

**DATE:** August 13, 2021  
**TO:** SAA Board of Directors  
**FROM:** Tim Rogers and Shelli Swanson  
**SUBJECT:** **August 18, 2021, SAA Regular Board Meeting**

Enclosed are items for your review prior to Wednesday's meeting. Please note that the meeting will be held in the **first-floor conference room, Hangar 600, 2720 Arnold Ct.** A map showing the location of Hangar 600 is enclosed in your board meeting packet. The meeting is also available via the following GoToMeeting link.

<https://global.gotomeeting.com/join/585631061>

Wednesday's meeting will address the following 2021 Airport Authority operating plan priorities.

- Calendar year 2022 mill levy requirements.
- Salina Regional Airport and Airport Industrial Center capital improvements funding.
- COVID19 grant funding for Salina Regional Airport operating expenses.
- Airport Industrial Center building leasing.
- M.J. Kennedy Air Terminal passenger concourse improvements.
- General aviation hangar construction.

Please note the following agenda comments.

**Agenda Item #5 – Review of Airport Activity and Financial Reports for the Month Ending July 31, 2021** (Rogers and Swanson)

**Airport Activity – Air Traffic** (Rogers)

The Salina air traffic control tower (ATCT) recorded 7,230 operations during July 2021 which was a 34% increase as compared to the July 2020 total of 5,399. For the year-to-date, a total of 47,354 operations have occurred at the Salina Airport which is 71% more than the July 2020 YTD total of 27,701.

**Airport Activity – Fuel Flowage** (Rogers)

The July 2021 fuel flowage came in at 233,652 gallons which was 64% more than the July 2020 total of 142,234 gallons. For the year-to-date, a total of 1,65,146 gallons has been delivered on the Airport which is 19% more than the 2020 YTD total of 979,842 gallons.

**Airport Activity – Passenger Enplanements** (Rogers)

During July 2021 SkyWest enplaned 2,379 passengers, which was a 507% increase over the July 2020 total of 392 passengers. The July YTD total passenger count was 4,654 which was a 503% increase over the July 2020 YTD total of 772. SLN passenger enplanements during 2021 are expected to set a new record for a calendar year.

**Financial Reports – Comments and Notes (Swanson)**

**Financial Reports – Comments and Notes (Swanson)**

At the end of July total revenue exceed budget by \$172,622 and is tracking 15% ahead of the same period in 2020. Although fuel flowage fee income is still lagging 9% under the YTD budget, the line item is performing 20.3% or \$16,544 better than 2020. Hangar rent received a boost posting a 16% lead over budget with leasing activity from NASA, Fort Riley and other short term operations keeping Hangars 509, 600 and 606 full of activity during July.

Total administrative expenses arrived 3% or \$23,860 over budget at the end of July. The Authority’s 2020 financial statement audit fee invoice (AdamsBrown) in the amount of \$20,540 posted in July impacting the legal and accounting line item with this annual expenditure. Total maintenance expenses ended the month 21% over budget bringing total operating expenses to 9% over YTD budget. Positively, net operating income before depreciation for July reached \$68,728 which is ahead of budget by \$41,820.

Total contributed capital in the form of grant funding YTD equaled \$1,041,311. Total fixed asset additions YTD arrived at \$1,433,496 or 71% of the annual budget

**Financial Reports – July Significant Expenditures/Payables Report Enclosed**

**Financial Reports – Accounts Receivable Past Due 31 days or more as of August 16, 2021 (Swanson)**

<b>Account</b>	<b>Amount</b>	<b>Days</b>	<b>Comments</b>
Shane Brown	\$510	31-90	Storage Igloo Rent
Kansas Military Board	\$988	31-60	Bldg. Rent
Kenny’s Body Shop	\$867	31>90	Storage Igloo Rent

**Short-term Leasing Activity**

On July 28, 2021, the SAA entered into a five-month lease with Kansas Erosion Products for the leasing of two acres at the Airport Road equipment yard for the temporary storage of hay bales. This short-term agreement will generate \$4,000 in rental from Aug-Dec. 2021.

On July 30, 2021, 1 Vision Aviation extended their short-term lease by two-weeks in Hangar 600. The two- week extension for approximately 20,000 sq. ft. resulted in \$4,720 in hangar revenue.

**Agenda Item #6 – Review of the Salina Airport Authority’s 2022 to 2026 Airport Capital Improvement Program (ACIP) (Rogers and Bieker)**

The ACIP data sheets submitted to the Federal Aviation Administration (FAA) for federal grant funding consideration include the following 2022 to 2026 priorities.

- **2022** - Runway 17/35 rehabilitation construction phase
- **2022** – Pumphouse 305 (fuel farm) rehabilitation design and construction
- **2023** – Terminal building parking lot rehabilitation and design and construction
- **2023** - Terminal building expansion and renovation, design phase
- **2024** - Terminal building expansion and renovation, construction phase
- **2025** – Runway 12/30 rehabilitation
- **2026** – Taxiway Alpha rehabilitation

FAA grant funding for the projects listed is contingent on U.S. Congress action to annually appropriate funds for the FAA’s Airport Improvement Program (AIP). The program is currently authorized at \$3.2B per year. If a new infrastructure authorization is passed by Congress an additional \$20B over five years (\$5B per year) would be added to the current Airport Improvement Program.

On Friday, August 13 the FAA notified the SAA that the Salina Regional Airport has been selected for designation in the FAA’s Military Airports Program (MAP). Selection as a MAP airport provides federal grant funding for the rehabilitation of the airport fuel farm and rehabilitation of the terminal building parking lot.

