

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
JUNE 16, 2021
HANGAR 600, ROOM 100**

Call to Order

The meeting was called to order at 8:00 AM by Chair Kristin Gunn. Chair Gunn confirmed that a quorum was present. Airport Administration Specialist Jazstyn Moyer noted the board meeting notice was published and distributed on Friday, June 11, 2021.

Attendance

Attendance was taken. Chair Gunn, Directors Eichelberger, Roberg, Buer and Weisel were present. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Airport Administration Specialist Jazstyn Moyer; and Attorney Greg Bengtson was in attendance. Gina Reikhof, Gilmore & Bell and Bob Vidricksen, Salina County Commissioner attended via video conference. Mitch Robinson, Salina Community Economic Development Organization; Scott Hillegeist, SLN ATCT; David Arteberry, Stifel, Nicolaus & Company, Inc.; and Michael Bunn, T-hangar tenant were in attendance as guest.

Additions to the Agenda

Chair Gunn asked if there were any additions to the agenda. Executive Director Rogers stated no additions to the agenda.

Minutes

Chair Gunn asked if the board members had additions or corrections to the minutes of the May 19, 2021, regular board meeting. Director Buer moved, seconded by Director Weisel, to approve the minutes of the May 19, 2021, regular board. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reported that the Salina Air Traffic Control Tower (ATCT) recorded 6,750 operations during May 2021, which was a 151% increase compared to the May 2020 total of 2,614. For year-to-date a total of 32,982 operations have occurred at the airport which is 100% more than the May year-to-date total of 16,456. May fuel flowage came in at 171,289 gallons which was a 90% increase compared to May 2020 total of 90,326 gallons. For year-to-date, a total of 771,768 gallons has been delivered to the Airport which is 5% more than the 2020 year-to-date total of 731,622 gallons. United/SkyWest flights enplaned 1,674 passengers, which was a 1,494% increase as compared to the May 2020 total of 105 enplaned passengers. Rogers reviewed the Key Performance Indicator's with the board which included departures and seats available, load factor, fare structure, completion factor, and arrivals within 14 minutes to Salina. Passenger enplanements are expected to continue an upward trend during the remainder of calendar year 2021.

Director of Administration and Finance Swanson reported on the financials for the month of May 2021. Total operating income arrived 8% over budget and is tracking nearly 9% ahead and \$92,320 more than the same period in 2020. Administrative expenses ended up 3% under budget at the end of May while maintenance expenses arrived over budget by 31% bringing total operating costs over budget 9% or \$90,311. Swanson reported having reached a positive net income before

depreciation of \$10,955 after a couple of deficit months due to the unprecedented hit to natural gas costs back in February of this year.

Both short and long-term leasing activity continues to remain strong, and once again seeing revenue in the commission category with the increase in rental car leasing activity at the Airport. During the month of May, the SAA entered into a 1-year lease agreement for 1-acre of ground located at the SAA's equipment yard on Airport Road with Waste Connections of Kansas, Inc.,. This short-term agreement will generate \$320/month or \$3,840 for the term. Waste Connections began leasing this tract in April of 2019 and this represents their second one-year renewal. SAA staff executed a 17-day lease agreement with Bellawings Jet for the storage of a Global 7500 in Hangar 606. This short-term agreement will generate \$375/day or \$6,375 for the term. Lastly, SAA staff also entered into an agreement with Fort Riley for the leasing of 9,312 sq. ft. in Hangar 509 for a nine-day period. This lease will generate \$5,110 in revenue for leased hangar space and equipment rental.

Swanson commented on significant capital expenditures during the month of May. Chair Gunn directed staff to file the financials for audit.

Review of FAA and KDOT Airport Improvement Projects Scheduled for Calendar Years

2022 thru 2025

Rogers summarized the current schedule of airport improvement projects that will be funded by a combination of federal and state grant funds. The Runway 17/35 rehabilitation project will include the north 4,800 ft. which will be funded by a KDOT grant. The grant is projected to be

80% KDOT funded, and 20% SAA funded. This rehabilitation will take place in April 2022 for approximately 24 days. The Runway 17/35 rehabilitation project will also include the south 7,500 ft. and will be funded by a multi-year FAA grant. The rehabilitation is set to begin in July 2022 with completion in August, approximately 55 days in total. The projected 2022 grant break down is 90% FAA funded and 10% SAA funded. The designed terminal parking lot rehabilitation and design of Pump House 305 rehabilitation are projects set to occur from 2023-2025 and will be funded by FAA grants.

