

# Salina Airport Authority Board of Directors Regular Meeting

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NOVEMBER 18, 2020



# Agenda Review

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- Meet financial performance goals and objectives
- Preparation of annual operating plans and budgets
- Lease available Airport and Airport Industrial Center hangars, buildings, and improved land
- Replace aging and obsolete equipment needed for airport ARFF, airfield operations and maintenance
- Develop a funding plan terminal building expansion and improvements
- Finalize the process of obtaining U.S. District Court approval of the former Schilling AFB Consent Decree

# Review of Airport Activity and Financial Reports for the Month ending October 31, 2020

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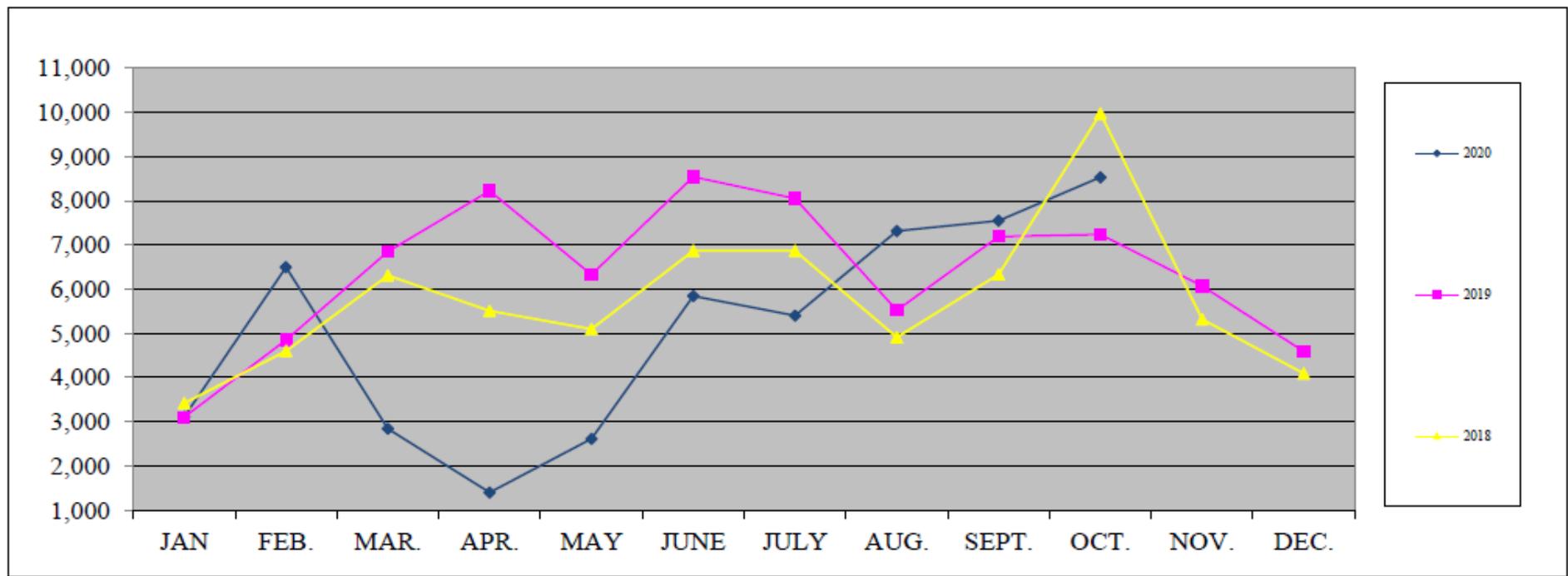
TIM ROGERS, A.A.E.

SHELLI SWANSON, C.M.



