an annual permit fee of \$750 and fuel flowage fees while operating from SLN. Chairman Eichelberger directed staff to file the financials for audit.

2019 Comprehensive Annual Financial Report

Director of Administration and Finance Swanson commented on the completion of the 2019 Comprehensive Annual Financial (CAFR) Report. The complete CAFR can be found on the Salina Airport Authority's website at <https://www.salinaairport.com/media/36394/2019-saa-cafr.pdf>. Swanson reviewed the independent auditors report and commented on the governance letter provided by Adams Brown Beran & Ball.

Airline Industry Recovery Status and Fly SLN Marketing Updates

Executive Director Rogers presented the results of the U.S. airline industry recovery status post COVID-19 prepared by Gary Foss, air service consultant. Rogers noted leisure travel is expected to return prior to business travel. Over 67 destinations have been lost out of SLN without the service to Chicago. The return of Chicago flights on July 6 will offer Salina travelers connections to over 100 destinations. Rogers updated the board on the revised Fly SLN campaign which will include digital and video ads, social media post, and native ads. The ads will feature three messages; Be There, Be Here, and Make a Clean Getaway. Rogers recommended increasing the airport promotion budget by \$17,500 from \$135,000 to \$152,500. SAA board had no objections to an increase in air service marketing expenditures.

M.J. Kennedy Terminal Requirements and Estimated Cost

Executive Director Rogers presented alternatives from Coffman Associates for the M.J. Kennedy Air Terminal building requirements and parking lot improvements. Rogers reviewed the preferred Alternative No. 2 which adds additional space for screening, restrooms, ticket counter, rental car spaces, and an improved walkway. The parking lot improvements would include utility relocation and drainage improvements. The estimated cost to complete the project is \$11M. SAA staff is working on finalizing the study's financial plan and working with Coffman to prepare the final report.

SAA Staffing Requirements and Recruiting Efforts

Rogers updated the board on the current staffing requirements and recruiting efforts by the SAA to obtain additional Aircraft Rescue and Firefighting (ARFF) and Operations Specialist. Currently, the SAA has four vacancies in the ARFF/Operations job classification and two vacancies on the maintenance staff.

Staff Reports

Aircraft Storage Hangar Construction Project

Rogers briefed the board on the status of the potential new aircraft storage hangar construction project. SAA staff have received five responses from the letters of interest that was sent out to existing hangar tenants and to aircraft owners on the waiting list. Rogers commented that staff is preparing a bid package that will include plan and specs for the project. Contractor bids should be received prior to the August board meeting. The rental rate will be based on actual bids received and construction cost.

Building B824 Renovation Project

Director of Finance and Administration Swanson reported on the renovation project for Building B824, 2359 Hein. Improvements to the building include new lighting, HVAC, paint, asbestos abatement, and improved restrooms. The bid opening is scheduled for Friday, June 19th at 2:00 PM at Hangar 600 conference room.

Upon a motion duly made, the meeting adjourned at 9:06 AM

Minutes approved at the July 15, 2020 Board Meeting.

Secretary

(SEAL)

**MINUTES OF THE SPECIAL JOINT MEETING OF THE
SALINA PUBLIC ENTITIES INCLUDING
CITY OF SALINA BOARD OF COMMISSIONERS
SALINA USD 305 BOARD OF EDUCATION, KANSAS STATE UNIVERSITY
AND THE SALINA AIRPORT AUTHORITY BOARD OF DIRECTORS
JUNE 24, 2020
TONY'S PIZZA EVENT CENTER, GREAT PLAINS MANUFACTURING
CONVENTION HALL**

Call to Order

The meeting was called to order at 1:30 P.M. by Chairman Alan Eichelberger. Chairman Eichelberger confirmed that a quorum was present and that the meeting notice was published.

Introductions

Salina Airport Authority Executive Director Rogers introduced the Salina Public Entities staff, legal representation, and environmental consultants (the negotiating team).

Mike Schrage, City Manager, City of Salina
Linn Exline, Superintendent, USD 305
Alysia Starkey, CEO & Dean, Kansas State University Polytechnic
Eryn Wright, Legal Counsel, USD 305
Greg Bengtson, Legal Counsel, City of Salina and Salina Airport Authority
Aaron Good, Associate General Counsel, Kansas State University
Andy Davis, Special Environmental Attorney, Stinson LLP
Martha Tasker, Director of Utilities, City of Salina
Matthew Schroeder, Senior Environmental Engineer, Dragun Corporation
Kristin Gunn, Vice-Chair, Salina Airport Authority Board of Directors

Executive Director Rogers reviewed the Former Schilling Air Force Base Project and provided an overview of the agenda.

Action Items

Stinson special environmental counsel Andy Davis reviewed the negotiated Consent Decree term and conditions between the City of Salina, Salina Airport Authority, Unified School District No. 305, Kansas State University (the Salina Public Entities), and the United States of America (USA). The Consent Decree settles claims against the USA involving responsibility for environmental response actions and response costs at the Salina Airport and Airport Industrial Center which is the site of the former Schilling Air Force Base.

Clark Mize and Linville attorney Greg Bengtson discussed the Environmental Project Management Agreement between the City of Salina, Unified School District No. 305, Kansas State University and the Salina Airport Authority for the financing and completion of Remedial Actions in accordance with a Kansas Department of Health and Environment approved Remedial Design.

Director Gunn moved to approve the proposed Consent Decree and authorize the Airport Authority board chairman to sign the document on behalf of the Airport Authority, seconded by Director Vancil. Motion passed unanimously.

Adjournment

Director Weisel moved, seconded by Director Gunn, to adjourn the meeting. Motion passed unanimously.

The meeting adjourned at 2:35 P.M.

Minutes approved at the July 15, 2020 Board Meeting.

Secretary

(SEAL)

**SALINA AIRPORT AUTHORITY
AIRPORT ACTIVITY REPORT
2020**

AIR TRAFFIC/ATCT

June , 2020	5,846 Operations 696 Instrument Operations 467 Peak Day
June , 2019	8,541 Operations 686 Instrument Operations 548 Peak Day
January 2020 - June 2020	22,302 Operations
January 2019 - June 2019	37,896 Operations
January 2018 - June 2018	31,800 Operations

FUEL FLOWAGE

June , 2020	105,987 Gallons
June , 2019	157,376 Gallons
January 2020 - June 2020	837,609 Gallons
January 2019 - June 2019	940,702 Gallons
January 2018 - June 2018	1,087,990 Gallons

KSU-S	Avflight Salina	Avflight	
		Military/Gov't Portion	Self-fuel Station Portion
9,120	96,867	20,672	463
10,506	146,870	54,285	563
29,874	807,735	146,678	1,069
48,974	891,728	277,932	2,557
43,057	1,044,933	465,164	4,365

SkyWest Airlines

June , 2020	228 Passengers
June , 2019	1,727 Passengers
January 2020 - June 2020	4,603 Passengers
January 2019 - June 2019	8,909 Passengers
January 2018 - June 2018	4,799 Passengers

ENPLANEMENTS

DEPLANEMENTS

TOTAL

227 Passengers	455
1858 Passengers	3,585

ENPLANEMENTS - Charter Flights

June , 2020	110 Passengers
June , 2019	0 Passengers
January 2020 - June 2020	4,059 Passengers
January 2019 - June 2019	584 Passengers
January 2018 - June 2018	621 Passengers

TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights

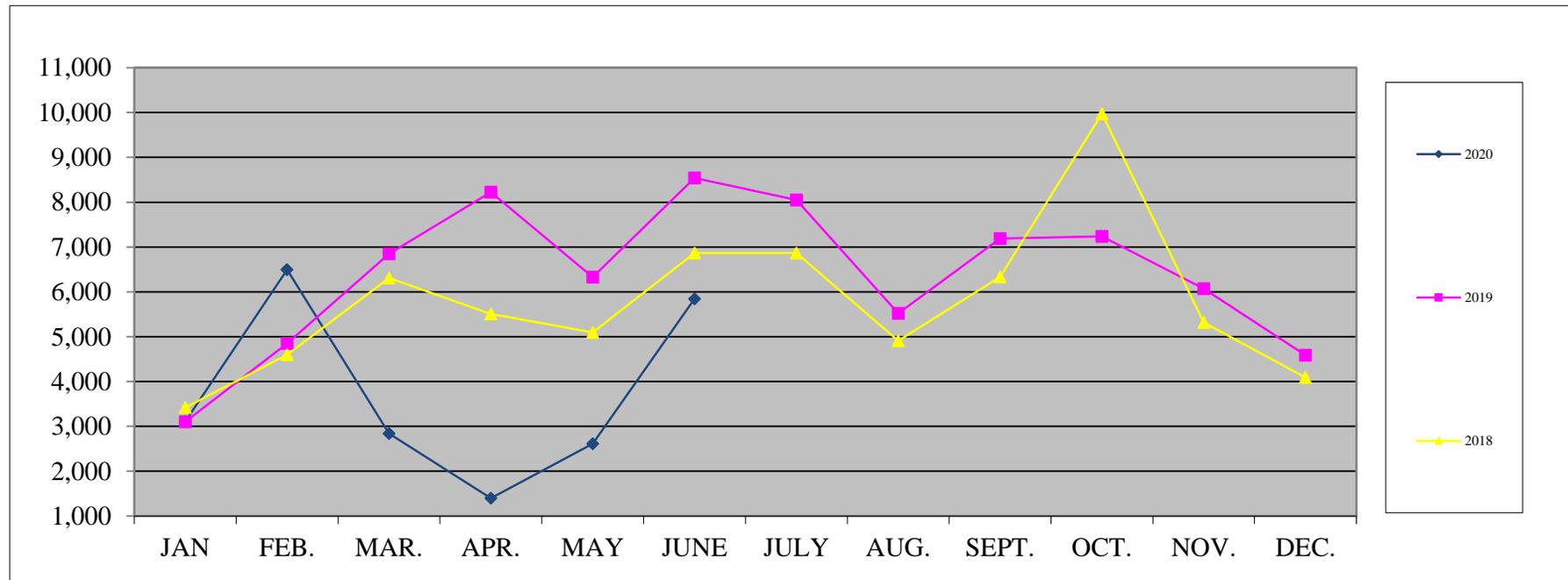
June , 2020	338 Passengers
June , 2019	1,727 Passengers
January 2020 - June 2020	8,662 Passengers
January 2019 - June 2019	9,493 Passengers
January 2018 - June 2018	5,420 Passengers

AIRPORT TRAFFIC RECORD
2019 - 2020

	ITINERANT					LOCAL			Total Operations
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	
2020									
January, 20	134	675	488	252	1,549	1,192	368	1,560	3,109
February, 20	125	2,095	594	222	3,036	3,196	262	3,458	6,494
March, 20	121	642	531	183	1,477	1,140	224	1,364	2,841
April, 20	131	52	410	139	732	378	288	666	1,398
May, 20	78	436	534	270	1,318	868	428	1,296	2,614
June, 20	72	1,675	751	294	2,792	2,782	272	3,054	5,846
July, 20									
August, 20									
September, 20									
October, 20									
November, 20									
December, 20									
Totals January - June	661	5,575	3,308	1,360	10,904	9,556	1,842	11,398	22,302
2019									
January, 19	61	819	600	258	1,738	992	372	1,364	3,102
February, 19	104	1,553	555	211	2,423	2,232	197	2,429	4,852
March, 19	115	1,765	790	147	2,817	3,811	220	4,031	6,848
April, 19	104	2,112	966	232	3,414	4,608	203	4,811	8,225
May, 19	118	1,464	939	235	2,756	3,328	244	3,572	6,328
June, 19	103	2,025	968	302	3,398	4,497	646	5,143	8,541
July, 19									
August, 19									
September, 19									
October, 19									
November, 19									
December, 19									
Totals January - June	605	9,738	4,818	1,385	16,546	19,468	1,882	21,350	37,896
Difference	56	-4,163	-1,510	-25	-5,642	-9,912	-40	-9,952	-15,594
YTD % Change	9%	-43%	-31%	-2%	-34%	-51%	-2%	-47%	-41%
Legend:	AC: Air Carrier			AT: Air Taxi					
	GA: General Aviation			MI: Military					

AIR TRAFFIC

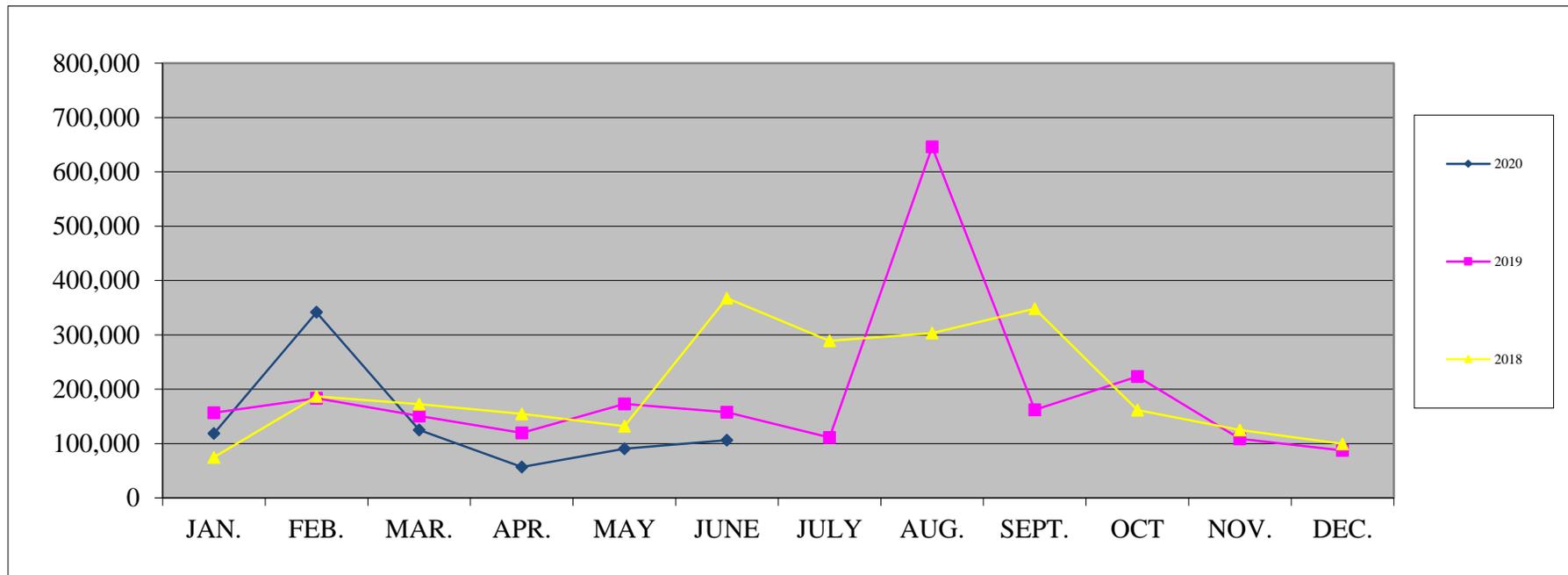
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2020	3,109	6,494	2,841	1,398	2,614	5,846							22,302
2019	3,102	4,852	6,848	8,225	6,328	8,541	8,051	5,520	7,187	7,240	6,072	4,587	76,553
2018	3,418	4,601	6,312	5,510	5,094	6,865	6,865	4,910	6,336	9,974	5,317	4,091	69,293
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