Consideration of SAA Resolution No. 21-03 Declaring the Airport Authority's Intent to Levy a One Mill Tax to Provide Matching Funds for Federal of State Grants

Rogers presented SAA Resolution No. 21-03 to the board. This resolution declared an intent to levy up to a 1-mil property tax is required by K.S.A 27-322(b). The declaration of intent does not commit the Airport Authority to a 1-mill tax levy for federal and state matching funds at this time. The declaration of intent allows for public comment before final action by the Airport Authority at the August 18, 2021, board meeting. A motion was made by Director Wiesel to accept SAA Resolution No. 21-03 declaring the airport authority's intent to levy a 1-mill tax to provide matching funds for federal or state grants. Seconded by Director Eichelberger. Motion passed unanimously.

Consideration of SAA Resolution No. 21-04 Authorizing the Sale of Taxable General Obligation Bonds

Rogers presented SAA Resolution No. 21-04 to the board. This resolution authorizes SAA staff, bonds counsel, and financial advisors to proceed with offering for sale taxable general obligation

bonds and to proceed with all actions necessary to sell the bonds. The proceeds from the sale of the bonds will be utilized to retire the 2019-1 taxable general obligation temporary notes (\$2,250,000) that funded the improvements to Hangars 959 and 509, currently leased to 1 Vision Aviation and LifeSave Transport. David Arteberry briefed the board on the schedule and noted the results will be presented at the July 21, 2021 board meeting. A motion was made by Director Wiesel to accept SAA Resolution No. 21-0 authorizing the sale of taxable general obligation bonds. Seconded by Director Buer. Motion passed unanimously.

Scheduled Air Service Development and Terminal Building Improvements Update

Rogers updated the board on the status of the proposed Transportation Services Agreement with SkyWest Airlines for nonstop service from Salina to Houston. Once SkyWest executes the service agreement, and prepare a schedule, the schedule will be posted to book flights. Currently, the flight is planned to depart late in the afternoon.

Rogers briefed the board on the terminal building improvements. Updates to the concourse will include sealing the interior of the roof, a suspended ceiling, heating and cooling, sealing and resetting all windows that are thermal insulation, new seating, 4-plex outlets with USB connectors, carpet, a ticket podium at the end of the concourse, monitors, a market, and drinking fountains. The current holding area contains 41 seats while the new concourse will provide an additional 82 seats totaling 123 seats. The building and remodeling of the concourse will be funded by the American Rescue Plan Act (ARPA) grant funds. Construction is to begin mid-July and conclude at the end of August.

Review of Airport Authority Bank and Service Fees Paid During Q1, 2021

Rogers presented a bank fee analysis which included fees associated with deposits and transactions at Bennington State Bank, First Bank Kansas, Sunflower Bank, and UMB. The summary is for the period January 1 to March 31, 2021 (Q1, 2021). The Airport Authority's primary operating account is located at Sunflower Bank. The Airport Authority has a written agreement for service charges with Sunflower bank that adjust the rates and come to \$175/month or \$525 per quarter.

Staff Reports

Rogers requested a Study Session with the board to go over construction projects from 2021-2027. The study session will be Wednesday, June 30, 2021, at 8am in the M.J. Kennedy Air Terminal conference room.

T-hangar tenant, Michael Bunn, inquired about the 15-year bond on the box hangar project. His proposal was to put the box hangars on a 30-year bond instead to make the T-hangars more affordable upfront. David Arteberry explained that the 30-year bond is not feasible for this project and the best financial course of action is the current 15-year bond.

The ARFF Station suffered severe damage to its building and garage doors as all eight of its doors were taken off by the wind. The Rosenbauer truck was damaged in the storm and has been sent off for repairs. Staff is still able to maintain our index with the three remaining trucks. Zurich property insurance quoted SAA \$80,000 for the repair of all eight ARFF station garage doors. The cost to repair the Rosenbauer and to replace the garage doors will be funded through

the CRRSAA grant.

Announcements

Rogers discussed the upcoming FOL activity coming up with Ft. Riley – Division Artillery, 1st ABCT Brigade Ft. Riley, and NASA DCOTTS.

The box hangar project has been put on hold due to changes in steel prices. However, the public restroom project located to the north of the T-hangars is scheduled to be completed by the end of August 2021.

Rogers recognized Swanson as the President of the Kansas Association of Airports (KAA) and congratulated her on successful KAA annual conference.

Upon a motion duly made, the meeting adjourned at 9:22 A.M.

Minutes approved at the July 21, 2021, Board Meeting.

Secretary

(SEAL)