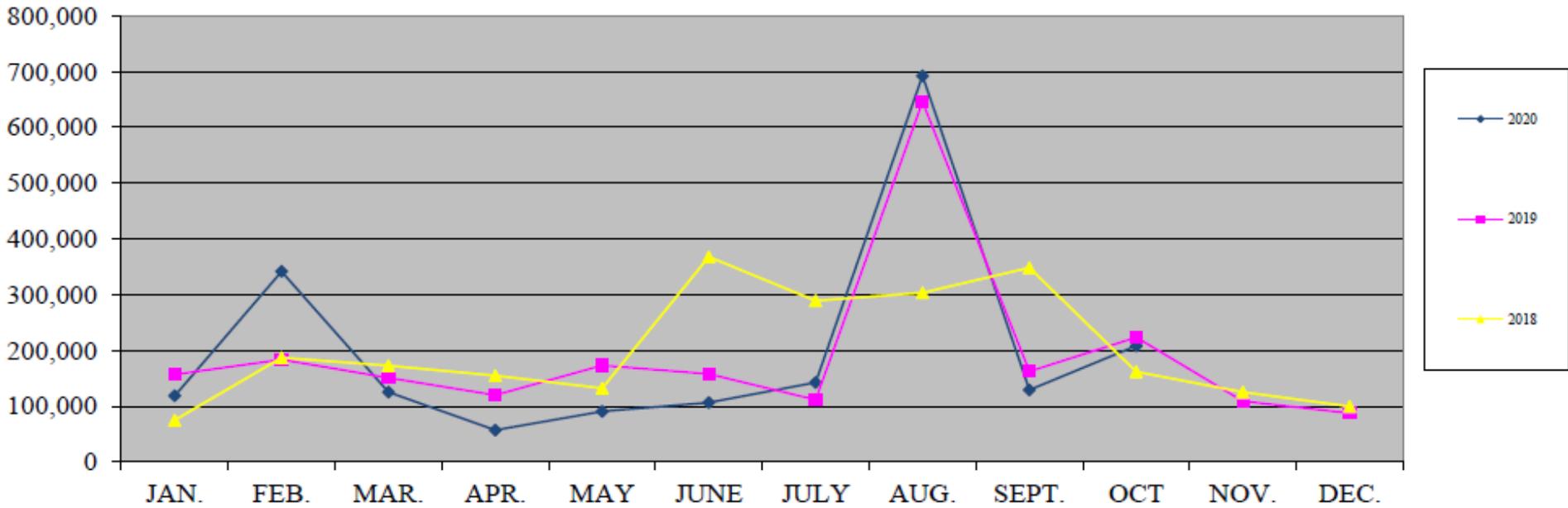


# Air Traffic



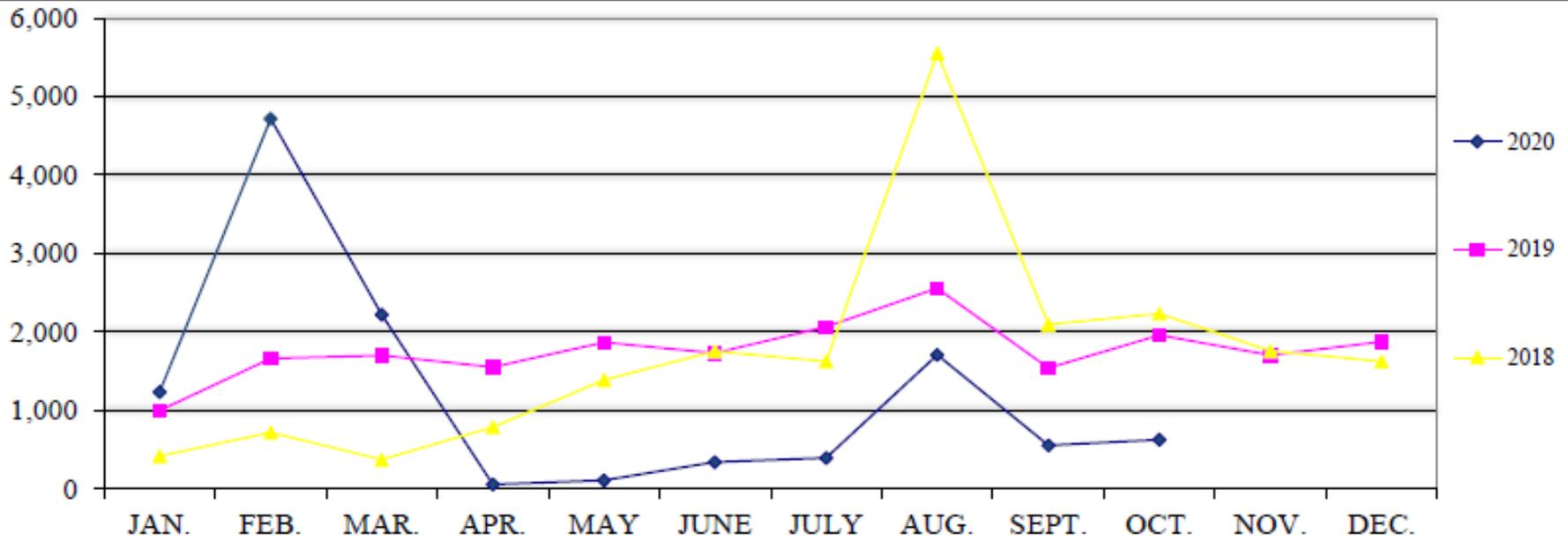


# Fuel Flowage



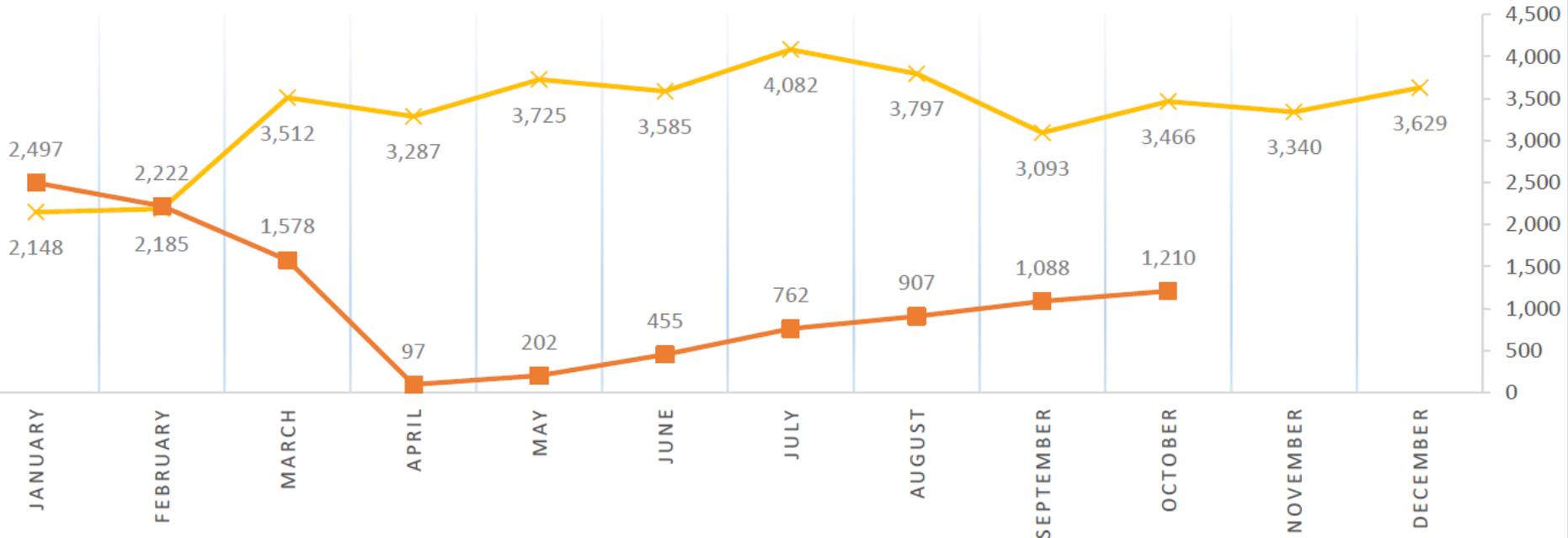


# Enplanements



# SLN PASSENGERS - PER MONTH

✕ 2019 TOTAL    ■ 2020 TOTAL



# 2019 - 2020 SkyWest Airlines

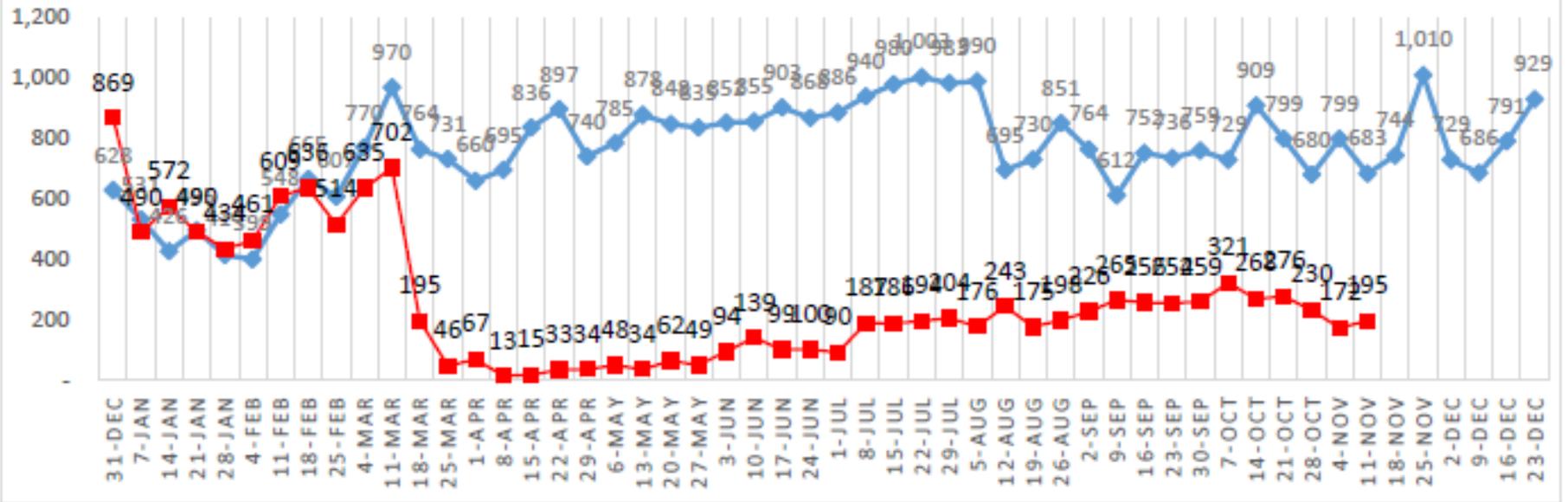
Weekly Enplane and Deplane (Monday thru Sunday)

Note: SKW EAS service at SLN started on April 9, 2018

## TOTAL SLN PASSENGERS - PER WEEK

2019 TOTAL

2020 TOTAL



\* Passenger numbers reported are unaudited by SKW and subject to change

# Key Performance Indicators – Salina Regional Airport

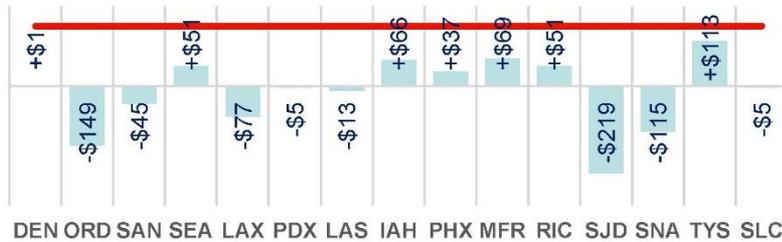
## Airport Board Dashboard

4

### Leisure Market Fare Differential

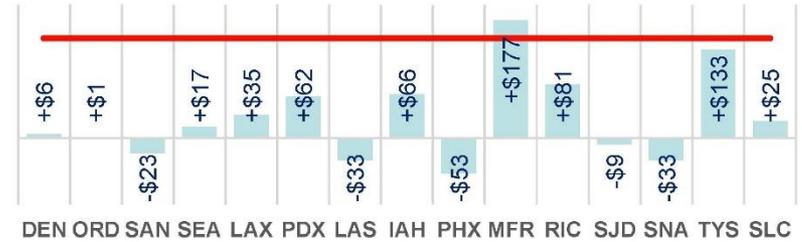
#### Salina vs. United at Wichita

→ All 15 leisure fares are within the \$75 each way friction cost of United at Wichita, with 8 cheaper



#### Salina vs. United at Kansas City

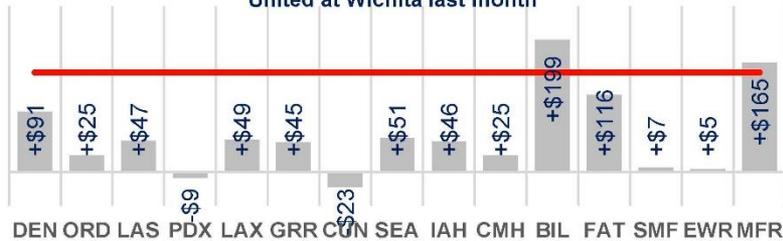
→ 14 of 15 leisure fares are within the \$75 each way friction cost of United at Kansas City, with 5 cheaper



Source: itasoftware.com as of 11/09 - Roundtrip Fare for Travel 12/10 returning 12/17

#### Last Month - Salina vs. United at Wichita

→ 13 of 15 leisure markets were within a \$75 each way friction cost of United at Wichita last month



#### Last Month - Salina vs. United at Kansas City

→ 10 of 15 leisure markets were within a \$75 each way friction cost of United at Kansas City last month



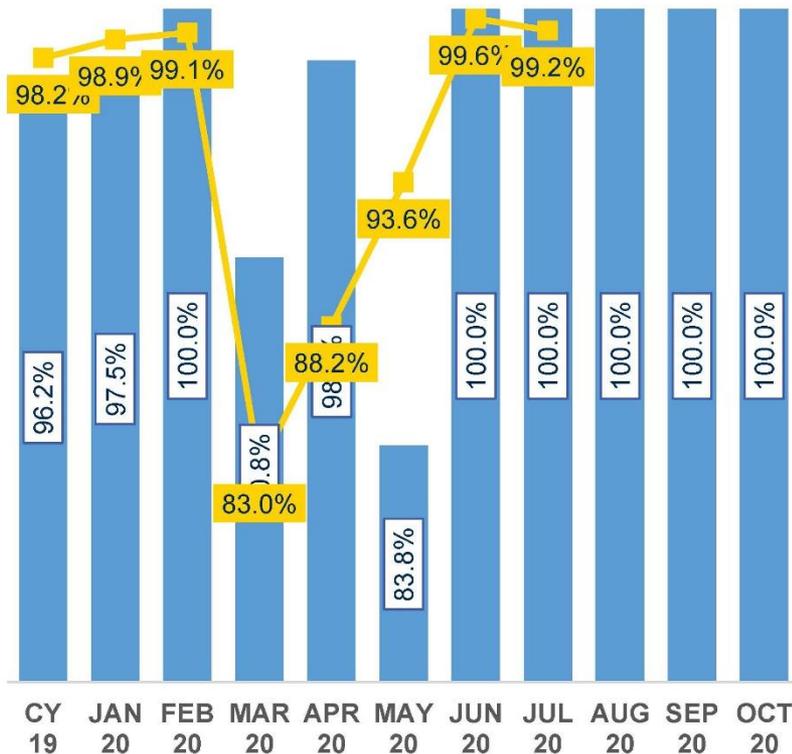
Source: itasoftware.com as of 10/14 - Roundtrip Fare for Travel 11/19 returning 11/26