FUEL FLOWAGE

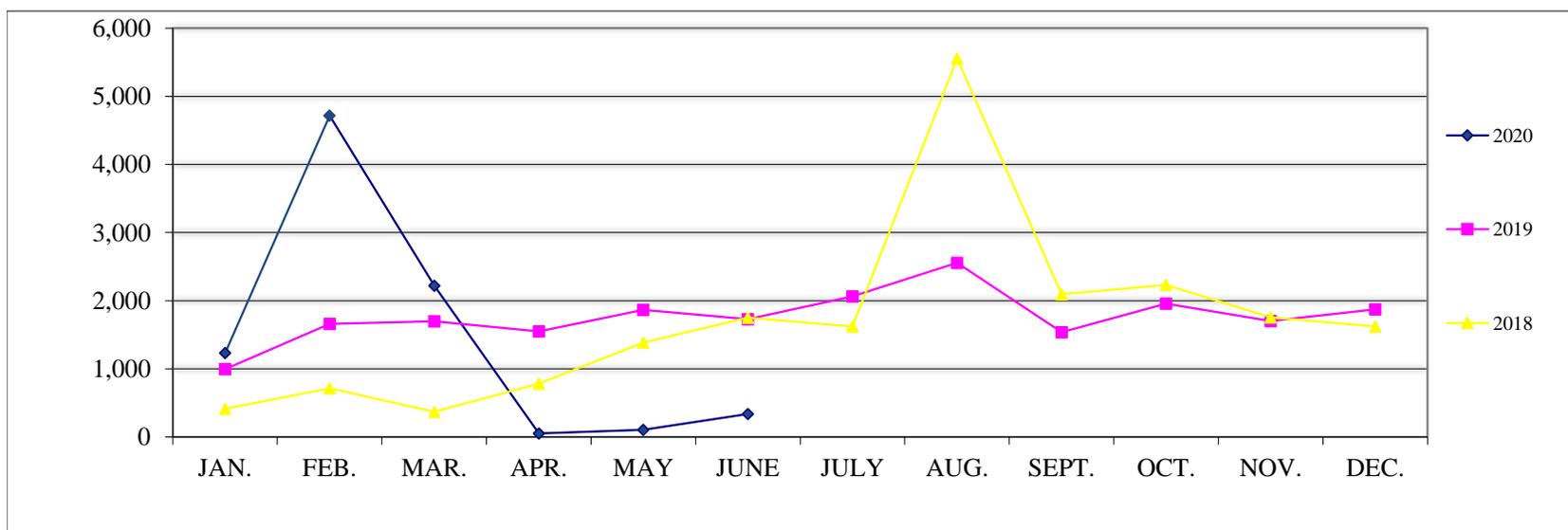
Gallons of Fuel Sold at SLN

	<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>
2020	118,337	341,329	124,865	56,765	90,326	105,987							837,609
2019	156,531	183,334	150,881	119,745	172,835	157,376	111,147	645,834	161,888	223,382	108,525	87,182	2,278,659
2018	74,807	186,507	172,561	154,513	131,941	367,663	288,977	303,273	348,454	161,563	125,129	99,437	2,414,825
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



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>
2020	1,232	4,716	2,219	52	105	338								8,662
2019	996	1,659	1,698	1,548	1,865	1,727	2,065	2,556	1,540	1,958	1,703	1,874		21,189
2018	414	715	370	783	1,387	1,751	1,623	5,553	2,095	2,230	1,756	1,622	-4,322	15,977
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



**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 June 30, 2020

07/12/2020

	Jun 30, 20	May 31, 20	\$ Change	Jun 30, 19	\$ Change	% Change
ASSETS						
Current Assets						
Checking/Savings						
Cash in Bank-Bond Funds	210,400	210,399	1	0	210,400	100%
Cash in bank-Operating Funds	580,499	540,160	40,339	78,254	502,245	642%
Cash in Bank - Mill Levy	2,057,317	2,057,161	156	1,586,164	471,153	30%
Total Checking/Savings	1 2,848,216	2,807,720	40,496	1,664,418	1,183,798	71%
Accounts Receivable						
Accounts Receivable	67,388	130,612	-63,224	32,435	34,953	108%
Total Accounts Receivable	67,388	130,612	-63,224	32,435	34,953	108%
Other Current Assets						
Agri Land Receivable	56,000	56,000	0	56,000	0	0%
Mill Levy receivable	258,580	258,580	0	222,366	36,214	16%
Other current assets						
Prepaid expenses	100,135	116,834	-16,699	95,389	4,746	5%
Property Tax Receivable	61,950	51,625	10,325	61,950	0	0%
Total Other current assets	162,085	168,459	-6,374	157,339	4,746	3%
Undeposited Funds	11,134	8,740	2,394	0	11,134	100%
Total Other Current Assets	487,799	491,779	-3,980	435,705	52,094	12%
Total Current Assets	3,403,403	3,430,111	-26,708	2,132,558	1,270,845	60%
Fixed Assets						
Fixed assets at cost	92,083,690	92,071,091	12,599	88,568,503	3,515,187	4%
Less accumulated depreciation	-48,824,153	-48,591,467	-232,686	-45,905,364	-2,918,789	-6%
Total Fixed Assets	43,259,537	43,479,624	-220,087	42,663,139	596,398	1%
Other Assets						
Deferred Outflow of Resources	1,276,204	1,276,204	0	1,381,850	-105,646	-8%
Total Other Assets	1,276,204	1,276,204	0	1,381,850	-105,646	-8%
TOTAL ASSETS	2 47,939,144	48,185,939	-246,795	46,177,547	1,761,597	4%
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts payable	42,848	100,460	-57,612	169,536	-126,688	-75%
Total Accounts Payable	42,848	100,460	-57,612	169,536	-126,688	-75%
Credit Cards						
Total Credit Cards	0	170	-170	1,134	-1,134	-100%
Other Current Liabilities						
Accrued debt interest payable	204,499	151,487	53,012	211,256	-6,757	-3%
Debt, current portion	1,427,350	1,427,350	0	1,969,153	-541,803	-28%
Deferred Agri Land Revenue	28,000	32,667	-4,667	28,000	0	0%
Deferred Mill Levy revenue	1,333,754	1,556,046	-222,292	1,198,802	134,952	11%
Other current liabilities	203,016	187,314	15,702	224,748	-21,732	-10%
Total Other Current Liabilities	3,196,619	3,354,864	-158,245	3,631,959	-435,340	-12%
Total Current Liabilities	3,239,467	3,455,494	-216,027	3,802,629	-563,162	-15%
Long Term Liabilities						
Debt - Long Term	22,412,102	22,412,102	0	21,369,845	1,042,257	5%
Deferred Inflows of Resources	41,412	41,412	0	68,366	-26,954	-39%
Less current portion	-1,427,350	-1,427,350	0	-1,969,153	541,803	28%
Net OPEB Liability (KPERs)	13,338	13,338	0	11,126	2,212	20%
Net Pension Liability	632,856	632,856	0	605,630	27,226	4%
Security Deposits Returnable	67,881	68,063	-182	43,223	24,658	57%
Total Long Term Liabilities	21,740,239	21,740,421	-182	20,129,037	1,611,202	8%
Total Liabilities	24,979,706	25,195,915	-216,209	23,931,666	1,048,040	4%
Equity						
Invested in Capital Assets net	20,847,435	21,062,179	-214,744	22,121,631	-1,274,196	-6%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	1,565,350	1,350,606	214,744	-112,499	1,677,849	1,491%
Net Income	456,650	487,239	-30,589	146,747	309,903	211%
Total Equity	22,959,435	22,990,024	-30,589	22,245,879	713,556	3%
TOTAL LIABILITIES & EQUITY	3 47,939,141	48,185,939	-246,798	46,177,545	1,761,596	4%

Salina Airport Authority
Profit & Loss Budget Performance
 June 2020

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 07/12/2020
 Accrual Basis

	Jun 20	Jan - Jun 20	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense						
Income						
Airfield revenue						
Fuel Flowage Fees	8,648	69,388	101,000	-31,612	69%	202,000
Hangar rent	39,681	247,074	322,500	-75,426	77%	645,000
Landing fees	2,960	26,128	12,750	13,378	205%	25,500
Ramp rent	4,410	32,060	25,125	6,935	128%	50,250
Total Airfield revenue	⁴ 55,699	374,650	461,375	-86,725	81%	922,750
Building and land rent						
Agri land rent	4,667	28,000	28,000	0	100%	56,000
Building rents - Long Term						
Short-term leasing	27,917	180,429	152,100	28,329	119%	304,200
Building rents - Long Term - Other	66,744	407,097	397,900	9,197	102%	795,800
Total Building rents - Long Term	94,661	587,526	550,000	37,526	107%	1,100,000
Land rent						
Basic Land Rent	9,841	57,519	53,347	4,172	108%	106,693
Property tax - tenant share	10,325	61,950	61,950	0	100%	123,900
Total Land rent	20,166	119,469	115,297	4,172	104%	230,593
Tank rent	1,167	6,972	5,985	987	116%	11,970
Total Building and land rent	120,661	741,967	699,282	42,685	106%	1,398,563
Other revenue						
Airport Marketing	8,233	51,948	35,000	16,948	148%	70,000
Commissions	0	4,673	17,550	-12,877	27%	35,100
Other income	2,170	44,664	32,500	12,164	137%	65,000
Total Other revenue	10,403	101,285	85,050	16,235	119%	170,100
Total Income	186,763	1,217,902	1,245,707	-27,805	98%	2,491,413
Gross Income	⁵ 186,763	1,217,902	1,245,707	-27,805	98%	2,491,413
Expense						
Administrative expenses						
A/E, consultants, brokers	0	0	10,750	-10,750	0%	21,500
Airport promotion	11,072	84,089	67,500	16,589	125%	135,000
Bad Debt Expense	0	0	5,000	-5,000	0%	10,000
Computer/Network Admin.	3,538	19,000	10,000	9,000	190%	20,000
Dues and subscriptions	1,379	11,300	12,000	-700	94%	24,000
Employee retirement	5,175	35,604	42,250	-6,646	84%	84,500
FICA and medicare tax expense	4,161	29,151	32,594	-3,443	89%	65,188
Industrial development	0	14,000	21,500	-7,500	65%	43,000
Insurance , property	14,948	84,955	89,687	-4,732	95%	179,375
Insurance, medical	12,930	83,530	114,188	-30,658	73%	228,375
Kansas unemployment tax	193	372	500	-128	74%	1,000
Legal and accounting	4,250	26,810	17,500	9,310	153%	35,000
Office salaries	36,053	238,075	253,550	-15,475	94%	507,099
Office Supplies	679	2,800	3,000	-200	93%	6,000
Other administrative expense	1,448	6,718	5,438	1,280	124%	10,875
Postage	-2	487	1,250	-763	39%	2,500
Property tax expense	13,823	82,939	82,939	0	100%	165,878
Special Events	0	0	500	-500	0%	1,000
Telephone	1,568	9,811	9,250	561	106%	18,500
Training	0	0	2,500	-2,500	0%	5,000
Travel and meetings	563	5,460	6,000	-540	91%	12,000
Total Administrative expenses	⁶ 111,778	735,101	787,896	-52,795	93%	1,575,790