**Agenda Item #7 – Consideration of SAA Resolution No. 21-06 Setting the Airport Authority’s 2021 Mill Levy Required for Federal and State Grant Matching Funds - Swanson)**

On June 16, 2021 the Salina Airport Authority board approved Resolution 21-03 declaring an intent to levy a tax not to exceed one (1) mill to provide matching funds to qualify for any federal or state grant funds relating to the development, improvement, operation or maintenance of the Salina Regional Airport. A notice was prepared and published as required by K.S.A. 27-322(b) and appeared in the Salina Journal on June 25, 2021 and July 4, 2021. The notice informed the public that the Airport Authority’s use of mill levy funds to qualify for state or federal grants is subject to a petition by qualified electors of the City of Salina. The 30-day period for submittal of a petition by qualified voters expired on August 3, 2021. A petition was not filed during the 30 days following the last publication of the Airport Authority’s notice of intent.

For 2022 the Airport Authority does require mill levy matching funds to qualify for the following federal and state (FAA, MAP and KDOT) grants:

<b>FAA and KDOT Grant Funding Summary</b>					
<b>Calendar Year</b>	<b>Project</b>	<b>Total Cost</b>	<b>Grant \$</b>	<b>Agency</b>	<b>SAA Local Share</b>
2022	Runway 17/35, South 7,500 ft	\$ 4,321,531	\$ 4,200,979	FAA	\$ 120,552
2022	Runway 17/35, North 4,800 ft	1,691,185	1,352,948	KDOT	338,237
2023	Design Terminal parking lot rehab	150,000	135,000	FAA	15,000
2024	Construct Terminal building parking	1,544,000	1,389,600	FAA	154,499
2024	Design PH 305 rehab	250,000	225,000	FAA	25,000
2025	Construct PH 305 rehab	1,348,011	123,209	FAA	134,802
		\$ 9,304,727	\$ 7,426,736		\$ 788,090
<b>Mill Levy / Matching Grant Funds</b>					
<b>Funds</b>					
	Balance as of 07/31/2021	\$ 313,206			
	Anticipated tax receipts through 12-31-2021	35,000			
	Reimbursement from AIP 42 grant (Rwy 17/35 A/E)	363,340			
	<b>Total projected balance at 12-31-2021</b>	<b>711,546</b>			
	<b>Projected 2021 Mill Levy (Received in 2022)</b>	<b>420,000</b>			
	<b>Total available Mill Levy through 2022</b>	<b>1,131,546</b>			
<b>Projects</b>					
	Runway 17/35, South 7,500 ft (FAA)	120,552			
	Runway 17/35, North 4,800 ft (KDOT)	338,237			
	Design Terminal parking lot rehab	15,000			
	Construct Terminal building parking	154,499			
	Design PH 305 rehab	25,000			
	Construct PH 305 rehab	134,802			
		788,090			
	<b>Projected Balance at 12-31-2022</b>	<b>\$ 343,456</b>			

A mill levy of .9479 is needed to raise \$420,000 for matching funds needed in 2022, 2023 and 2024 for a FAA Airport Improvement Program and state of Kansas Department of Transportation grant matching funds. The SAA’s 2020 mill levy for federal and state grant matching funds was .989 mills.

Enclosed is a copy of Resolution 21-06 that sets the mill levy required for 2022, 2023 and 2024 grant matching funds.

**Recommendation:** Approval of SAA Resolution No. 21-06 and authorize Chair Gunn and Secretary Weisel to sign the Resolution.

**Agenda Item #8– Review of the Salina Airport Authority’s 2022 General Obligation Bond Debt Service Requirements** (Swanson)

Enclosed is a copy of the Airport Authority’s 2022 G.O. bond debt service schedule. At the meeting Shelli will review the 2022 debt service schedule and be able to answers questions concerning current and future G.O. bond debt financing.

**Agenda Item #9 – Consideration of SAA Resolution No. 21-07 Setting the Airport Authority’s 2021 Mill Levy for the Purpose of Paying General Obligation Bond Debt Principal and Interest in Calendar Year 2022** - (Swanson)

Enclosed is a copy of SAA Resolution No. 21-07 that details the mill levy required to pay G.O. Bond debt principal and interest in calendar year 2022. An estimated mill levy of 3.998 mills will raise an estimated \$1,767,255 required for G.O. bond debt service payments. The SAA’s 2020 mill levy for G.O. Bond debt service was 4.037 mills.

**Recommendation:** Approval of SAA Resolution No. 21-07 and authorize Chair Gunn and Secretary Weisel to sign the Resolution.

**Agenda Item #10 – Consideration of SAA Resolution No. 21-08 Approving the Issuance of General Obligation Bond Temporary Notes to Fund Salina Regional Airport and Airport Industrial Center Capital Improvements.** (Swanson)

Over the last several months, the SAA has been working on the following three capital improvement projects:

- 1.) General Aviation Box Hangars and Public Restrooms
- 2.) M.J. Kenney Air Terminal Concourse Expansion and Remodel
- 3.) Bldg. 595 Remodel (20,000 sq. ft. warehouse/industrial bldg. located at 2760 Centennial)

As the projects have developed, the SAA has established project budgets and estimated construction costs for all projects and determined that financing through General Obligation Temporary notes to be a viable option. Staff is providing two options for consideration by the Board.