# Key Performance Indicators – Salina Regional Airport

## Airport Board Dashboard

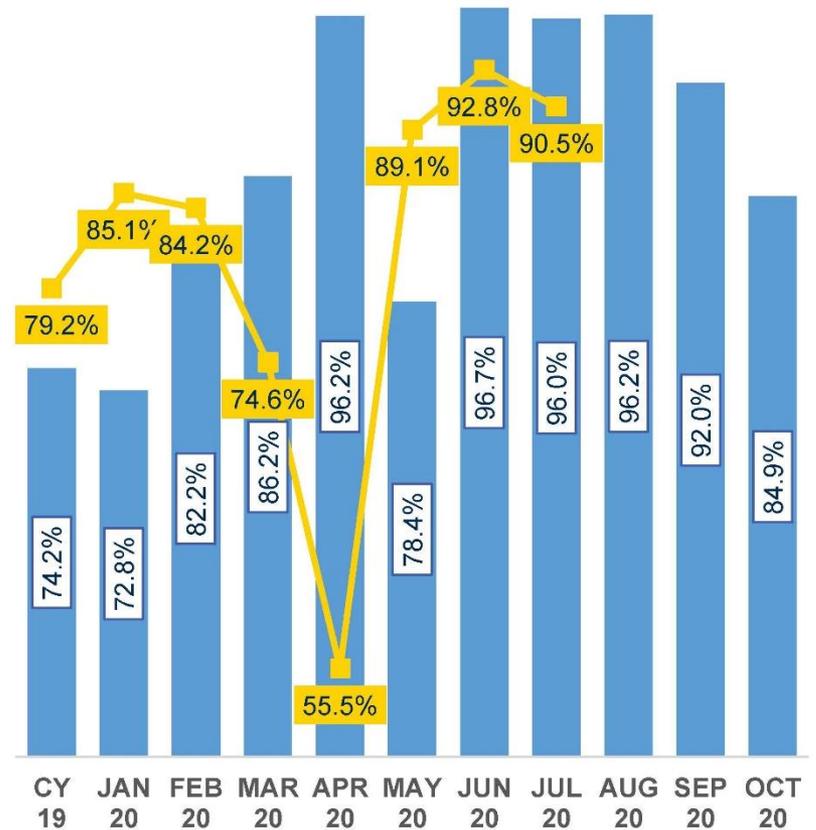
### 5 Total Completion Factor at Salina (including weather)

■ Total Completion Factor ■ Industry Average



### 6 Arrivals at Salina within 14 Minutes

■ A14 Percent ■ Industry Average

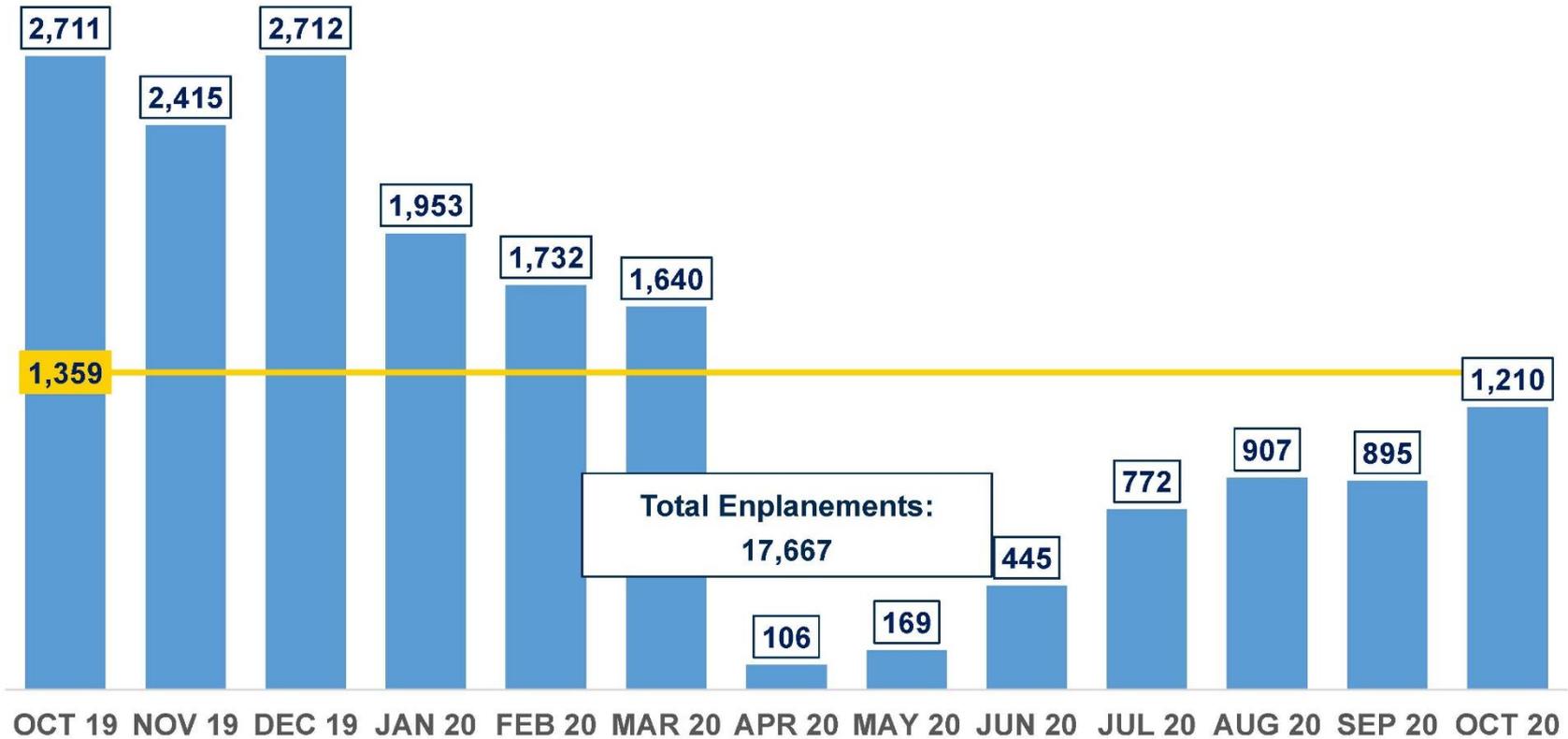


# Traffic and Capacity

October 2020 saw over 1,200 roundtrip enplanements at Salina, representing 45% of last year's tally as compared to 36% August

### Salina Total Roundtrip Passengers 13 Months Ending October 2020

Roundtrip Enplanements Monthly Average

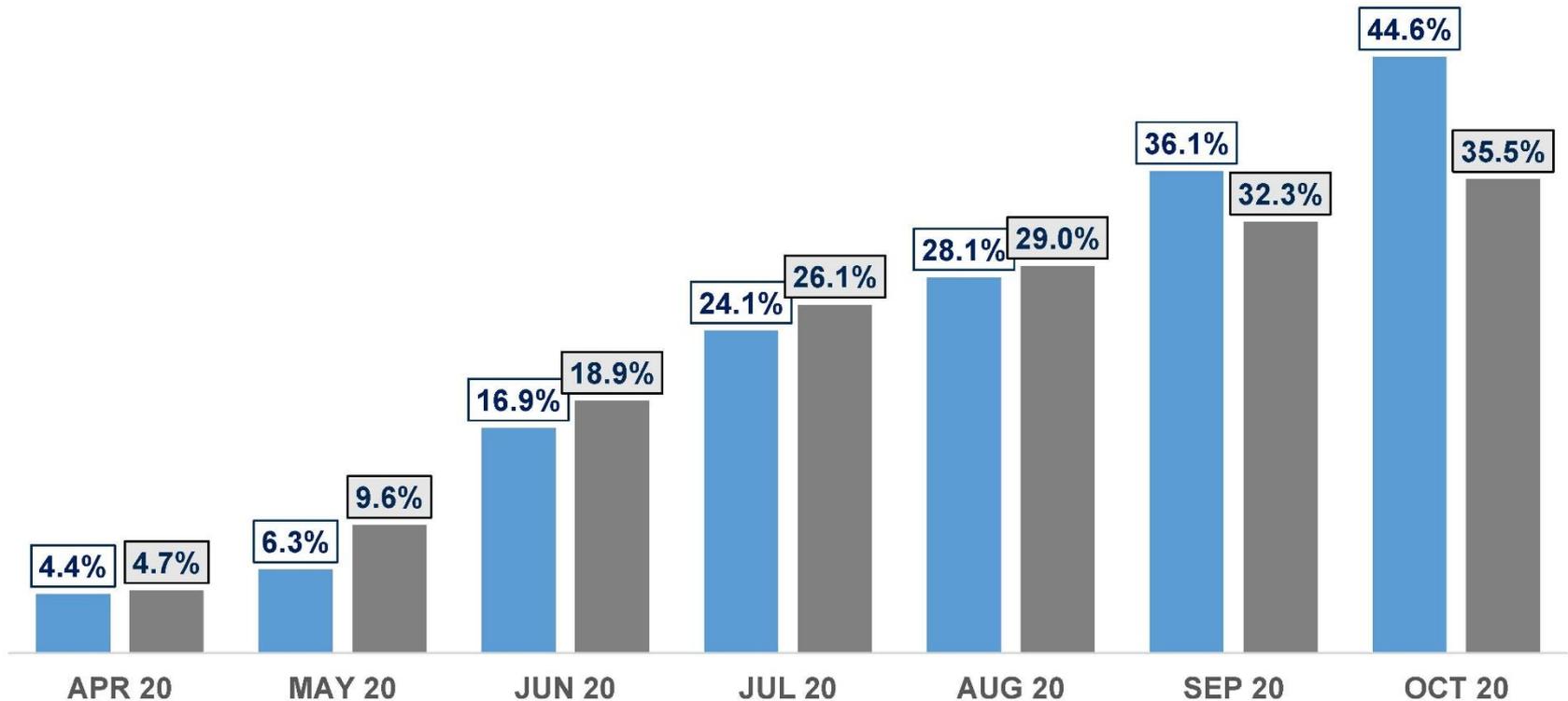


## Traffic and Capacity

In September and October, traffic returned to Salina at a faster rate than the national average