	<u>Jun 20</u>	<u>Jan - Jun 20</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Maintenance expenses						
Airfield maintenance	4,475	57,457	15,500	41,957	371%	31,000
Airport Security	69	602	2,000	-1,398	30%	4,000
Building maintenance	7,090	36,627	25,000	11,627	147%	50,000
Equipment fuel and repairs	3,346	33,598	45,250	-11,652	74%	90,500
Fire Services	0	2,815	9,250	-6,435	30%	18,500
Grounds maintenance	240	3,144	2,250	894	140%	4,500
Maintenance salaries	20,033	140,725	190,516	-49,791	74%	381,032
Other maintenance expenses	1,382	11,171	8,000	3,171	140%	16,000
Snow removal expense	0	2,413	10,000	-7,587	24%	20,000
Utilities	12,507	103,929	115,000	-11,071	90%	230,000
Total Maintenance expenses	49,142	392,481	422,766	-30,285	93%	845,532
Total Expense	160,920	1,127,582	1,210,662	-83,080	93%	2,421,322
Net Ordinary Income	25,843	90,320	35,045	55,275	258%	70,091
Other Income/Expense						
Other Income						
Capital contributed	6,817	744,270	1,724,242	-979,972	43%	3,448,484
Interest income						
Interest income on deposits	156	1,209	900	309	134%	1,800
Total Interest income	156	1,209	900	309	134%	1,800
Mill levy income	222,292	1,335,043	1,333,754	1,289	100%	2,667,508
Total Other Income	229,265	2,080,522	3,058,896	-978,374	68%	6,117,792
Other Expense						
Debt interest expense net						
Interest Expense on Debt	53,012	318,071	318,071	0	100%	636,142
Total Debt interest expense net	53,012	318,071	318,071	0	100%	636,142
Depreciation expense	232,686	1,396,119	1,396,119	0	100%	2,792,237
Total Other Expense	285,698	1,714,190	1,714,190	0	100%	3,428,379
Net Other Income	-56,433	366,332	1,344,706	-978,374	27%	2,689,413
Net Income	-30,590	456,652	1,379,751	-923,099	33%	2,759,504

Salina Airport Authority
Profit & Loss Prev Year Comparison
 January through June 2020

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 07/12/2020
 Accrual Basis

	Jan - Jun 20	Jan - Jun 19	\$ Change	% Change
Ordinary Income/Expense				
Income				
Airfield revenue				
Fuel Flowage Fees	69,388.33	76,117.08	-6,728.75	-8.84%
Hangar rent	247,074.00	308,218.27	-61,144.27	-19.84%
Landing fees	26,128.35	18,435.25	7,693.10	41.73%
Ramp rent	32,060.00	25,614.00	6,446.00	25.17%
Total Airfield revenue	374,650.68	428,384.60	-53,733.92	-12.54%
Building and land rent				
Agri land rent	28,000.02	28,545.02	-545.00	-1.91%
Building rents - Long Term				
Short-term leasing	180,428.90	140,595.00	39,833.90	28.33%
Building rents - Long Term - Other	407,097.03	350,550.12	56,546.91	16.13%
Total Building rents - Long Term	587,525.93	491,145.12	96,380.81	19.62%
Land rent				
Basic Land Rent	57,518.99	54,147.70	3,371.29	6.23%
Property tax - tenant share	61,949.52	61,949.52	0.00	0.0%
Total Land rent	119,468.51	116,097.22	3,371.29	2.9%
Tank rent	6,972.00	6,768.00	204.00	3.01%
Total Building and land rent	741,966.46	642,555.36	99,411.10	15.47%
Other revenue				
Airport Marketing	51,947.50	24,882.45	27,065.05	108.77%
Commissions	4,672.92	11,401.11	-6,728.19	-59.01%
Other income	44,663.62	20,874.06	23,789.56	113.97%
Total Other revenue	101,284.04	57,157.62	44,126.42	77.2%
Total Income	1,217,901.18	1,128,097.58	89,803.60	7.96%
Gross Income	1,217,901.18	1,128,097.58	89,803.60	7.96%
Expense				
Administrative expenses				
A/E, consultants, brokers	0.00	20,674.00	-20,674.00	-100.0%
Airport promotion	84,089.05	77,708.65	6,380.40	8.21%
Bad Debt Expense	0.00	3,208.95	-3,208.95	-100.0%
Computer/Network Admin.	19,000.23	9,980.58	9,019.65	90.37%
Dues and subscriptions	11,300.23	11,221.72	78.51	0.7%
Employee retirement	35,603.66	40,403.82	-4,800.16	-11.88%
FICA and medicare tax expense	29,151.00	30,787.53	-1,636.53	-5.32%
Industrial development	14,000.00	17,321.43	-3,321.43	-19.18%
Insurance , property	84,955.34	84,412.71	542.63	0.64%
Insurance, medical	83,529.87	99,207.98	-15,678.11	-15.8%
Kansas unemployment tax	371.79	402.45	-30.66	-7.62%
Legal and accounting	26,810.10	17,551.20	9,258.90	52.75%
Office salaries	238,074.52	234,320.27	3,754.25	1.6%
Office Supplies	2,800.41	3,081.99	-281.58	-9.14%
Other administrative expense				
Merchant Processing Fees	4,665.67	1,908.61	2,757.06	144.45%
Other administrative expense - Other	2,052.72	2,883.85	-831.13	-28.82%
Total Other administrative expense	6,718.39	4,792.46	1,925.93	40.19%
Postage	487.12	745.28	-258.16	-34.64%
Property tax expense	82,939.02	81,312.48	1,626.54	2.0%
Special Events	0.00	437.90	-437.90	-100.0%
Telephone	9,811.24	9,553.02	258.22	2.7%
Training	0.00	250.00	-250.00	-100.0%
Travel and meetings	5,460.30	4,808.86	651.44	13.55%
Total Administrative expenses	735,102.27	752,183.28	-17,081.01	-2.27%

	Jan - Jun 20	Jan - Jun 19	\$ Change	% Change
Maintenance expenses				
Airfield maintenance	57,456.50	23,239.73	34,216.77	147.23%
Airport Security	602.07	2,199.78	-1,597.71	-72.63%
Building maintenance	36,627.00	51,201.60	-14,574.60	-28.47%
Equipment fuel and repairs	33,597.87	44,522.32	-10,924.45	-24.54%
Fire Services	2,814.88	16,046.38	-13,231.50	-82.46%
Grounds maintenance	3,143.65	6,052.41	-2,908.76	-48.06%
Maintenance salaries	140,725.22	175,159.96	-34,434.74	-19.66%
Other maintenance expenses	11,171.10	5,606.38	5,564.72	99.26%
Snow removal expense	2,413.14	20,443.71	-18,030.57	-88.2%
Utilities	103,928.84	120,679.17	-16,750.33	-13.88%
Total Maintenance expenses	<u>392,480.27</u>	<u>465,151.44</u>	<u>-72,671.17</u>	<u>-15.62%</u>
Total Expense	<u>1,127,582.54</u>	<u>1,217,334.72</u>	<u>-89,752.18</u>	<u>-7.37%</u>
Net Ordinary Income	90,318.64	-89,237.14	179,555.78	201.21%
Other Income/Expense				
Other Income				
Capital contributed				
CARES Grant 3-20-0072-041-2020	438,388.58	0.00	438,388.58	100.0%
Capital contributed - Other	305,881.00	713,925.00	-408,044.00	-57.16%
Total Capital contributed	<u>744,269.58</u>	<u>713,925.00</u>	<u>30,344.58</u>	<u>4.25%</u>
Gain on sale of assets	0.00	21,262.93	-21,262.93	-100.0%
Interest income				
Interest income on deposits	1,208.61	427.42	781.19	182.77%
Total Interest income	<u>1,208.61</u>	<u>427.42</u>	<u>781.19</u>	<u>182.77%</u>
Mill levy income	1,335,042.71	1,199,806.18	135,236.53	11.27%
Total Other Income	<u>2,080,520.90</u>	<u>1,935,421.53</u>	<u>145,099.37</u>	<u>7.5%</u>
Other Expense				
Debt interest expense net				
Bond issue cost	0.00	1,169.50	-1,169.50	-100.0%
Interest Expense on Debt	318,070.80	322,287.48	-4,216.68	-1.31%
Total Debt interest expense net	<u>318,070.80</u>	<u>323,456.98</u>	<u>-5,386.18</u>	<u>-1.67%</u>
Depreciation expense	1,396,118.70	1,375,980.00	20,138.70	1.46%
Total Other Expense	<u>1,714,189.50</u>	<u>1,699,436.98</u>	<u>14,752.52</u>	<u>0.87%</u>
Net Other Income	<u>366,331.40</u>	<u>235,984.55</u>	<u>130,346.85</u>	<u>55.24%</u>
Net Income	<u><u>456,650.04</u></u>	<u><u>146,747.41</u></u>	<u><u>309,902.63</u></u>	<u><u>211.18%</u></u>