Option 1 – Finance a portion of all three projections with a principal amount of bonds not to exceed \$3,500,000 exclusive of costs of issuance and any temporary financing costs as per the estimated development costs on the worksheet titled Option 1 in the packet.

Option 2 – Finance a portion of two of the three projects (excluding Bldg. 595) with a principal amount of bonds not to exceed \$1,670,000 exclusive of costs of issuance and any temporary financing costs as per the estimated development costs on the worksheet titled Option 2 in the packet.

With the increase in industrial center building occupancy and demand for warehouse space, the SAA’s Bldg. 595 is the only available warehouse and is presently untenable until significant improvements are made to preserve the structure to include a roofing project and renovations necessary to make the facility a marketable warehouse. Presently, the projected cost is an estimated design/construction cost and the SAA would need to proceed with designing and bidding.

Enclosed you will find two proposed Resolutions to consider. Option 1 includes all three projects

referenced above and Option 2 includes all with the exception of Bldg. 595. Option 2 is presented in the event the board would desire the SAA to obtain bids and issue bonds for the project under a separate bond issue at a later date, which would result in additional bond issuance costs. At the meeting staff can review additional pros and cons of separating Bldg. 595 or including it with this temporary note issuance.

**Recommendation:** Approved Resolution No. 21-08 authorizing the issuance of general obligation bonds of the Salina Airport Authority for the purpose financing the cost of certain capital improvements at the Salina Regional Airport and Airport Industrial Center and authorizing the sale of taxable general obligation temporary notes, Series 2021-1 of the Salina Airport Authority in an amount not to exceed \$3,500,000 (Option 1) and authorize Chair Gunn and Secretary Weisel to sign the Resolution.

**Agenda Item #11 – Approval and Acceptance of an American Rescue Plan Act (ARPA) Grant Offer from the Federal Aviation Administration for Costs Related to Salina Regional Airport Operations and Maintenance.** (Rogers and Swanson)

The Airport Authority has received an American Rescue Plan Act (ARPA) Grant Offer and Agreement from the Federal Aviation Administration in the amount of \$1,078,987. The grant provides 100% federal funding for costs associated with the operation and maintenance of the Salina Regional Airport. A copy of the proposed grant agreement is enclosed.

**Recommendation:** Acceptance and approval of the proposed American Rescue Plan Act federal grant Offer and Agreement and authorize Chair Gunn and board attorney Bengtson the sign the agreement.

**Agenda Item #12 – Consideration and Approval of a Lease with Dragun Corporation for Office Space at Building B412 Located at 2804 Arnold Ave.** (Swanson)

Enclosed you will find a proposed Lease Agreement with Dragun Corporation for the leasing of 1,576 sq. ft. within Bldg. 412 for the purpose of establishing an environmental field office for the former Schilling Air Force Base environmental cleanup project. The Lease terms are as follows:

Effective Date:	August 23, 2021
Term:	Two Years
Renewal:	Option to renew for one additional term of either 1 or 2 years (tenant option)
Rate:	\$825.00/month, \$9,900/year, \$6.28/SF/year
Renewal Rate:	CPI Adjustment over primary lease term
Other:	Lessee is responsible for utilities and general liability insurance.

**Recommendation:** Approval of the two-year Lease Agreement with Dragun Corporation for the leasing of 1,576 sq. ft. in Bldg. 412 and authorize Chair Gunn and Secretary Weisel the sign the agreement.

Please contact us if you have any questions or comments.

**SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING**  
**Hangar H600, First Floor Conference Room**  
**2720 Arnold Court**  
**Or**  
**Online Via GoToMeeting**

**August 18, 2021 – 8:00 AM**

**AGENDA**

**Action Items**

1. Call to order and determine that a quorum is present and confirm that the meeting notice has been published. (Gunn)
2. Recognition of guests. (Gunn)
3. Additions to the agenda and agenda overview. (Rogers)
4. Approval of the minutes of the July 21, 2021 regular board meeting. (Gunn)
5. Review of airport activity and financial reports for the month ending July 31, 2021. (Rogers and Swanson)
6. Review of the Salina Airport Authority's 2022 to 2026 Airport Capital Improvement Program as (ACIP) as submitted to the Federal Aviation Administration. (Rogers and Bieker)
7. Consideration of SAA Resolution No. 21-06 setting the Airport Authority's 2021 mill levy for matching funds required to obtain certain state and federal grants for improvements to the Salina Regional Airport during calendar years 2022 to 2026. (Swanson)
8. Review of the Salina Airport Authority's 2022 general obligation bond debt service requirements. (Swanson)
9. Consideration of SAA Resolution No. 21-07 setting the Airport Authority's 2021 mill levy for the purpose of paying general obligation bond debt principal and interest in calendar year 2022. (Swanson)
10. Consideration of SAA Resolution No. 21-08 approving the issuance of general obligation bonds of the Salina Airport Authority for the purpose of financing the cost of certain capital improvements at the Salina Regional Airport and Airport Industrial Center and authorizing the sale of taxable general obligation temporary notes, Series 2021-1, of the Salina Airport Authority. (Swanson)
11. Approval and acceptance of an American Rescue Plan Act (ARPA) grant offer from the Federal Aviation Administration for costs related to Salina Regional Airport operations and maintenance. (Rogers and Swanson)

12. Consideration and approval of a lease agreement with Dragun Corporation for office space at building B412 located at 2804 Arnold Ave. (Swanson)