### Return of Traffic at Salina vs. Nationally As a Percentage of Last Year

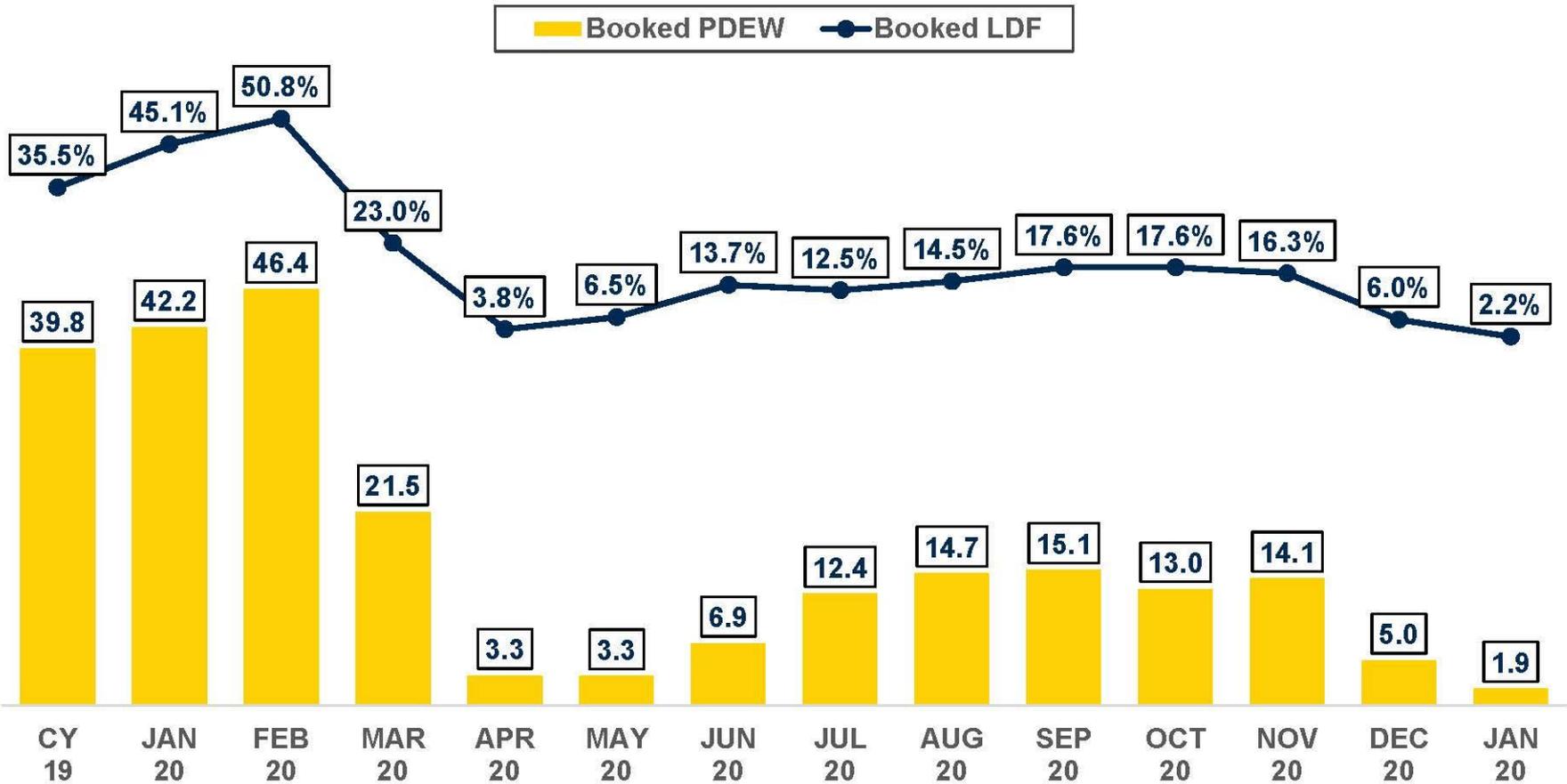
■ Salina Roundtrip Enplanements % of Last Year    ■ National TSA Screenings % of Last Year



# Traffic History & Preview

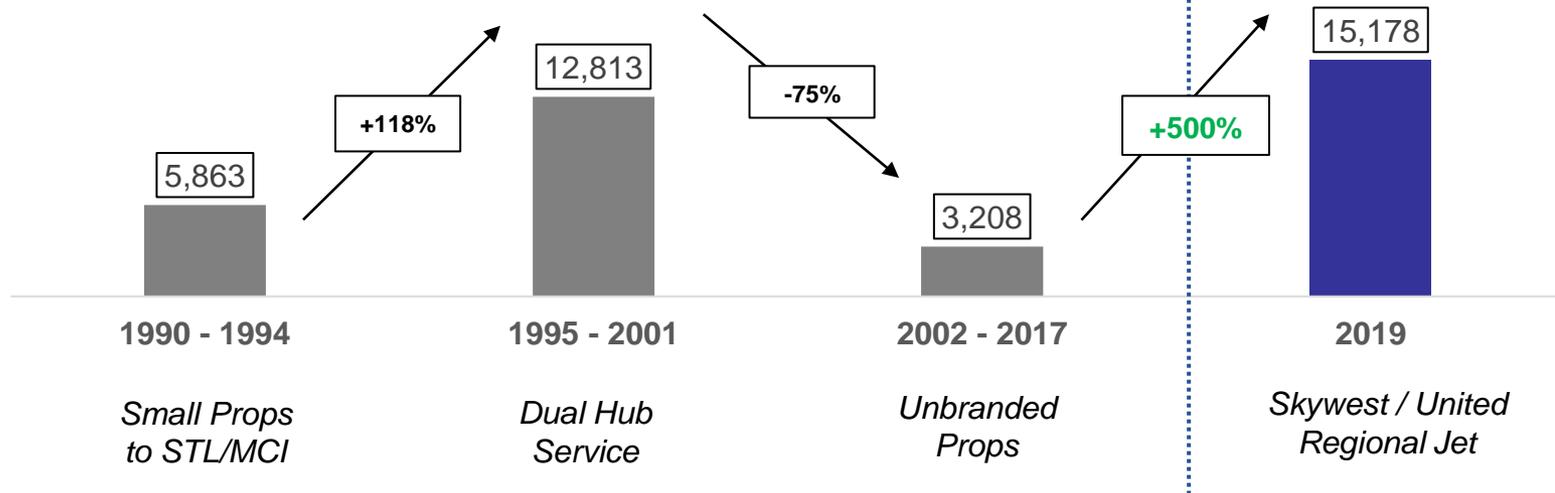
Salina achieved a booked load factor of almost 18% in September and October – the highest since the start of the pandemic

Estimated Historical and Advanced Bookings & Booked Load Factor at Salina  
As of November 3, 2020



### Average Annual Enplanements by Era of Service at SLN

- Despite stable economic activity over time, demand at Salina Regional has seen great variability based on the quality of air service
- SkyWest / United has seen demand skyrocket with jet service to two hubs despite being tagged behind Hays from Denver
  - SLN-DEN was untagged on March 5 as the pandemic flattened industry demand
- Optimizing the schedule is projected to add net 7 connections with 172 additional PDEW



Now that nonstop ORD and DEN has been reinstated for the first time since the pandemic, slight schedule adjustments can optimize the flows of passengers and revenue

## Optimal Combination of DEN and ORD Nonstops from SLN

United November 2020 Schedule

- ➔ The ArkStar model balances schedules omni-directionally to minimize travel time to the largest potential number of flow markets, minute by minute
- ➔ Slight schedule adjustments can make the following optimizations:
  - Have the ability to serve **172 more PDEW** out of the **952** in the catchment area (an increase of **35%**)
  - Increase SkyWest revenue potential by **32%**
  - Reduce the average layover by **7%**

**Current Schedule: 494 PDEW**

SLN	DEN	6:20 AM	7:07 AM
ORD	SLN	8:50 AM	10:53 AM
SLN	ORD	11:23 AM	1:20 PM
DEN	SLN	4:42 PM	7:07 PM



**Proposed Schedule: 665 PDEW**

SLN	DEN	5:24 AM	6:11 AM
ORD	SLN	8:24 AM	10:27 AM
SLN	ORD	10:57 AM	12:54 PM
DEN	SLN	4:24 PM	6:49 PM



## Going Forward

- **Consider implementing a schedule that includes improves quality connections to a net increase of seven markets as identified on Slide 57**
- **SLN-IAH could be a commercially attractive alternative for winter seasonal traffic to the east**
  - **Provides better connections for SkyWest / United, particularly to Florida**
  - **Could provide better dependability for SkyWest**
  - **Builds scale seasonally at SkyWest's IAH base**
    - Makes for more efficient use of planes and crews
  - **Provides a potential bridge between SkyWest's IAH and DEN networks**
  - 
  - **Would allow for SkyWest to use the MRO at SLN on a beta test basis**
    - 1Vision is certified to work on SkyWest aircraft