Salina Airport Authority
Capital Additions Budget vs. Actual
As of June 30, 2020

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07/12/2020
Accrual Basis

	<u>June 20</u>	<u>Jan-June 20</u>	<u>Annual Budget</u>	<u>+/- Annual Budget</u>	<u>% of Annual Budget</u>
ASSETS					
Fixed Assets					
Fixed assets at cost					
Airfield					
AIP-40 Terminal Master Plan	12,263	58,105	10,000	48,105	581%
AIP-41 Rwy 17/35 Rehab		5,340	225,000	-219,660	2%
Airfield Improvements		38,725	20,000	18,725	194%
Rwy 17/35 Improvements		227,316	250,000	-22,684	91%
Total Airfield	<u>12,263</u>	<u>329,486</u>	<u>505,000</u>	<u>-175,514</u>	<u>65%</u>
Buildings & Improvements					
Building improvements					
Bldg. Imps. Other		24,090	20,000	4,090	120%
Hangar 504 Improvements		19,235	25,000	-5,765	77%
Hangar 959 Rehabilitation	336	7,216	200,000	-192,784	4%
Total Building improvements	<u>336</u>	<u>50,541</u>	<u>245,000</u>	<u>-194,459</u>	<u>21%</u>
Total Buildings & Improvements	<u>336</u>	<u>50,541</u>	<u>245,000</u>	<u>-194,459</u>	<u>21%</u>
Equipment					
Computer equipment		2,275	7,500	-5,225	30%
Other Equipment		20,517	16,000	4,517	128%
Vehicles		24,850	1	24,849	2,485,000%
Total Equipment	<u>0</u>	<u>47,642</u>	<u>23,501</u>	<u>24,141</u>	<u>203%</u>
Land					
Environmental					
Environmental - SAFB		117,220	75,000	42,220	156%
Total Environmental		<u>117,220</u>	<u>75,000</u>	<u>42,220</u>	<u>156%</u>
Total Land		<u>117,220</u>	<u>75,000</u>	<u>42,220</u>	<u>156%</u>
Total Fixed assets at cost	<u>12,599</u>	<u>544,889</u>	<u>848,501</u>	<u>-303,612</u>	<u>64%</u>

Salina Airport Authority

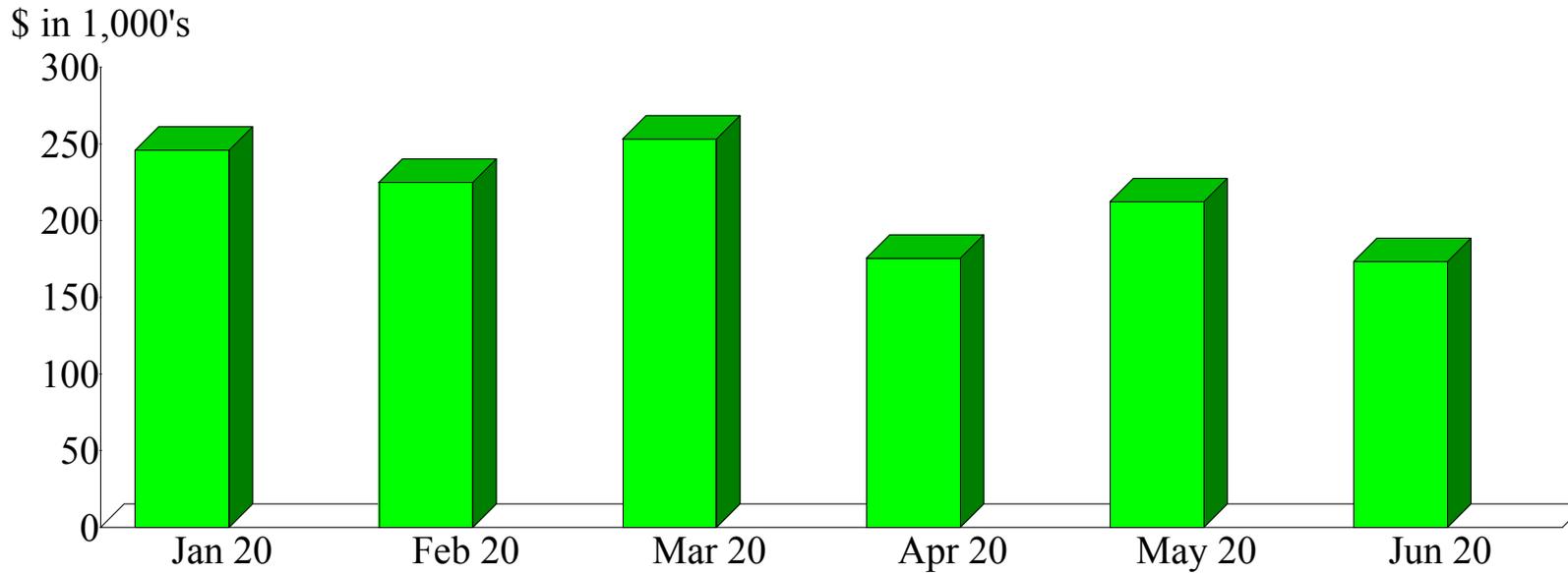
Significant Capital Expenditures Detail

June 2020

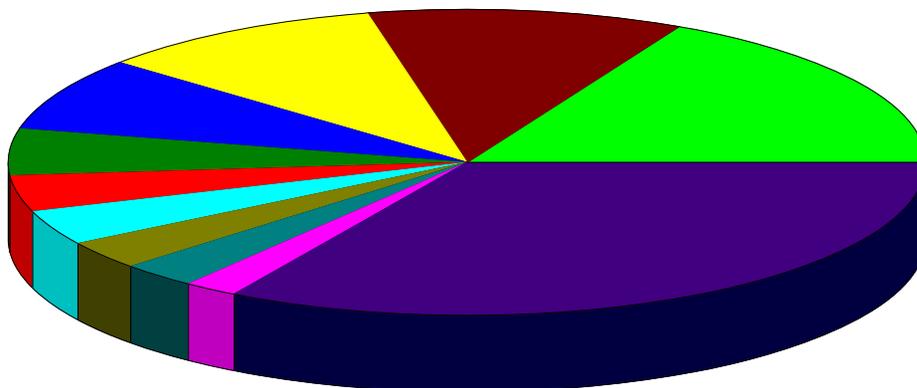
Type	Date	Name	Memo	Amount	Balance
Fixed assets at cost					
Airfield					
AIP-40 Terminal Master Plan					
Bill	06/30/2020	Coffman Associates, Inc.	Terminal Master Plan Update - June 2020	12,263.00	12,263.00
Total AIP-40 Terminal Master Plan				12,263.00	12,263.00
Total Airfield				12,263.00	12,263.00
Buildings & Improvements					
Building improvements					
Hangar 959 Rehabilitation					
Bill	06/26/2020	Bamford Fire Sprinkler Co., I...	H959 - Fire sprinkler system repair	336.00	336.00
Total Hangar 959 Rehabilitation				336.00	336.00
Total Building improvements				336.00	336.00
Total Buildings & Improvements				336.00	336.00
Total Fixed assets at cost				12,599.00	12,599.00
TOTAL				12,599.00	12,599.00