**Directors' Forum** (Gunn)

**Visitor's Questions and Comments** (Gunn)

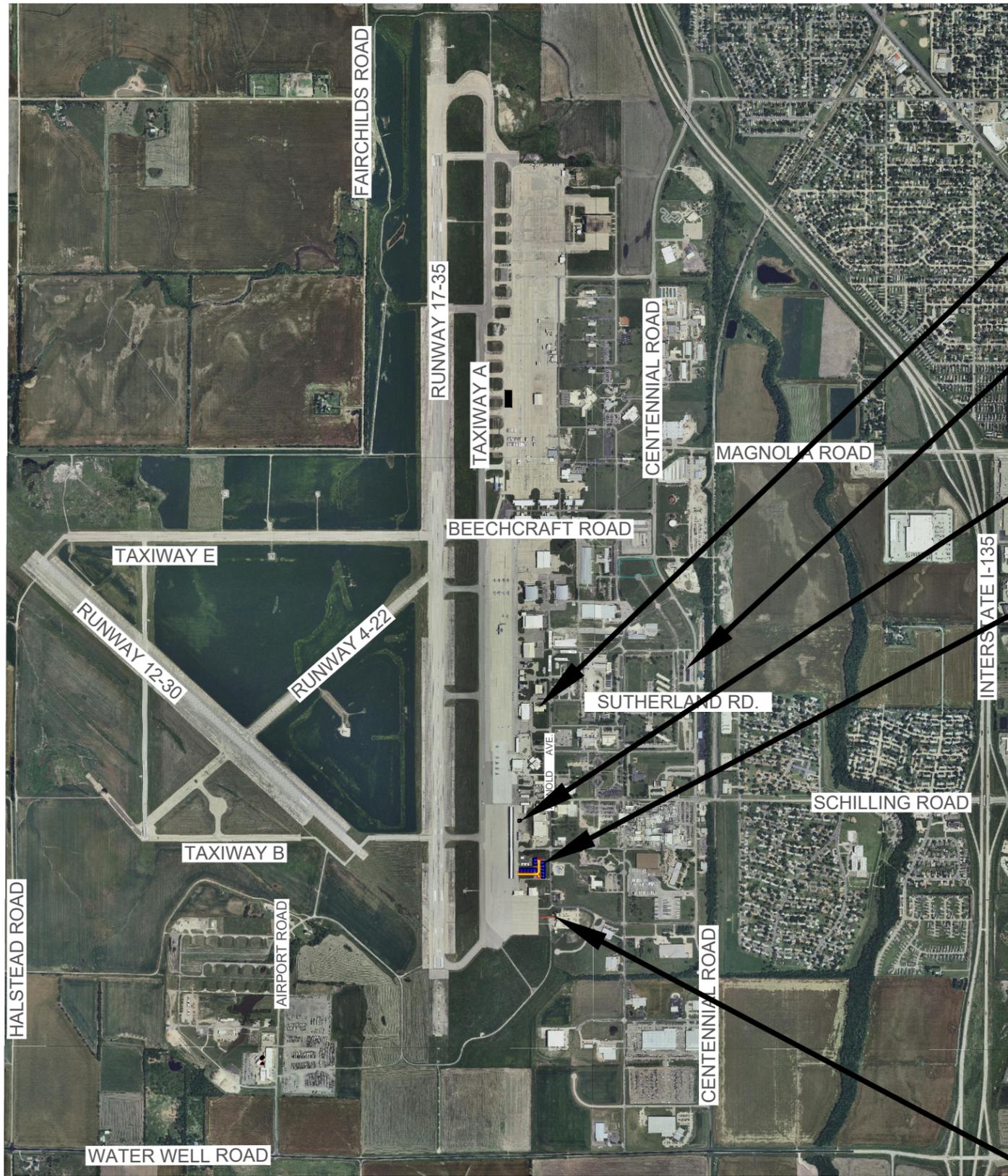
**Staff Reports** (Rogers)

13. M.J. Kennedy Air Terminal building concourse and gate improvements update. (Rogers and Bieker)
14. An update on the five-unit, general aviation aircraft hangar construction project to included pending Federal Aviation Administration approval and revised construction cost. (Rogers and Bieker)

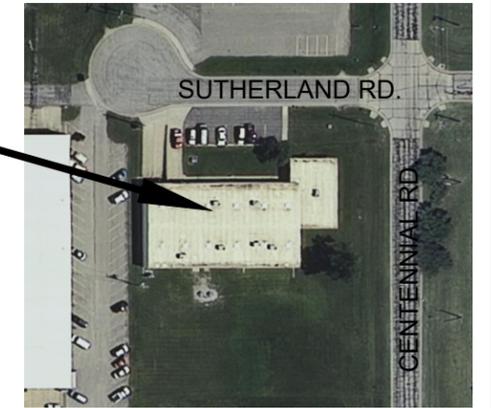
**Announcements** (Windhorst)

**Adjournment** (Gunn)





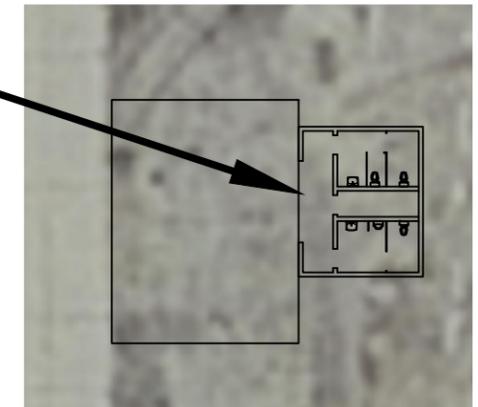
Building 412



Building 595



Public Restrooms



Hangar Site Layout



Building 120 Concourse



Drawing Number 2979-08-21



3237 ARNOLD, SALINA, KS 67401  
 (785-827-3914 FAX: 785-827-2221)  
 None : REVISIONS  
 KRB : DESIGNED BY  
 KRB : DRAWN BY  
 1" = 2000' : SCALE  
 8/18/21 : DATE

SALINA AIRPORT AUTHORITY  
 August 2021 Board Meeting Location Map

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 OF  
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**MINUTES OF THE REGULAR MEETING OF THE BOARD  
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY  
JULY 21, 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. Business and Communications Manager, Kasey Windhorst noted the board meeting notice was published and distributed on Friday, July 16, 2021.