# Financial Reports

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

8:30 PM  
 11/11/2020  
 Accrual Basis

	Jan - Oct 20	Jan - Oct 19	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Total Airfield revenue	806,453.57	825,625.39	-19,171.82	-2.32%
Total Building and land rent	1,299,222.29	1,140,249.56	158,972.73	13.94%
Total Other revenue	155,072.78	131,550.10	23,522.68	17.88%
<b>Total Income</b>	2,260,748.64	2,097,425.05	163,323.59	7.79%
<b>Gross Income</b>	2,260,748.64	2,097,425.05	163,323.59	7.79%
<b>Expense</b>				
Total Administrative expenses	1,267,139.10	1,256,458.75	10,680.35	0.85%
Total Maintenance expenses	673,862.67	698,406.74	-24,544.07	-3.51%
<b>Total Expense</b>	1,941,001.77	1,954,865.49	-13,863.72	-0.71%
<b>Net Ordinary Income</b>	319,746.87	142,559.56	177,187.31	124.29%
<b>Other Income/Expense</b>				
Total Other Income	1,335,443.96	2,808,973.76	-1,473,529.80	-52.46%
Total Other Expense	2,901,867.80	2,903,630.30	-1,762.50	-0.06%
<b>Net Other Income</b>	-1,566,423.84	-94,656.54	-1,471,767.30	-1,554.85%
<b>Net Income</b>	-1,246,676.97	47,903.02	-1,294,579.99	-2,702.5%

# Financial Reports

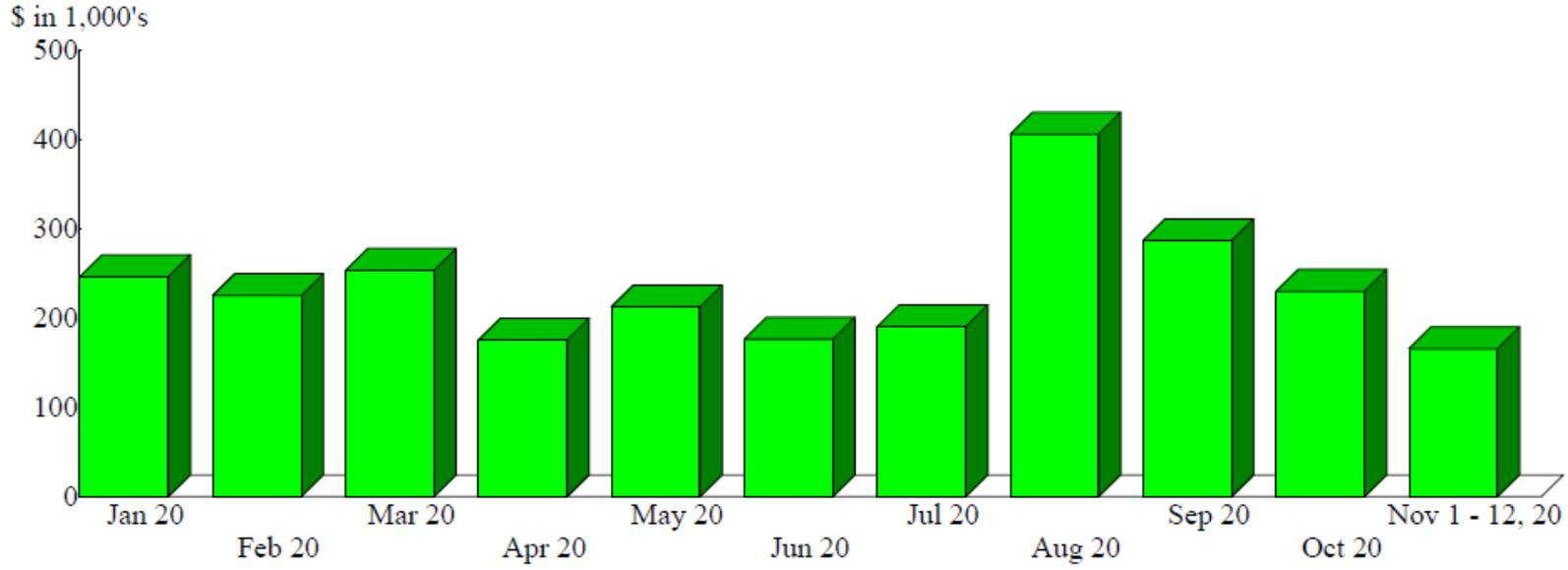
Salina Airport Authority  
**Capital Additions Budget vs. Actual**  
 As of October 31, 2020

8:29 AM  
 11/12/2020  
 Accrual Basis

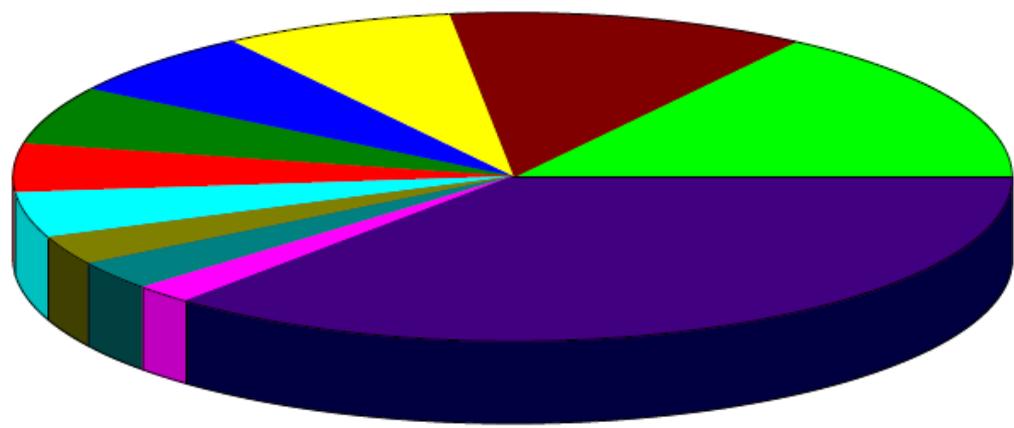
	<b>Oct 20</b>	<b>Jan - Oct 20</b>	<b>Annual Budget</b>	<b>+/- Annual Budget</b>	<b>% of Annual Budget</b>
<b>ASSETS</b>					
Fixed Assets					
Fixed assets at cost					
Total Airfield	8,102	539,268	480,000	59,268	112%
Total Buildings & Improvements	152,737	499,201	705,000	-205,799	71%
Total Equipment	25,897	79,238	473,500	-394,262	17%
Total Land	3,511	142,670	75,001	67,669	190%
<b>Total Fixed assets at cost</b>	<b>190,247</b>	<b>1,260,377</b>	<b>1,733,501</b>	<b>-473,124</b>	<b>73%</b>

Sales by Month  
January 1 through November 12, 2020

Dollar Sales



Sales Summary  
January 1 through November 12, 2020

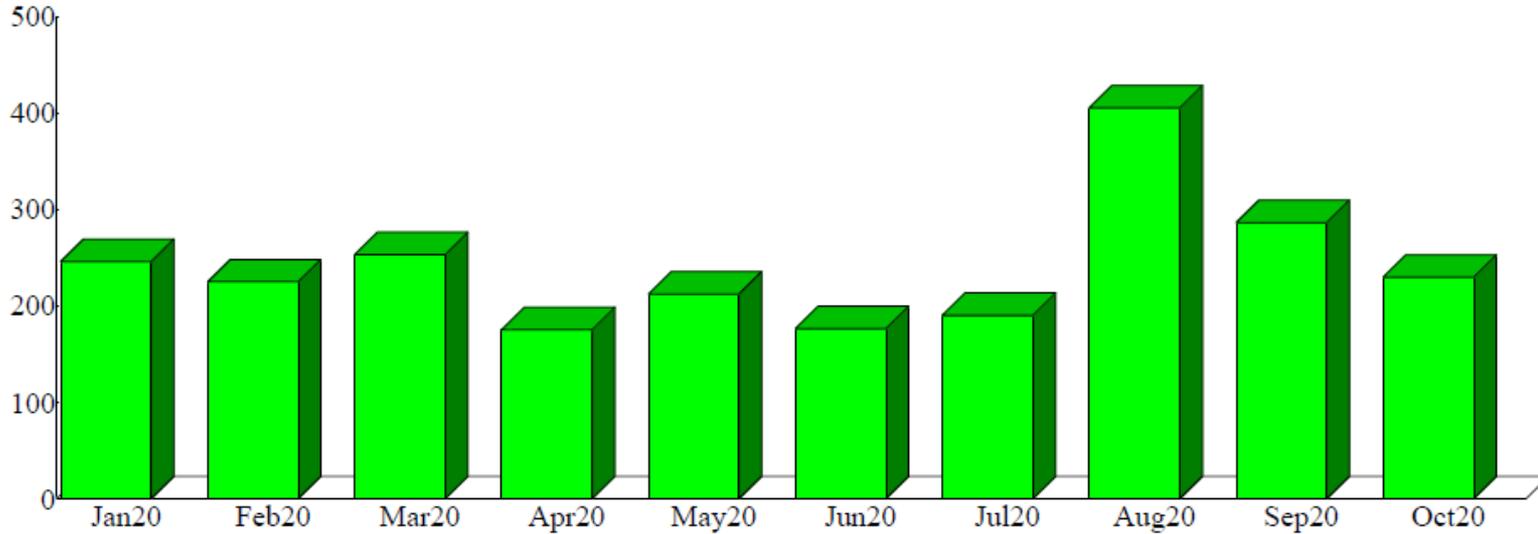


Kansas Erosion Products, LLC.	15.53%
Avflight Salina	11.71
1 Vision Aviation, PLLC	7.60
Exide	6.61
USSOCOM (Jaded Thunder)	5.74
SFC Global Supply Chain	4.84
Universal Forest Products (UFP)	4.50
Kansas State Polytechnic - Salina	3.02
Nellis AFB	2.94
Saline County	1.95
Other	35.57
<b>Total</b>	<b>\$2,565,993.14</b>