Sales by Month January through June 2020

■ Dollar Sales



Sales Summary January through June 2020

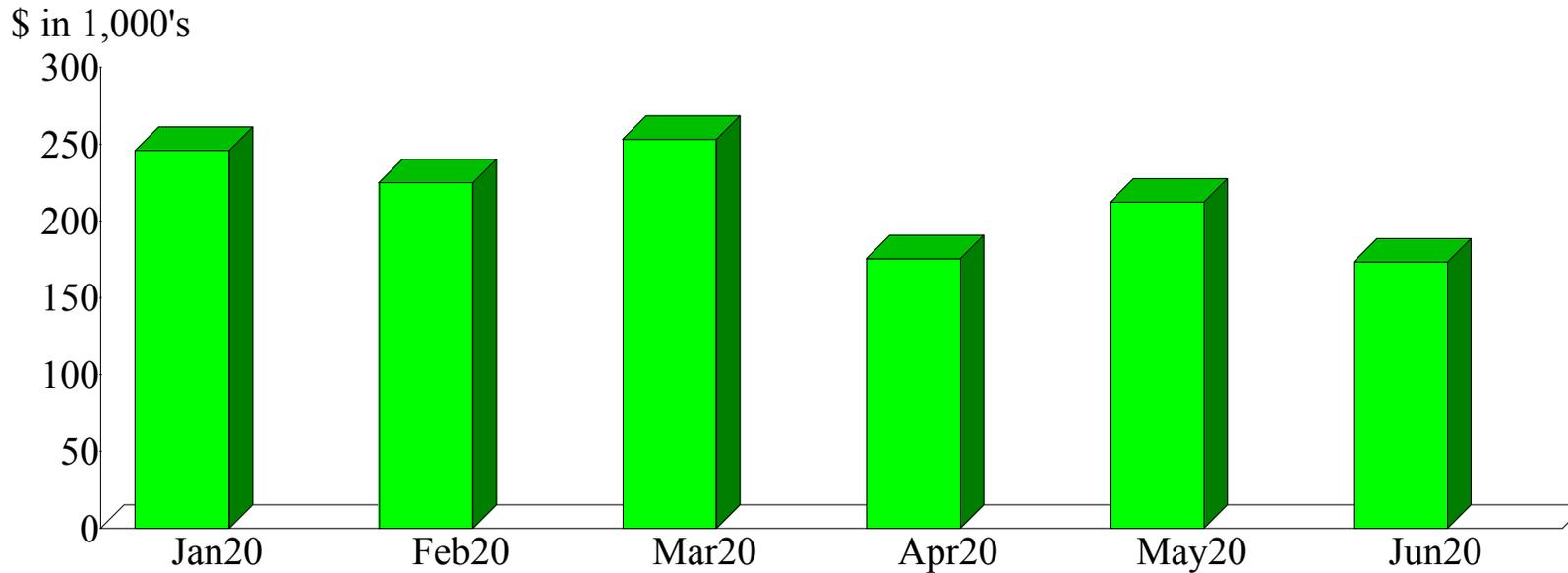


■ Kansas Erosion Products, LLC.	17.41%
■ Avflight Salina	11.28
■ Exide	10.24
■ 1 Vision Aviation, PLLC	7.86
■ Universal Forest Products (UFP)	4.97
■ Saline County	3.89
■ Nellis AFB	3.74
■ SFC Global Supply Chain	3.10
■ Kansas State Polytechnic - Salina	2.75
■ Trusted Energy, LLC	1.99
■ Other	32.78
Total	\$1,285,149.72

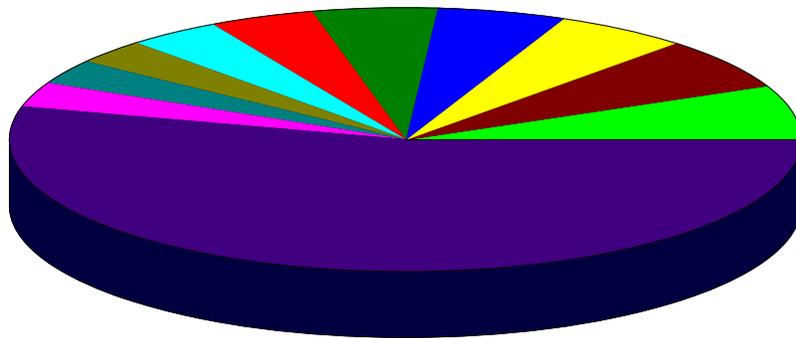
By Customer

Sales by Month January through June 2020

■ Dollar Sales



Sales Summary January through June 2020



■ Utility Reimbursement (Utility Reimburse	6.79%
■ B-01021 (Building #1021 located at 3600	6.44
■ B-00655-3 (Bldg. #655 (56,961 SF) - 2656	5.43
■ H-00959-1 (Hangar Facility H959 - 2044 S	5.35
■ FFF-Avflight Salina (Fuel Flowage Fee @	5.12
■ B-00620-1 (Building #620 (30,000 SF) an	4.40
■ Air Service Marketing (Fly Salina - Air	3.89
■ B-00626-1 (Manufacturing facility #626 (3.15
■ Insurance(CP) (Insurance Reimbursement)	3.06
■ B-00655-4 (Bldg. #655 (33,992 SF) - 2656	3.04
■ Other	53.33
Total	\$1,285,149.72

By Item

Salina Airport Authority

COVID-19 Fiscal Impact

Updated: July 13, 2020

Operating Revenue Lost

CY 2020

Lease 1 (Project cancelled)

Hangar Rental	5,980	
Equipment Rental & Other Income	6,712	
Fuel Flowage Fees	1,304	
NOAA - Project TORUS		13,996

Lease 2 (Rental credit)

Hangar Rental	12,500	
1 Vision - April credit		12,500

Lease 3 (Estimating 40% reduction in landings over 2019)

Landing Fees	11,200	
SkyWest		11,200

Lease 4 (Estimating 20% reducing in 2020 budgeted FFF)

Fuel Flowage	40,400	
Avflight		40,400

Lease 5 (Project cancelled)

Hangar Rental	2,900	
Equipment Rental & Other Income	780	
Fuel Flowage Fees	4,890	
OK Air National Guard (F-16s - Project ACEX)		\$ 8,570

Lease 6 (Project deferred to 2021)

Hangar Rental	45,325	
Equipment and Other Rental Income	13,750	
Fuel Flowage Fees	1,467	
NASA - Project DCOTSS		\$ 60,542

Lease 7 (Estimating 40% reduction in 2020 budgeted commission)

Rental car commission		\$ 6,091
Hertz & Enterprise		

Lease 8 (IAC US National Aerobatics Championship)

Hangar Rental		\$ 14,400
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Total Operating Revenue Lost

\$ 167,699

Operating Expenses Reduced

Utilities	\$16,000
AA Layoff	29,074
Hiring Freeze / Attrition (Mx & ARFF)	98,280
Other operating costs	\$29,962

Total Operating Expenses Reduced

\$173,316

NET SPREAD

\$5,617

Non-Operating Income (Contributed Capital) from CARES

Act. \$1,836,078

REAL ESTATE LEASE AGREEMENT

NOTICE TO LESSOR AND LESSEE: PURSUANT TO THE REQUIREMENTS OF K.S.A.75-3730, 3739 (1) and 3743, as amended. NO LEASE AGREEMENT IS EFFECTIVE NOR MAY EXPENDITURES BE MADE UNTIL THE AGREEMENT HAS BEEN SIGNED AND THE REQUIRED APPROVALS AFFIXED HERETO. Clauses printed in this contract are considered mandatory and may only be supplemented by a special provision approved by the Department of Administration.

CONTRACT PARTIES

LESSOR (First Party or 1st Party)

Contact Person:

LESSOR NAME:

Address: City:

State: Zip Code:

Telephone: Fax:

Email Address:

Type of Firm: Individual Partnership Corporation Government L.L.C.

Taxpayer Identification No.:

LESSEE (Second Party or 2nd Party)

Contact Person:

LESSEE NAME:

Address: City:

State: Zip Code:

Email Address:

Telephone: Fax:

Leased Property Description:

Street Address: City:

County: State: Zip Code:

WITNESSETH, that First Party, in consideration of the rents, covenants and agreements of Second Party, hereinafter set forth, does let, lease and rent to Second Party the above described property

1. TERM:

To have and hold the same for the term of:

- (a) Lease Term begin date: (mm/dd/yyyy)
- (b) Lease Term end date: (mm/dd/yyyy)
- (c) Length: years, months

2. RENTAL PAYMENTS:

Second Party agrees to pay equal monthly quarterly semi-annual annual installments of commencing on the 1st day of and on the 1st day of each corresponding payment period thereafter until the term of this lease ends; or in concurrence with payment schedule in Special Provision .