**Attendance**

Attendance was taken. Chair Gunn, Directors Roberg, Buer and Weisel were present. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Business and Communications Manager Kasey Windhorst; Airport Administration Specialist Jazstyn Moyer; and Attorney Greg Bengtson was in attendance. Megan Wellbrock, AdamsBrown Partner and CPA attended via video conference. Scott Hillegeist, SLN ATCT; David Arteberry, Stifel, Nicolaus & Company, Inc.; and Julie Yager Zuker, AvFlight were in attendance as guests.

**Additions to the Agenda**

Chair Gunn asked if there were any additions to the agenda. Executive Director Rogers stated an addition under staff reports for box hangar construction update.

**Minutes**

Chair Gunn asked if the board members had additions or corrections to the minutes of the June 16, 2021, regular board meeting. Director Buer moved, seconded by Director Weisel, to approve the minutes of the June 16, 2021, regular board meeting. Motion passed unanimously.

**Airport Activity and Financial Reports**

Executive Director Rogers reported that the Salina Air Traffic Control Tower (ATCT) recorded 7,142 operations during June 2021, which was a 22% increase compared to the June 2020 total of 5,846. For year-to-date a total of 40,124 operations have occurred at the airport which is 80% more than the June year-to-date total of 22,302. June fuel flowage came in at 159,725 gallons which was a 80% increase compared to June 2020 total of 105,987 gallons. For year-to-date, a total of 931,494 gallons has been delivered to the Airport which is 11% more than the 2020 year-to-date total of 837,609 gallons. United/SkyWest flights enplaned 1,979 passengers, which was a 768% increase as compared to the June 2020 total of 228 enplaned passengers.

Director of Administration and Finance Swanson reported on the financials for the month of June 2021. Total operating income arrived 8% over budget and is tracking nearly \$132,310 ahead of the same period in 2020. Total operating expenses ended up 8% over budget year-to-date and June posted a \$24,902 net income before depreciation.

Both short and long-term leasing activity continues to remain strong. During the month of June, the SAA entered into a 1-month agreement for approximately 20,000 sq. ft. in Hangar 600 with 1 Vision Aviation. This short-term agreement will generate \$9,400. SAA staff executed a 17-day

lease agreement with Fort Riley who leased 21,026 sq. ft in Hangar 600. This lease will generate \$8,585 in revenue for leased hangar space and equipment rental. Sierra Nevada Corp. (SNC) began leasing Hangar 509 and ground support equipment on July 13, 2021, as a 32-day lease. This short-term agreement will generate \$36,023. SNC is also purchasing fuel during their flight-test operations which will result in additional fuel flowage fees to the airport.

### **Review of the Airport Authority's January through June 2021 (Q2) 10-Year Financial Trend Analysis**

Director of Finance and Administration Swanson distributed and discussed the second quarter 10-year financial trend analysis report for 2019-2021. Operating revenue is continuing as a positive trend for CY 2021.

### **Presentation of the Salina Airport Authority's 2020 Comprehensive Annual Financial Report**

Swanson reviewed the reporting and audit process and introduced Megan with AdamsBrown, partner and CPA to the board. Wellbrock reviewed the completed 2020 Comprehensive Annual Financial Report to the SAA board and confirmed the following:

- No “deficiencies in internal control that we consider to be material weaknesses.”
- “No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.”
- “Salina Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.”

The report's schedule of Findings and Questioned Costs confirm that there were no findings of material weakness, significant deficiency, noncompliance, or questioned costs associated with the SAA's financial statements or federal awards. The 2020 comprehensive annual financial report has been completed and presented to the board. A full copy of the report can be found at <https://www.salinaairport.com/media/36647/2020-cafr-final.pdf>.

### **Consideration and Approval of a Grant Funding Agreement Between the Salina Airport Authority and Saline County**

Rogers noted the Saline County commission, approved the Airport Authority's request for a \$1,640,000 American Rescue Plan Act grant to fund a SkyWest Airlines Transportation Services Agreement. The SLN/IAH schedule has not been uploaded to United's reservation system and is not yet available for sale. Rogers discussed additional marketing efforts for the new Houston service. Director Weisel moved to approve the proposed grant funding agreement between the Salina Airport Authority and Saline County and authorize Chair Gunn to sign the agreement and authorize the executive director to sign the Salina Airport Authority and SkyWest Airlines Transportation Services Agreement. Seconded by Director Roberg. Motion passed unanimously.

### **Consideration and Approval of a Construction Contract with Bettis Asphalt & Construction, Inc. for the Rehabilitation of the South 7,500 ft. of Runway 17/35**

Rogers reviewed the bids received from APAC and Bettis Asphalt & Construction Inc. for the rehab of the south 7,500 ft of runway 17/35. The low bid was submitted by Bettis Asphalt at \$3,664,898. Rogers presented and discussed the project budget. The runway 17/35 work is scheduled to be completed within a 55-day time frame – July 25 to September 3, 2022. Director Buer moved to approve the proposed Contract Agreement with Bettis Asphalt & Construction, Inc. in the amount of \$3,664,898 and authorized the executive director to sign the agreement. Seconded by Director Weisel. Motion passed unanimously.