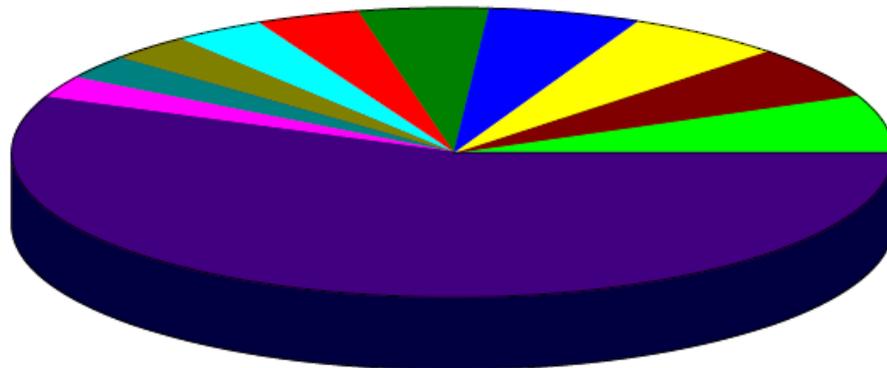
Sales by Month  
January through October 2020

Dollar Sales

\$ in 1,000's



Sales Summary  
January through October 2020



FFF-Avflight Salina (Fuel Flowage Fee @	6.56%
H-00959-1 (Hangar Facility H959 - 2044 S	5.99
B-01021 (Building #1021 located at 3600	5.75
Utility Reimbursement (Utility Reimburse	5.60
B-00655-3 (Bldg. #655 (56,961 SF) - 2656	4.78
B-00620-1 (Building #620 (30,000 SF) an	3.94
H-0600-1 (Hangar 600 - 20,217 sq. ft.)	3.47
B-00626-1 (Manufacturing facility #626 (	3.03
B-00655-4 (Bldg. #655 (33,992 SF) - 2656	2.71
H-00409-1 (FBO Hangar - 2010 Rogers Ct.)	2.50
Other	55.66
<b>Total</b>	<b>\$2,400,370.36</b>

# Administrative update on the Salina Airport Authority's 2021 Property & Liability Insurance Renewal

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Shelli Swanson, C.M.

SALINA AIRPORT AUTHORITY

01/01/2021 - 01/01/2022



Renewal Premium Comparison	2020-2021	Expiring Rates at Renewal Exposures	2021-2022	% Change	\$ Difference	Optional Quotes
	Zurich		Zurich			
Property	\$122,649	\$122,630	\$141,402	15%	\$18,772	
Engineering Fee	\$2,500	\$5,000	\$6,000	20%	\$1,000	
<b>Total Insured Values</b>	<b>\$74,116,286</b>	<b>\$75,585,737</b>	<b>\$75,585,737</b>	<b>2%</b>		
Average Rate/ \$100	0.1689	0.1689	0.1950	15%		
AOP Deductible	\$50,000		\$100,000			
Wind/Hail Deductible (per location)	AOP \$150,000/ \$500,000 2044 Scanlan Ave		AOP \$200,000/3% \$500,000/3% 2044 Scanlan Ave			
General Liability - Airport	Old Republic \$3,162	\$3,162	Old Republic \$3,700	17%	\$538	
Premises Liability each Occurrence	\$2,000,000		\$2,000,000			
Products and Completed Operation	\$2,000,000		\$2,000,000			
Automobile	Cincinnati** \$36,602	\$36,602	Cincinnati** \$36,750	0%	\$148	
Total Vehicles	20	27	21	5%		
Average Rate/ Auto	\$1,830	\$1,830	\$1,750	-4%		
Reductibles (Como./Col.)	\$1,000/\$1,000		\$1,000/\$1,000			
Contractors Equipment	Cincinnati** \$5,994	\$5,994	Cincinnati** \$5,994	0%	\$0	
Equipment Coverage Limit	\$1,615,851	\$1,615,851	\$1,585,851	-2%		
Average Rate/ \$100	\$0.37	\$0.37	\$0.38	2%		
Deductible	\$1,000		\$1,000			
No. of Days	60		60			
Workers' Compensation	Old Republic \$14,722	\$13,663	Old Republic \$14,612	7%	\$949	
Payroll	\$838,330	\$778,000	\$778,000	-7%		
Average Rate/ \$100	1.7561	1.7561	1.8781	7%		
Experience Mod.	1.41		1.39			
Crime	Hartford \$1,085	\$1,085	Hartford \$1,085	0%	\$0	
Limit	\$250,000		\$250,000			
Deductible	\$2,500		\$2,500			
Public Officials	ACE \$5,391	\$5,391	ACE \$5,899	9%	\$508	
Employee Count	15.0		15.0	0%		
Public Officials Management	\$2,000,000		\$2,000,000			
Employment Practices Limit	\$2,000,000		\$2,000,000			
Crisis Management	\$25,000		\$25,000			
Policy Aggregate Limit	\$2,000,000		\$2,000,000			
Underground Storage Tank	Great American \$1,577	\$1,577	Great American \$1,728	10%	\$151	
Limit of Insurance	\$1,000,000		\$1,000,000			
Limit of Defense	\$1,000,000		\$1,000,000			
Deductible	\$5,000		\$5,000			
Cyber	N/A None	None	HDI Specialty \$2,532	N/A	N/A	
Limit of Insurance			\$2,000,000			
Deductible			\$5,000			
Lockton Fee	\$18,500	\$18,500	\$19,000	3%	\$500	
<b>Total</b>	<b>\$212,182</b>	<b>\$212,027</b>	<b>\$238,702</b>	<b>13%</b>	<b>\$26,676</b>	

# Review and Discussion of forecasted 2021 Operating Expenses

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SHELLI SWANSON, C.M.

TIM ROGERS, A.A.E.