Rental payment for the first month shall be prorated if the above described property is not available for occupancy by the beginning date of the lease. The final payment shall be prorated for any partial month payment that may be due.

The space herein above described contains square feet of space for office use at the rate of per square foot per annum; square feet of floor space for records and property storage use at the rate of per square foot per annum; and (square feet of floor space) (acres, more or less) for other use (specify): at the rate of per square foot per annum or per acre. Rental payments include the cost to lease the existing premises and any improvements made to the premises.

3. USE OF PREMISES:

Second Party shall have the full and unrestricted use of the premises for the term of this lease or any renewals thereof, for the following purpose:

The approximate Full-Time Equivalent (FTE) employee working on these premises is

4. UTILITIES:

Public Utilities shall be paid for by the First (1st) Party, Second (2nd) Party, Third (3rd) Party, Occupant or Other as follows:

(a) Electricity	Second Party	<input type="text" value="Pro-rata share"/>
(b) Water	Second Party	<input type="text" value="Pro-rata share"/>
(c) Telephone	Second Party	<input type="text"/>
(d) Gas	Second Party	<input type="text" value="Pro-rata share"/>
(e) Heat	Second Party	<input type="text" value="Pro-rata share"/>
(f) Other, please list <input type="text" value="Internet"/>	Second Party	<input type="text"/>

5. ADDITIONAL SERVICES:

Additional Services shall be paid for by the First (1st) Party, Second (2nd) Party, Third (3rd) Party, Occupant or Other as follows:

(a) Grounds Maintenance, landscaping, parking areas, entrances and sidewalks	First Party	
(b) Snow Removal	First Party	Parking Lot & Hang
(c) Pest Control	First Party	
(d) Custodial Service of Leased Area	Second Party	
(e) Custodial Service of Common Area	Second Party	
(f) Trash Removal	Second Party	
(g) Other, please list	Snow Removal	Sidewalks & Entry

6. SUBLETTING:

Second Party shall have the right to sublet any or all of the space herein leased to any other State agency for the same or a comparable use. Second Party may not assign or sublet said premises to any private person without the written consent of First Party, said consent not to be unreasonably withheld. Lessee will notify Lessor if any sublet action occurs. If Second Party sublets to another State agency, Second Party's obligation to pay the rent herein shall cease, provided, however, any such sub-tenant shall be bound by all conditions of this lease for the balance of the term.

7. REPAIR OF PREMISES:

The First Party will pay the costs and maintain in good repair the walls, windows, floor coverings, shell, structure, elevators, stairs, roof, grounds, sidewalk and off-street parking area of the lease facility. Such items shall be maintained at a condition not less than the condition of the said items at initial lease signing. First Party will be responsible for repairs and/or replacements in heating, ventilation and air-conditioning (HVAC), plumbing, electrical, mechanical and related fixtures and appliances. The First Party is responsible for meeting all applicable local and State building codes, ordinances, standards and regulations. The First Party will provide Second Party with a list of persons or firms to contact in case of an emergency due to failure of the above facility components. If the facility, fixtures or Second Party contents are damaged as a result of failure of the items listed above, First Party agrees to pay the costs to repair or replace the contents and fixtures and to restore the facility to a condition not less than the condition at the time of initial lease signing. First Party agrees to authorize the Second Party to contract with a Third Party for maintenance repairs that are not corrected within three (3) days of notification. The First Party further agrees to authorize the Second Party to pay invoices for the maintenance repairs that remain unpaid thirty (30) days after their submittal to the First Party. First Party authorizes Second Party to deduct the amount of said paid invoices from rental payments due and owing. In the event First Party fails to make repairs and/or replacements within thirty (30) days and the Second Party elects not to contract for such services and deduct the cost from the rental payments, Second Party may terminate this Lease with ten (10) days notice to First Party and the obligation to occupy and to make rental payments shall cease. Interior repairs of damage caused by Second Party shall be paid for by Second Party. Second Party will submit written requests for decoration and other remodeling items to First Party for approval. Approved decoration or remodeling will be provided by First Party and upon receipt of invoice, the Second Party will reimburse First Party for said decoration or remodeling costs.

8. UN-TENANTABLE PREMISES:

If these premises shall be damaged by fire, casualty, natural disaster or other cause so as to be un-tenantable, the rental payments shall abate from the date of such damage and shall not resume until premises are restored to tenantable condition, provided, however, if the damage so caused shall render restoration by First Party impossible within sixty (60) days of the time of such damage, Second Party may elect to void this lease and the obligation to occupy and to make rental payments, shall cease from the date of said damage. Any prepaid rent shall be returned to Second Party for the period the premises are un-tenantable.

Should at any time, during the term of this lease, hazardous substances, chemicals or odors be discovered in the lease building in amounts determined by the appropriate State agency to be unacceptable, the Lessor will have sixty (60) days from date of written notice by the Lessee to satisfactorily dispose of the hazardous substances, chemicals or odors by a State pre-approved vendor or the Lessee may terminate the lease after said sixty (60) day period with no penalty to the Lessee.

In the alternative, if the First Party fails to comply with the terms of this provision, the Lessee may contract for the abatement and disposal of the above hazardous substances, chemicals or odors and the Lessor consents to the reduction of lease payments for the costs of abatement and disposal.

In addition, the obligation to occupy the leased premises and to make rental payments shall cease from the date of discovery of the hazardous substances. If conditions require the evacuation of the premises and relocation, Second Party may elect to void this lease and the obligation to occupy and make rental payments shall cease from the date of discovery of the hazardous substances. The First Party shall be responsible for relocation costs. Any prepaid rent shall be returned to Second Party for the period the premises are un-tenantable.

9. TERMINATION FOR CAUSE:

Should the First Party apply (i) for consent to the appointment of a receiver, trustee, custodian or liquidator of First Party, or of all of a substantial part of the assets of First Party, (ii) be unable, fail or admit in writing its inability to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of insolvency law or any answer admitting the material allegations of a petition filed against First Party in any bankruptcy, reorganization or insolvency proceeding, after thirty (30) days written notice, the Second Party may terminate this lease agreement.

10. TERMINATION FOR FISCAL NECESSITY:

Notwithstanding any other provision of this lease, if funds anticipated for the continued fulfillment of this lease agreement are at any time not forthcoming, either through failure of the Legislature to appropriate funds specifically budgeted for this lease or the discontinuance or material alteration of the program under which funds were provided, then Second Party shall have the right to terminate this lease by giving First Party a reasonable notice specifying the reasons for such necessary termination. The termination of the lease pursuant to this paragraph shall not cause any penalty to be charged to the State agency. Any prepaid rent shall be returned to Second Party for the period following the termination date.

11. AUTOMATIC HOLD OVER:

This lease agreement, if not previously terminated, shall automatically expire at the end of the term specified unless Second Party shall have renewed the lease pursuant to Special Provision 2. However, Second Party shall be allowed to hold over after the end of the term and Second Party shall be a tenant from month to month at the same terms and conditions as contained herein. This hold over tenancy shall expire after a maximum of six (6) months unless written approval of the Secretary of Administration is secured.

12. REMOVAL OF PERSONAL PROPERTY:

All personal property placed, installed or constructed upon the premises by Second Party during occupancy, which may be removed at any time by Second Party at the end of the term without substantial damage to the real estate, shall be and remains the sole property of Second Party and may be removed. If substantial damage would occur, Second Party may elect to remove the property and restore the premises.

13. AGREEMENT WITH KANSAS LAW:

This Lease Agreement shall be subject, governed by and construed according to the laws of the State of Kansas.

14. ANTI-DISCRIMINATION CLAUSE:

First Party Agrees:

- (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. S 12101 et seq.) (“ADA”), and Kansas Executive Order No. 19-02, and to not discriminate against any person because of race, color, gender, sexual orientation, gender identity or expression, religion, national origin, ancestry, age, military or veteran status, disability status, marital or family status, genetic information, or political affiliation that is unrelated to the person’s ability to reasonably perform the duties of a particular job or position;
- (b) to include in all solicitations or advertisements for employees, the phrase “equal opportunity employer”;
- (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116;
- (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor;
- (e) that failure to comply with the reporting requirements of (c) above or if First Party is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of the contract and the lease agreement may be canceled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration;
- (f) First Party agrees to comply with all applicable state and federal anti-discrimination laws and regulations;
- (g) First Party agrees all hiring must be on the basis of individual merit and qualifications, and discrimination or harassment of persons for the reasons stated above is prohibited;
- (h) if it is determined that the first party has violated the provisions of any portion of this paragraph, such violation shall constitute a breach of the contract and the lease agreement may be canceled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration;
- (i) The obligation to occupy and to pay any unpaid balance or rental payments shall cease from the date of cancellation, termination or suspension. Any prepaid rent shall be returned to Second Party from the cancellation date.