**Consideration of Bids Received for the Purchase of M.J. Kennedy Air Terminal Concourse Passenger Seating**

Executive Director Rogers reviewed the Airport Master Plan, concourse improvements, potential funding, and construction timeline. With the board, a concourse furniture bid tab was presented to the board. Director Weisel moved to approve the \$58,877.50 bid received from Design Central for the M.J. Kennedy Air Terminal Concourse Furniture and authorize the Executive Director to sign the purchase order documents. Seconded by Director Buer. Motion passed unanimously.

*Concourse Furniture Bid Tab*

	<b>Design Central</b>	<b>One Office Solution</b>
<i>Concourse seating</i>	42,037.50	44,290.00
<i>Bar height tables &amp; chairs</i>	6,360.00	7,629.02
<i>Power Outlet Options</i>	7,440.00	3,639.72
<i>Waste Receptacle</i>	1,600.00	907.50
<i>Labor and Installation</i>	1,440.00	5,000.00
<b>Total</b>	<b>\$58,877.50</b>	<b>\$61,466.24</b>

Director Buer moved for SAA Staff to proceed ahead with the restroom design and financing for the concourse. Motion was seconded by Director Roberg. Motion passed unanimously.

**Consideration of Bids Received for Parking Lot Repairs at Building No. 1021**

Director Roberg abstained from the discussion and vote. Director of Facilities and Construction Bieker reviewed with the board the location and areas of concern in the parking lot located at B1021, 3600 Airport Rd. Bids were received by Smoky Hill, T&R Construction, and L&S Building Contractors.

*Bldg. 1021 Parking Lot Repairs Bid Tab*

<b>Bidder</b>	<b>Amount</b>
Smoky Hill, LLC	\$33,000
T & R Construction	\$24,777
L & S Building Contractors	\$29,540

The low bid was submitted by T&R Construction in the amount of \$24,777. Director Weisel moved to approve the low bid of \$24,777 from T&R Dirt Construction for the pavement repairs

to be completed at Bldg. 1021 and authorize the executive director to sign the purchase order documents. Seconded by Director Buer. Motion passed unanimously on a 3-0 vote with Director Roberg abstaining.

**Presentation of Bids Received for the Sale of Salina Airport Authority General Obligation Bonds in the Amount of \$2,360,000**

Director of Finance and Administration Swanson introduced David Arteberry, Stifel, Nicolas and Company. Arteberry reviewed SAA Moody’s rating which lifted the negative outlook. Arteberry commented on the sale of the GO Bond results that closed on July 20,2021 and noted six bids received for the taxable GO bonds with the low bid at an interest rate of 1.728031 from Country Club Bank.

**Salina Arpt Auth  
\$2,360,000 Taxable General Obligation Bonds Series 2021-A**

The following bids were submitted using *PARITY*® and displayed ranked by lowest TIC. Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	<a href="#">Country Club Bank</a>	1.728031
<input type="checkbox"/>	<a href="#">First Bankers' Banc Securities Inc.</a>	1.741050
<input type="checkbox"/>	<a href="#">UMB Bank N.A.</a>	1.741875
<input type="checkbox"/>	<a href="#">Robert W. Baird &amp; Co., Inc.</a>	1.843446
<input type="checkbox"/>	<a href="#">Piper Sandler &amp; Co</a>	1.860944
<input type="checkbox"/>	<a href="#">Northland Securities, Inc.</a>	1.958286

**Consideration of SAA Resolution No. 21-05**

Rogers introduced Resolution No. 21-05 which authorizes and directs the issuance, sale and delivery of the taxable general obligation bonds, Series 2021-A of the SAA; providing for the levy and collection of an annual tax for the purpose of paying the principal and interest on said bonds as they become due. Director Buer moved to approve the SAA Resolution No. 21-05 authorizing the issuance, sale and delivery of taxable general obligation bonds, Series 2021-A and authorize Chair Gunn to sign the Resolution. Seconded by Director Roberg. Motion passed unanimously.

**Consideration and Approval of an Option to Purchase Agreement with Kejr, Inc., d/b/a Geoprobe Systems**

Swanson reviewed the proposed Geoprobe Option Agreement with the board. The 3-year option to purchase agreement is for 10.33 acres located on Lot 1, Block 5, Airport Industrial Center Subdivision which is located at the northwest corner of Wall St. and Scanlan Ave. Director Roberg moved to approve the Agricultural Land Lease Option Agreement with Kejr, Inc. for Lot 1, Block 5, Airport Industrial Center Subdivision and authorize Chair Gunn to sign the Agreement. Director Weisel seconded the motion. Motion passed unanimously.

**Staff Reports**

Executive Director Rogers noted the SCEDO funding agreement will be presented at the August board meeting.

Rogers reviewed the proposed box hangar layout and the FAA's section 123 approval process for the hangar construction project. SAA staff will work on the new design and layout as well as obtain updated pricing from Hutton.

**Executive Session**

At 9:23 A.M. Director Weisel moved the following:

I move the Salina Airport Authority board of directors' recess into an executive session for 10 minutes to discuss the subject of the Executive Director's 2022 and 2023 employment contracts and other individual employee issues based upon the need to discuss personnel matters of non-elected personnel pursuant to K.S.A 75-4319(b)(1). The open meeting will resume in this room at 9:33 A.M.