**Salina Airport Authority  
2021  
Budget Summary**

11/17/2020

	2018 Actual	2019 Actual	2020 Budget	Projected 2020 Actual	Proposed 2021 Budget	2020/2021 (Budget YOY)	
						+/-	%
<b>Operating Income</b>							
<b>Airfield revenue</b>							
Fuel Flowage Fees	\$ 194,647	\$ 185,249	\$ 202,000	\$ 202,000	\$ 185,000	\$ (17,000)	-8.4%
Hangar rent	478,573	652,896	645,000	645,000	660,000	15,000	2.3%
Landing fees	60,238	35,693	25,500	50,000	30,000	4,500	17.6%
Ramp rent	47,298	54,085	50,250	60,000	57,335	7,085	14.1%
<b>Total Airfield revenue</b>	<b>780,756</b>	<b>927,923</b>	<b>922,750</b>	<b>957,000</b>	<b>932,335</b>	<b>9,585</b>	<b>1.0%</b>
<b>Building and land rent</b>							
Agri land rent	70,689	72,673	56,000	65,759	66,760	10,760	19.2%
Building rents	1,089,002	1,045,989	1,100,000	1,217,854	1,121,750	21,750	2.0%
Land rent	210,955	217,490	230,593	263,740	242,010	11,417	5.0%
Tank rent	12,636	13,635	11,970	14,000	13,500	1,530	12.8%
<b>Total Building and land rent</b>	<b>1,383,282</b>	<b>1,349,787</b>	<b>1,398,563</b>	<b>1,561,353</b>	<b>1,444,020</b>	<b>45,457</b>	<b>3.3%</b>
<b>Other revenue</b>							
Airport Promotion	144,863	68,380	70,000	60,420	25,000	-45,000	-64.3%
Commissions	25,746	33,977	35,100	14,000	21,060	-14,040	-40.0%
Other income	165,246	52,892	65,000	90,000	77,000	12,000	18.5%
<b>Total Other revenue</b>	<b>335,855</b>	<b>155,249</b>	<b>170,100</b>	<b>164,420</b>	<b>123,060</b>	<b>-47,040</b>	<b>-27.7%</b>
<b>Gross Operating Income</b>	<b>\$ 2,499,893</b>	<b>\$ 2,432,959</b>	<b>\$ 2,491,413</b>	<b>\$ 2,682,773</b>	<b>\$ 2,499,415</b>	<b>\$ 8,002</b>	<b>0.3%</b>
<b>Operating Expense</b>							
<b>Administrative expenses</b>							
A/E, consultants, brokers	21,072	33,401	21,500	15,000	32,000	10,500	48.8%
Airport promotion	232,500	159,176	135,000	175,000	100,000	(35,000)	-25.9%
Bad Debt Expense	10,390	2,709	10,000	47,000	5,000	(5,000)	-50.0%
Computer/Network Admin.	13,809	20,523	20,000	43,000	30,000	10,000	50.0%
Dues and subscriptions	23,165	25,432	24,000	25,000	25,000	1,000	4.2%
Employee retirement	39,856	62,632	84,500	80,275	85,345	845	1.0%
FICA and medicare tax expense	60,404	59,373	65,188	61,929	65,840	652	1.0%
Industrial development	50,000	31,071	43,000	43,000	43,500	500	1.2%
Insurance, property/liability	148,115	188,029	179,375	179,375	205,000	25,625	14.3%
Insurance, medical	210,799	172,412	228,375	194,119	215,000	(13,375)	-5.9%
Kansas unemployment tax	815	818	1,000	950	1,000	-	0.0%
Legal and accounting	43,055	47,346	35,000	36,400	37,000	2,000	5.7%
Office salaries	506,160	519,382	507,099	507,099	512,170	5,071	1.0%
Office Supplies	13,317	9,588	6,000	6,150	6,500	500	8.3%
Other administrative expense	9,835	11,192	10,875	14,355	15,000	4,125	37.9%
Postage	4,025	2,077	2,500	2,500	2,500	-	0.0%
Property appraisal expense	-	-	-	-	-	-	0.0%
Property tax expense	145,976	142,350	165,878	165,878	170,854	4,976	3.0%
Special Events	436	2,084	1,000	1,000	1,000	-	0.0%
Telephone	19,133	20,617	18,500	15,725	16,000	(2,500)	-13.5%
Training	6,639	2,235	5,000	5,300	5,000	-	0.0%
Travel and meetings	8,013	12,450	12,000	9,600	10,000	(2,000)	-16.7%
<b>Total Administrative expenses</b>	<b>\$ 1,567,514</b>	<b>\$ 1,524,897</b>	<b>\$ 1,575,790</b>	<b>\$ 1,628,654</b>	<b>\$ 1,583,709</b>	<b>\$ 7,919</b>	<b>0.5%</b>
<b>Maintenance expenses</b>							
Airfield maintenance	32,025	26,315	31,000	74,000	50,000	19,000	61.3%
Airport Security	2,414	3,892	4,000	2,000	2,500	-1,500	-37.5%
Building maintenance	83,586	76,461	50,000	77,000	75,000	25,000	50.0%
Equipment fuel and repairs	111,685	85,199	90,500	75,000	60,000	-30,500	-33.7%
Fire Services	16,521	16,108	18,500	25,000	25,500	7,000	37.8%
Grounds maintenance	3,416	6,405	4,500	12,000	7,500	3,000	66.7%
Maintenance salaries	344,740	323,608	381,032	304,826	384,842	3,810	1.0%
Other maintenance expenses	14,803	13,381	16,000	24,000	25,000	9,000	56.3%
Snow removal expense	5,674	22,580	20,000	20,000	20,000	0	0.0%
Utilities	248,792	256,587	230,000	220,000	220,000	-10,000	-4.3%
<b>Total Maintenance expenses</b>	<b>863,656</b>	<b>\$ 830,536</b>	<b>845,532</b>	<b>833,826</b>	<b>870,342</b>	<b>24,810</b>	<b>2.9%</b>
<b>Total Expense</b>	<b>2,431,170</b>	<b>\$ 2,355,433</b>	<b>2,421,322</b>	<b>2,462,480</b>	<b>2,454,052</b>	<b>32,730</b>	<b>1.4%</b>
<b>Total Operating Net Before Depreciation</b>	<b>\$ 68,723</b>	<b>\$ 77,526</b>	<b>\$ 70,091</b>	<b>\$ 220,293</b>	<b>\$ 45,363</b>	<b>\$ (24,728)</b>	<b>-35.3%</b>

# Consideration and Approval of Addendum #1 to the Durham School Services, L.P. lease agreement

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SHELLI SWANSON, C.M.

Schwan's Lease Area



Parking Lease Boundary Area = 2.22 Acres.

Salina Area Technical College Lease Area.



Drawing Number 2673-10-20



3237 ARNOLD, SALINA, KS 67401  
(785-827-3614 FAX: 785-827-2221)

None : REVISIONS

KWB : DESIGNED BY

KWB : DRAWN BY

T - 100' : SCALE

10/22/20, 0903 : DATE

Building 824 Property Area = 2.62 Acres.

# SALINA AIRPORT AUTHORITY Durham School Services, L.P. - Addendum No. 1 to Sublease -Exhibit A

1  
OF  
1

# Consideration of bids received for the purchase of ARFF, airfield maintenance, and operations equipment

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KASEY WINDHORST

SHELLI SWANSON, C.M.



**Airfield Equipment  
Replacement and Reset**



**GROUP 2**

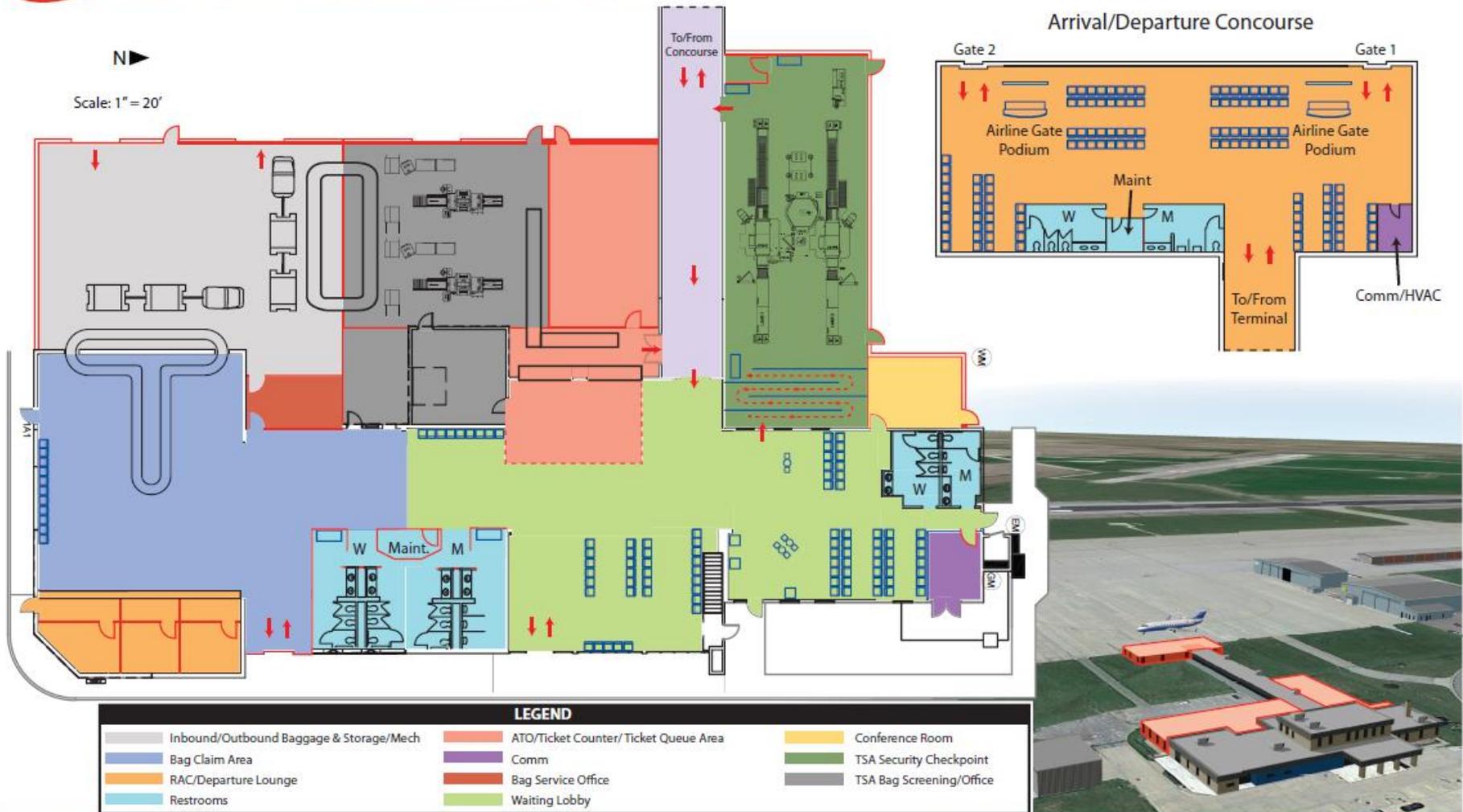
	<u>Supplier</u>	<u>Budget</u>	<u>Contract / Actual</u>	<u>Difference</u>
(7) ARFF / MX Service Trucks	Marshall Motors	\$ 167,500	\$ 166,440	\$ (1,060)
(2) 20 ft. deck mowers	Lang Diesel	\$ 23,100	\$ 23,100	\$ -
(2) replacement of snowplow mounting assemblies on two (2) snowplow trucks	Wausau Equipment	\$ 46,458	\$ 47,308	\$ 850
(6) programmable mobile radios, (6) handheld radios and ACU 1000 upgrades (7) UHF Radios & lightbars with installation	Ka-Comm	\$ 78,500	\$ 76,873	\$ (1,627)
Service Truck Accessories				\$ -
* Service truck flatbed - Pronghorn 8700 - 56"	Better Built Trailers	\$ 5,900	\$ 6,500	\$ 600
* Tradesman package (2) 1/2 ton service trucks	Christensen Mfg. Corp.	\$ 14,268	\$ 7,844	\$ (6,424)
* 3/4 ton service truck equipment (tool box, transfer pump and fuel tank)	Tractor Supply Co.	\$ 630	\$ 630	\$ -
* 3/4 ton service truck welder	Lampton	\$ 4,312	\$ 4,312	\$ -
* Vacuum truck pickup head assembly	Armor Kansas	\$ 12,714	\$ 12,714	\$ -
<b>Total</b>		<u>\$ 353,382</u>	<u>\$ 345,721</u>	<u>\$ (7,661)</u>