15. BINDING EFFECT:

The terms and conditions of this Lease shall be binding upon the parties, their heirs, agents, administrators, executors or legal successors.

16. RESPONSIBILITY FOR TAXES:

The State of Kansas shall not be responsible for any federal, state or local taxes, fees or assessments which may be imposed or levied upon the subject matter of the lease.

17. LIABILITY FOR DAMAGES:

Notwithstanding any language to the contrary, the State shall not be responsible for any damages caused by the public or its employees except as provided in the Kansas Tort Claims Act, K.S.A. 75-6101 et seq., as amended.

18. ACCESSIBILITY:

If the Department of Administration determines that improvements or changes are required for Second Party to comply with the minimum standards for accessible design, First Party agrees to make all improvements or changes within a reasonable period of time as determined by the Department of Administration. (Refer to the Americans with Disability Act Accessibility Guidelines, ADAAG: also reference K.S.A. 58-1301 et seq.). If the improvements or changes have not or cannot be completed, the Department of Administration may require Second Party to terminate this lease upon the giving of 120 days notice in writing to First Party. The obligation to occupy and make rental payments shall cease from the date of termination. Any prepaid rent shall be returned to Second Party from that date. Waiver of any element of this provision must be sought through application to the Director of Facilities and Property Management with the recommendation of the ADA Coordinator and can only be granted by the Secretary of Administration. Such waiver must be attached to and incorporated into this contract (reference Special Provision 4).

The following minimum standards for accessible space shall be required (ADA Checklist, Checklist for Existing Facilities):

1. Accessible parking, if parking is included in this contract.
2. An accessible route from an accessible entrance to primary function area (includes elevator if required to access other levels.
3. Accessible toilets.

19. ENERGY:

HVAC Performance: General office and common area shall be heated in the winter to maintain the space environment at 68 – 74 degrees Fahrenheit (F) with a relative humidity of 20 – 30 % and cooled in the summer at 68 – 78 degrees F with a relative humidity of 40 – 60 %. The HVAC system must be capable of maintaining +/- two (2) degrees F of the thermostat setting. As a guide, an adequately sized air distribution system shall provide 4 – 10 air changes per hour. HVAC equipment shall be properly sized and balanced to meet design conditions. Each zone provided shall be equipped with programmable thermostatic controls, capable of a 55 degree F night/weekend setback in the heating mode and a 85 degree F night/weekend set-up in the cooling mode.

Heating system efficiency will not be less than 80% steady state at full load for natural gas boilers or furnaces. Air conditioning equipment will meet or exceed the performance ratings required under Federal and State guidelines. A

seven-day programmable time device will control all air handling systems where applicable controls exist. Minimum ventilation rates will be capable of 15 cubic feet per minute per person during occupied hours and automatically reduced during off-work hours. Buildings are to be in full compliance with the ANSI/ASHRAE/IESNA Standard 90.1 latest edition, Energy Design of New/Existing Commercial Buildings.

Telecommunication, Computer, UPS and server room(s) require air conditioning systems designed to ensure proper environmental requirements are met. These rooms shall be maintained between 65 & 72 degrees F. The HVAC system must be capable of maintaining +/- two (2) degrees F of the thermostat setting. This condition must be maintained 24 hours a day, seven (7) days a week. HVAC shall be thermostatically controlled within the room and be independent of the house system.

Two Kansas Administrative Regulations, (1-66-1 and 1-66-3), became effective February 4, 2011, requiring the completion of an energy audit for lease space. The K.A.R.'s require that each new lease, lease renewal or extension must include an energy audit for lease property. In the event the energy audit indicates that the lease space uses an excessive amount of energy, the owner or lessor is required to implement cost effective energy conservation measures that are approved by the Secretary of Administration to eliminate excessive amounts of energy usage.

20. ADDITIONAL REQUIRED DOCUMENTS CHECKLIST:

The following documents must be submitted with the signed Lease:

1. The Energy Star Portfolio Manager offers a self-performed audit. Please go to: <http://www.energystar.gov/buildings/facility-owners-and-managers/existing-buildings/use-portfolio-manager> and create an account. An approved substitute energy audit may be submitted in lieu of the Energy Star Portfolio Manager.
2. A Tax Clearance Certificate application may be obtained from the Kansas Department of Revenue at the following address: <http://www.ksrevenue.org/taxclearance.html>.
3. A self-performed Americans with Disabilities Act (ADA) Checklist is available at the Department of Administration's webpage under the Resources Section at the following address: <http://admin.ks.gov/offices/ofpm/real-estate-leasing>.
4. A certification in accordance with K.S.A. 75-3740e and K.S.A. 75-3740f, the State of Kansas shall not enter into a contract with a Company to acquire or dispose of goods or services with an aggregate price of more than \$100,000, unless such Company submits a written certification that such Company is not currently engaged in a boycott of Israel. This does not apply to an Individual.
5. Policy Regarding Sexual Harassment, as required by Executive Order 18-4.

21. SPECIAL PROVISIONS:

The following Special Provisions indicated by a check mark and numbered as listed hereafter or those additional numbered Special Provision contained on an attachment, are made a part hereof and incorporated into this contract.

The following Special Provisions apply: (marked by an X in the checkboxes below)

- Spec. Prov. 1.** **Termination Prior to Expiration of Term:** Notwithstanding the length of the term, Second Party may terminate this lease at any time prior to the expiration of the term upon the giving of days notice in writing to First Party.
- Spec. Prov. 2.** **Renewal:** By the giving of notice in writing to First Party at least days prior to the end of the term specified, Second Party may renew this lease for an additional term of under the same rent, conditions and terms set out herein.
- Spec. Prov. 3.** **Parking:** First Party shall furnish to Second Party off-street parking for motor vehicles upon land adjacent to the leased facility.
- Spec. Prov. 4.** **Waiver:** A waiver to the Accessibility Standards as specified in paragraph 18 above is attached and incorporated in this contract and made a part hereof.
- Spec. Prov. 5.** **Liquidated Damages:** Should the premises not be available for occupancy on the first day of the lease term, the Lessee will have no obligation to make rental payments until occupancy is available. The Lessor agrees that liquidated damages in the amount of per day shall be deducted from subsequent rental payments due from the Lessee, for the period from the first day of the lease term until the premises are ready for occupancy. If the premises are not available for occupancy days after the first day of the lease term, Lessee may terminate the Real Estate Agreement.
- Spec. Prov. 6.** The request for Proposal and the Bidder's Response to the RFP including the Bidder's counter offer and best and final offer and all supporting documents, shall be incorporated into and made a part of this lease agreement.

22. ADDITIONAL SPECIAL PROVISIONS:

Additional Special Provisions, if any, should be set out on a separate sheet beginning with Number Seven (7). Special Provisions must be listed in numerical order to be considered effective to bind the First Party and Second Party to this agreement. Additionally, First Party and Second Party must sign their names immediately following the last listed Additional Special Provision on the attached sheet.

The following Additional Special Provisions apply:

APPROVALS OF LESSOR & LESSEE

Lessor

Date

CERTIFICATION STATEMENT: I certify that the lease agreement is entered into within the authority of the law, is with my approval and that the person signing the same for the State immediately below is authorized to do so.

 _____
Lessee

Date

APPROVALS OF THE STATE OF KANSAS: For Use by State of Kansas Signatories Only

Attorney, Department of Administration

Date

Director of Facilities and Property Management, Department of Administration

Date

Secretary of Administration

Date

ADDITIONAL SPECIAL PROVISIONS (Kansas State University Polytechnic, Salina, Building 820)

- Spec. Prov. 7 (X) Rental Payment Adjustment. On the second (2nd) anniversary date after the Effective Date of the Lease and biennially thereafter during the primary term or any options exercised thereafter, the Rental Payment shall be adjusted by increasing the Rental Payment for the prior 24-month period 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. If the C.P.I. over the same 24-month period has not shown a net increase, the Rental Payment for the remaining Lease term shall remain the same as the Rental Payment for the 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 Statistics. The difference between such index nearest to the first day of the prior 24-month period and the last 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 Rental Payment will remain unchanged, except that such change of Rental Payment shall not be increased more than ten percent (10%) of the Rental Payment for the prior 24-month period.

APPROVALS OF LESSOR & LESSEE

Lessor

Date



Lessee

Date

SALINA Airport Authority

July 13, 2020