Director Buer second the motion. The motion passed unanimously.

The open meeting resumed at 9:33 A.M.

Upon a motion duly made, the meeting adjourned at 9:34 A.M.

Minutes approved at the August 18, 2021, Board Meeting.

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Secretary

(SEAL)

**SALINA AIRPORT AUTHORITY  
AIRPORT ACTIVITY REPORT  
2021**

**AIR TRAFFIC/ATCT**

July, 2021	7,230 Operations 800 Instrument Operations 441 Peak Day
July, 2020	5,399 Operations 817 Instrument Operations 404 Peak Day
January 2021 - July 2021	47,354 Operations
January 2020 - July 2020	27,701 Operations
January 2019 - July 2019	45,947 Operations

**FUEL FLOWAGE**

July, 2021	233,652 Gallons
July, 2020	142,234 Gallons
January 2021 - July 2021	1,165,146 Gallons
January 2020 - July 2020	979,842 Gallons
January 2019 - July 2019	1,051,849 Gallons

KSU-S	Avflight Salina	Avflight	
		Military/Gov't Portion	Self-fuel Station Portion
8,000	225,652	100,118	554
7,925	134,308	42,733	377
70,595	1,094,551	238,440	2,909
37,799	942,043	189,411	1,446
60,883	990,966	288,436	3,531

**SkyWest Airlines**

July, 2021	2,379 Passengers
July, 2020	392 Passengers
January 2021 - July 2021	8,646 Passengers
January 2020 - July 2020	4,995 Passengers
January 2019 - July 2019	10,974 Passengers

**ENPLANEMENTS**

**DEPLANEMENTS**

**TOTAL**

**ENPLANEMENTS - Charter Flights**

July, 2021	0 Passengers
July, 2020	0 Passengers
January 2021 - July 2021	862 Passengers
January 2020 - July 2020	4,059 Passengers
January 2019 - July 2019	584 Passengers

**TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights**

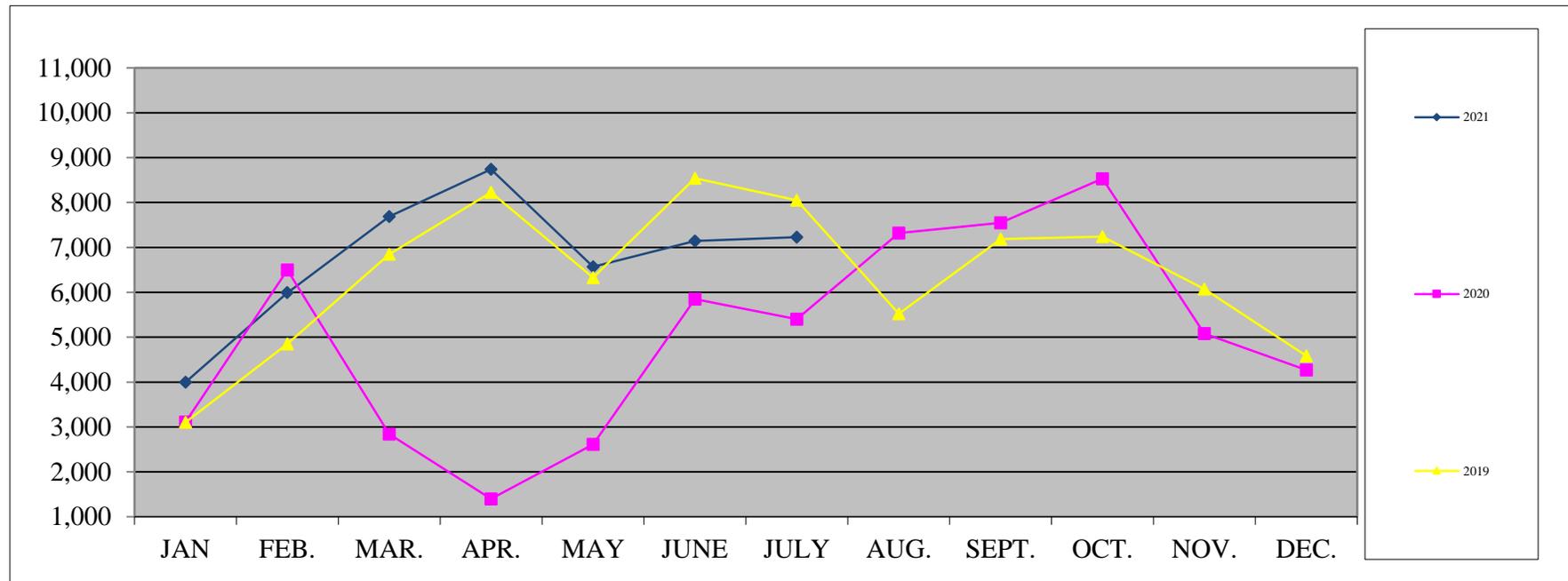
July, 2021	2,379 Passengers
July, 2020	392 Passengers
January 2021 - July 2021	9,508 Passengers
January 2020 - July 2020	9,054 Passengers
January 2019 - July 2019	11,558 Passengers

