

**MINUTES OF THE SPECIAL MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
JULY 29, 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, and the meeting notice was published.

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. Mitch Walter, Gilmore & Bell and Michael Bunn, T-hangar tenant were guest. Gina Riekhof, Gilmore & Bell and David Arteberry, Stifel, Nicolaus & Company attended via conference call.

Additions to the Agenda

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

Financing bids received for the Bldg. 824 and Equipment Yard Project

Chairman Eichelberger and Director Buer abstained from discussion and vote. Executive Director Rogers provided an overview of the Bldg. 824 and equipment yard project. Director of Administration and Finance commented the flowchart that depicts the documentation and cashflow of the leasing/finance structure. Swanson reviewed a summary of the proposals

received. Bennington State Bank submitted the best proposal when taking in to account the interest rate of 3.30%, other conditions with minimal restrictions and other expenses. Director Weisel moved to approve the acceptance of Bennington State Bank's proposal of 3.30% for the Taxable Municipal Lease Purchase Financing for the improvements at Bldg. 824 and the Transportation Yard. Seconded by Director Vancil. Aye – 3, Nay – 0. Motion passed.

SAA Resolution No. 20-3

Chairman Eichelberger and Director Buer abstained from discussion and vote. Swanson introduced Mitch Walter, Gilmore & Bell. Walter reviewed the lease purchase agreement and escrow agreement with the board. Resolution No. 20-3 provides for improvements to be financed with proceeds from a Site Lease (or commonly referred to as the Base Lease) whereby the Authority in return for the payment of \$460,000, grants the financing institution (Bennington State Bank) a leasehold interest in the property for a 20-year period. Concurrently, the Authority and Bennington State Bank will enter into a Taxable Lease Purchase Agreement (LPA) whereby the bank will lease the property back to the Authority for a period of 10 years in return for rental payments from the Authority in the amount of \$54,327 each year. The LPA will require the Authority obligate during its budget process the funds necessary to make semi-annual payments totaling \$54,327 each year to amortize the cost of the improvements with Aug. 1, 2030 being the final payment. Upon completion of all payments, or earlier prepayment, the Site Lease and LPA will terminate and all rights and interest in the property will revert back to the Authority. Director Vancil moved to approve Resolution No. 20-3 authorizing a Lease Purchase Agreement to finance the acquisition, construction, furnishing and equipping of facility improvements; and to approve the execution of all certain documents in connection therewith. Seconded by Director Weisel.

Aye – 3, Nay – 0. Motion passed.

Sublease Agreement with Durham School Services, L.P.

Swanson reviewed the proposed sublease with Durham School Services, L.P. for lease of Bldg. 824 and the equipment transportation yard for the purpose of operating a transportation service center that would include bus and vehicle storage, maintenance and dispatching. The sublease terms provide for a firm five-year agreement with 3 five-year options. The rental rate structure is as follows:

	Payment Nos.	Occupancy Dates	Basic Rent (Monthly Installments)
Primary Term	1-24	Sept. 1, 2020 - Aug. 31, 2022	\$ 5,185
	25-48	Sept. 1, 2022 - Aug. 31, 2024	\$ 5,350
	49-60	Sept. 1, 2024 - Aug. 31, 2025	\$ 5,520
Option Period 1	61-72	Sept. 1, 2025 - Aug. 31, 2026	\$ 5,520
	73-96	Sept. 1, 2026 - Aug. 31, 2028	\$ 5,690
	97-120	Sept. 1, 2028 - Aug. 31, 2030	\$ 5,870
Option Period 2	121-144	Sept. 1, 2030 - Aug. 31, 2032	\$ 6,050
	145-168	Sept. 1, 2032- Aug. 31, 2034	\$ 6,240
	169-180	Sept. 1, 2034 - Aug. 31, 2035	\$ 6,430
Option Period 3	181-192	Sept. 1, 2035 - Aug. 31, 2036	\$ 6,430
	193-216	Sept. 1, 2036 - Aug. 31, 2038	\$ 6,630
	217-240	Sept. 1, 2038 - Aug. 31, 2040	\$ 6,830
		*Biennially adjusted 3%	

Director Weisel moved to approve the Sublease Agreement with Durham School Services, L.P., seconded by Director Gunn. Motion passed unanimously.

Project Budget for the improvements to Bldg. 824 and the Transportation Equipment Yard Project

Swanson reviewed the proposed project budget that details a total budget of \$460,000. Of the

total budget \$429,932 is allocated for construction and \$29,450 for cost associated with the financing such as bond counsel, escrow fees, financial advisor, and other legal and transaction fees. Director Gunn moved to approve the Project Budget in the amount of \$460,000 for the development of the improvements to Bldg. 824 and the equipment yard. Seconded by Director Vancil. Motion passed unanimously.

Executive Session

At 8:30 AM Director Gunn moved the following:

I move the Salina Airport Authority board of directors recess into executive session for fifteen (15) minutes to discuss the subject of the potential acquisition of specific real estate, the identification of which would be contrary to the public interest, based upon the need for the preliminary discussion of the acquisition of real property pursuant to K.S.A. 75-4319(b)(6). The open meeting will resume in this room at 8:45 AM

Director Weisel seconded the motion. Motion passed unanimously.

The open meeting resumed at 8:45 AM

SAA Resolution No. 20-04

David Arteberry, Stifel, Nicolaus & Company provided an overview and reviewed the project timeline with the board. Director Weisel moved to approve SAA resolution no. 20-04 approving the issuance of general obligation bonds of the Salina Airport Authority for the purpose of financing the cost of certain capital improvements (land acquisition) at the Salina Regional Airport and Airport Industrial Center and authorizing the sale of general obligation temporary

notes, Series 2021-1 of the Salina Airport Authority. Seconded by Director Vancil. Motion passed unanimously.

Upon a motion duly made, the meeting adjourned at 8:56 AM

Minutes approved at the August 19, 2020 Board Meeting.

Secretary

(SEAL)

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