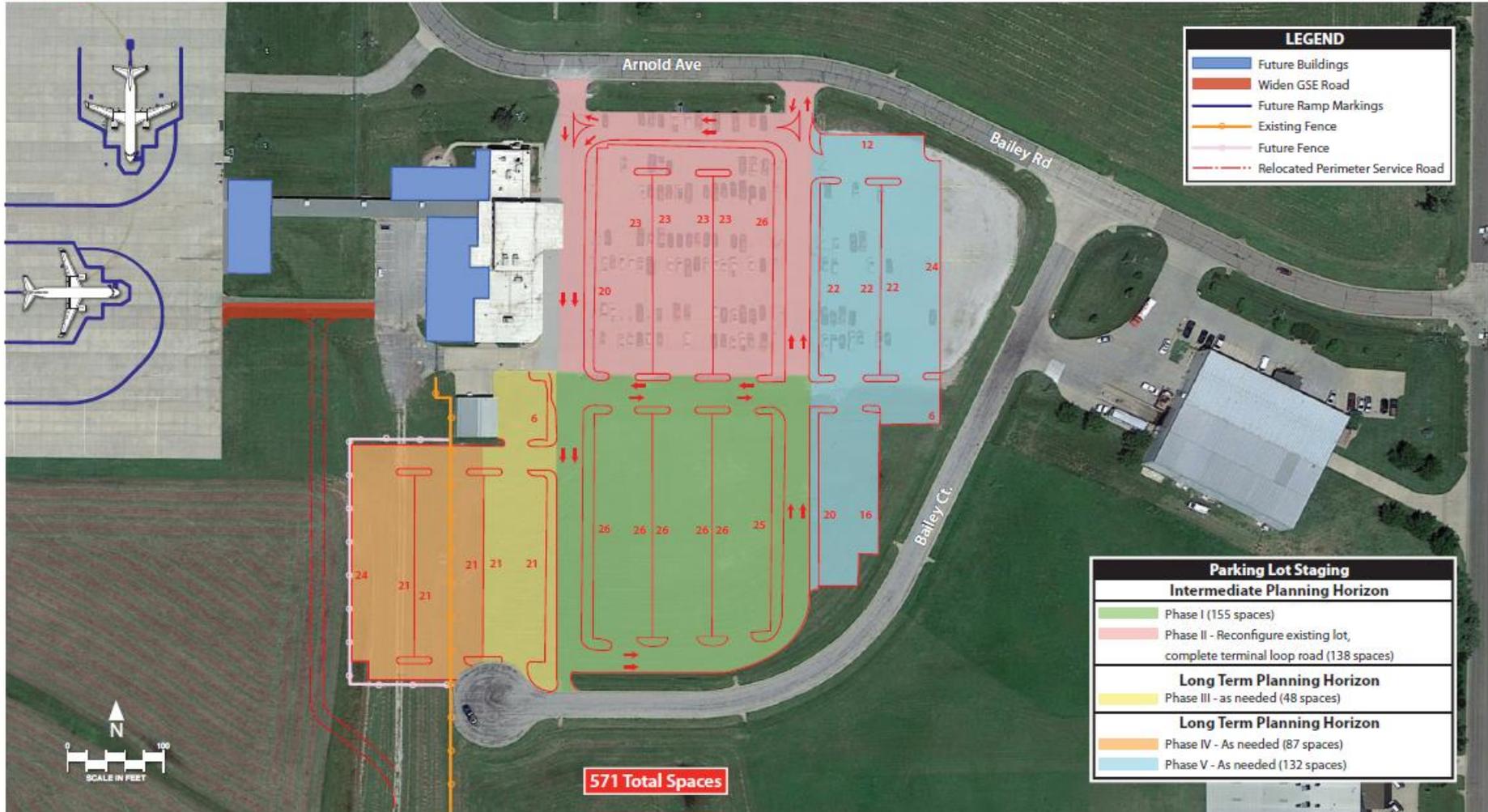
# Consideration and discussion of federal grant funding options for the M. J. Kennedy Air Terminal expansion project

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TIM ROGERS, A.A.E.

SHELLI SWANSON, C.M.





# Pump House 305



# MAP Project Summary

**Military Airport Program Project Summary**  
**Salina Regional Airport**

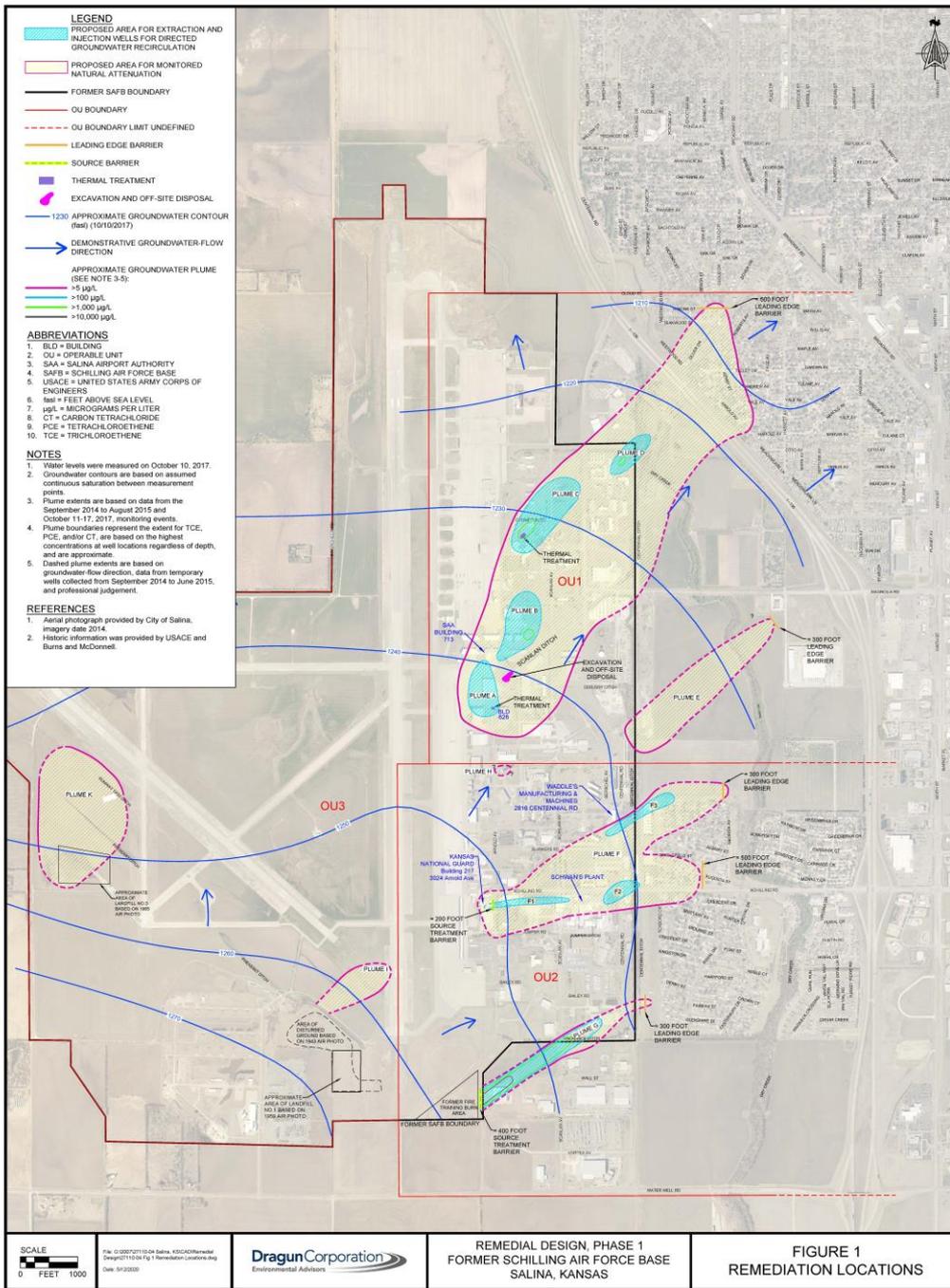
	<b>Total Project Cost</b>	<b>Eligible Percentage</b>	<b>Total Eligible</b>	<b>FAA/MAP @90%</b>	<b>SAA @10%</b>	
<b>MAP Projects</b>						
1	Reconfigure/Extend Paved Lot for 293 Total Spaces	\$ 1,544,000	100%	\$ 1,544,000	\$ 1,389,600	\$ 154,400
2	Phase I Terminal Improvements	\$ 2,892,000	100%	\$ 2,892,000	\$ 2,602,800	\$ 289,200
3	Phase II Terminal Improvements	\$ 3,866,000	100%	\$ 3,866,000	\$ 3,479,400	\$ 386,600
4	Phase III Terminal Improvements	\$ 1,802,000	100%	\$ 1,802,000	\$ 1,621,800	\$ 180,200
5	Fuel Farm Rehabilitation	\$ 1,000,000	100%	\$ 1,000,000	\$ 900,000	\$ 100,000
<b>Total MAP Project Costs</b>		<b>\$ 11,104,000</b>	<b>100%</b>	<b>\$ 11,104,000</b>	<b>\$ 9,993,600</b>	<b>\$ 1,110,400</b>

# Former Schilling AFB Environmental Project Update

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TIM ROGERS, A.A.E.

GREG BENGTON



# Remedial Design Phase 1

# Directors' Forum

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ALAN EICHELBERGER, CHAIRMAN

# Visitor's Forum

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ALAN EICHELBERGER, CHAIRMAN

# Staff Reports

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TIM ROGERS, A.A.E.

# Announcements

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KASEY WINDHORST



# Adjournment

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