

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
NOVEMBER 18, 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 and Director Vancil were present. Directors Buer, Gunn, and Weisel attended via video conference. 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 Robinson, Salina Community Economic Development Organization and Melissa Hodges, Salina City Commissioner attended via video conference. Julie Yager-Zucker, Avflight Salina and Michael Bunn, T-hangar tenant were guests.

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 October 21, 2020 regular board meeting. Director Gunn moved, seconded by Director Vancil, to approve the minutes of the October 21, 2020 board meeting. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reported that the Salina Air Traffic Control Tower (ATCT) recorded 8,532 operations during October 2020, which was a 18% increase compared to the same period last year. A total of 51,101 operations have occurred year-to-date which is 22% less than the October 2019 year-to-date total of 65,894. October fuel flowage came in at 208,081 gallons which was a 7% decrease compared to October 2019 total of 223,382 gallons. A total of 2,009,247 gallons have been delivered on the airport during 2020 which is a 3.5% decrease from the 2019 total of 2,082,953. Reaching the 2-million-gallon level is a significant accomplishment during this calendar year. SkyWest reported 1,210 total passengers (624 enplaned and 586 deplaned) during the month of October. For year-to-date a total of 6,647 passengers have boarded United/SkyWest flights at SLN which is a 59% decrease compared to the same period last year.

Director of Administration and Finance, Shelli Swanson reported on the financials for the month of October 2020. Total operating income arrived at 9% over budget projections. Both total administrative and maintenance expenses are tracking 4% under budget through October. Comparatively, expenses are down .71% or \$13,864 less than the same period in 2019. Net ordinary income before depreciation at the end of October arrived at \$319,749 and is up \$177,187 over last year. Swanson noted Year-to-date contributed capital from FAA grants, including the CARES Act. grant is \$1,413,914. Swanson reviewed detailed expenditures from the 2020-1 Temporary Note project fund account and reported that all costs associated with the acquisition and transfer of the land for the Schwan's plant expansion project have been finalized. The balance in the 2021-1 GO Temporary note fund will be transferred to the respective debt service fund. Swanson commented on a short-term lease agreement with Evergy Kansas Central,

Inc. for 20,000 SF of pavement located on the north ramp. The rental rate is \$.192 SF/year and will result in additional \$2,240 in revenue. Chairman Eichelberger directed staff to file the financials for audit.

2021 Property and Liability Insurance Renewal

Executive Director Rogers reviewed the 2021 property/liability insurance renewal process and discussed the addition of a new cybersecurity policy for 2021. Director of Administration and Finance Swanson commented on the state of market scorecard and summarized policy limits, deductible amounts and premiums for the Authority's automobile, equipment, commercial property, environmental, workers' compensation and liability insurance coverages. Swanson highlighted on the insurance expense analysis for 2017-2021 and noted the total new increase in expenses ended up slightly under 9% for 2021.

2021 Operating Expenses

Director of Administration and Finance Swanson distributed and reviewed the budget summary for CY 2021. Swanson commented on several key operating expense line items for the upcoming calendar year. The target gross operating expenses for 2021 is \$1,583,709. The final budget report will be presented to the board at the December 16 regular board meeting.

Durham School Services Lease Addendum #1

Director of Administration and Finance Swanson reported that Durham School Services has requested a lot expansion of approximately 90' to the north end of the tract of ground located west of Hein Avenue for bus parking. Swanson presented Addendum #1 to the Sublease Agreement with Durham School Services which provides for an additional 14,510.76 sq. ft. of land and an increase of \$195/month or \$2,340 per year (adjusted by 3% biennially) to the basic

rent.

Director Vancil moved to approve Addendum No. One to Sublease Agreement with Durham School Services, L.P. and authorize SAA staff to work with bond counsel to update the Site Lease and Lease Purchase Agreements as necessary to modify the property legal description of the site, seconded by Director Gunn. Motion passed unanimously.

ARFF, Operations and Airfield Maintenance Equipment

Executive Director Rogers noted staff have finalized the needs for new equipment for Airport Authority ARFF (Aircraft Rescue and Fire Fighting), airfield operations and maintenance obligations per Federal Aviation Regulation (FAR) Part 139 that governs airport operations and safety requirements. Equipment will be funded by CARES Act grant funds. The **Group 2** includes new 800Mhz radios and ACU1000 upgrades, ARFF and service truck requirements, service truck equipment and accessories, snowplow upgrades, and a replacement vacuum truck header assembly. The Group 2 budget increased to \$353,382. **Group 2** bids and quotes ended up totaling \$345,721.

GROUP 2				
	Supplier	Budget	Contract / Actual	Difference
(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	\$ -
Total		\$ 353,382	\$ 345,721	\$ 7,661

Rogers recommended approval of the purchase of **Group 2** ARFF, operations, safety, and airfield maintenance equipment at a cost not to exceed \$353,382. Director Gunn moved, seconded by Director Buer. Motion passed unanimously.

Terminal Expansion Funding Options

Executive Director Rogers commented on the recent changes by Congress to the FAA's Military Airport Program (MAP). Congress added a new eligibility category that reads "*The airport is a former military installation that, at any time after December 31, 1965, was owned and operated by the Department of Defense and is a non-hub primary airport.*" The Salina Regional Airport is a former military installation that was owned and operated by the Department of Defense until September 9, 1966 which is the date of the deed transferring SLN ownership to the Salina Airport Authority. FAA Airports Division confirmed that SLN is now eligible for MAP grant funding.

Rogers reviewed the following MAP priorities and funding levels for the Salina Regional

Airport. Acceptance as a MAP airport is usually for a three to five-year term at funding levels in the range of \$2M per year.

Military Airport Program Project Summary						
Salina Regional Airport						
	Total Project Cost	Eligible Percentage	Total Eligible	FAA/MAP @90%	SAA @10%	
MAP Projects						
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
Total MAP Project Costs		\$ 11,104,000	100%	\$ 11,104,000	\$ 9,993,600	\$ 1,110,400

Former Schilling Air Force Base Site Environmental Project Update

Rogers commented on the Former Schilling Air Force Base Site Environmental Project status and the submittal of the SPE's and DOJ's **Joint Motion for Entry of Consent Decree**. The Consent Decree has been accepted by the Department of Justice and on file with the U.S. District Court. The current tolling agreement expires December 31, 2020. Rogers reviewed the process and anticipates approval by the end of the year.

Staff Reports

Rogers noted the Salina Community Economic Development Organization (SCEDO) board candidate resumes and ranking survey will be submitted to the board and approved at the December 2 Special board meeting. The board will also approve the on-call architect and the Executive Directors annual performance review during the December 2, 2020 Special board meeting.

Upon a motion duly made, the meeting adjourned at 9:25 AM.

Minutes approved at the December 16, 2020 Board Meeting.

Secretary

(SEAL)

DRAFT