**AIRPORT TRAFFIC RECORD  
2020 - 2021**

	ITINERANT					LOCAL			Total Operations
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	
<b>2021</b>									
January, 21	131	1,074	540	161	1,906	1,968	122	2,090	3,996
February, 21	109	1,966	533	218	2,826	2,863	300	3,163	5,989
March, 21	113	2,286	743	340	3,482	3,804	402	4,206	7,688
April, 21	120	2,534	743	196	3,593	4,966	180	5,146	8,739
May, 21	132	1,767	847	272	3,018	3,274	278	3,552	6,570
June, 21	141	2,327	876	154	3,498	3,522	122	3,644	7,142
July, 21	129	2,063	845	189	3,226	3,874	130	4,004	7,230
August, 21									
September, 21									
October, 21									
November, 21									
December, 21									
<b>Totals January - July</b>	<b>875</b>	<b>14,017</b>	<b>5,127</b>	<b>1,530</b>	<b>21,549</b>	<b>24,271</b>	<b>1,534</b>	<b>25,805</b>	<b>47,354</b>
<b>2020</b>									
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	112	1,589	751	331	2,783	2,458	158	2,616	5,399
August, 20									
September, 20									
October, 20									
November, 20									
December, 20									
<b>Totals January - July</b>	<b>773</b>	<b>7,164</b>	<b>4,059</b>	<b>1,691</b>	<b>13,687</b>	<b>12,014</b>	<b>2,000</b>	<b>14,014</b>	<b>27,701</b>
<b>Difference</b>	<b>102</b>	<b>6,853</b>	<b>1,068</b>	<b>-161</b>	<b>7,862</b>	<b>12,257</b>	<b>-466</b>	<b>11,791</b>	<b>19,653</b>
<b>YTD % Change</b>	<b>13%</b>	<b>96%</b>	<b>26%</b>	<b>-10%</b>	<b>57%</b>	<b>102%</b>	<b>-23%</b>	<b>84%</b>	<b>71%</b>
<b>Legend:</b>	<b>AC: Air Carrier</b>			<b>AT: Air Taxi</b>					
	<b>GA: General Aviation</b>			<b>MI: Military</b>					

**AIR TRAFFIC**

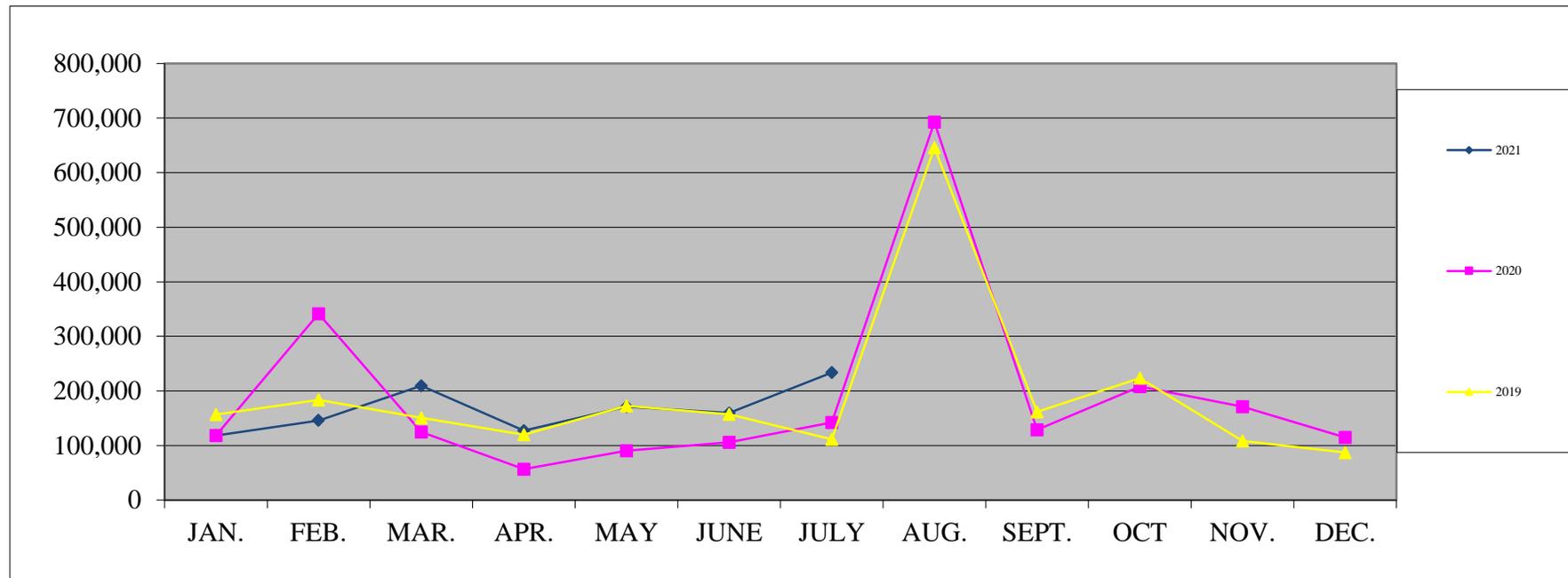
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
<b>2021</b>	3,996	5,989	7,688	8,739	6,570	7,142	<b>7,230</b>						<b>47,354</b>
<b>2020</b>	3,109	6,494	2,841	1,398	2,614	5,846	5,399	7,318	7,550	8,532	5,078	4,269	60,448
<b>2019</b>	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
<b>2018</b>	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
<b>2017</b>	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
<b>2016</b>	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
<b>2015</b>	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
<b>2014</b>	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
<b>2013</b>	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
<b>2012</b>	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
<b>2011</b>	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



**FUEL FLOWAGE**

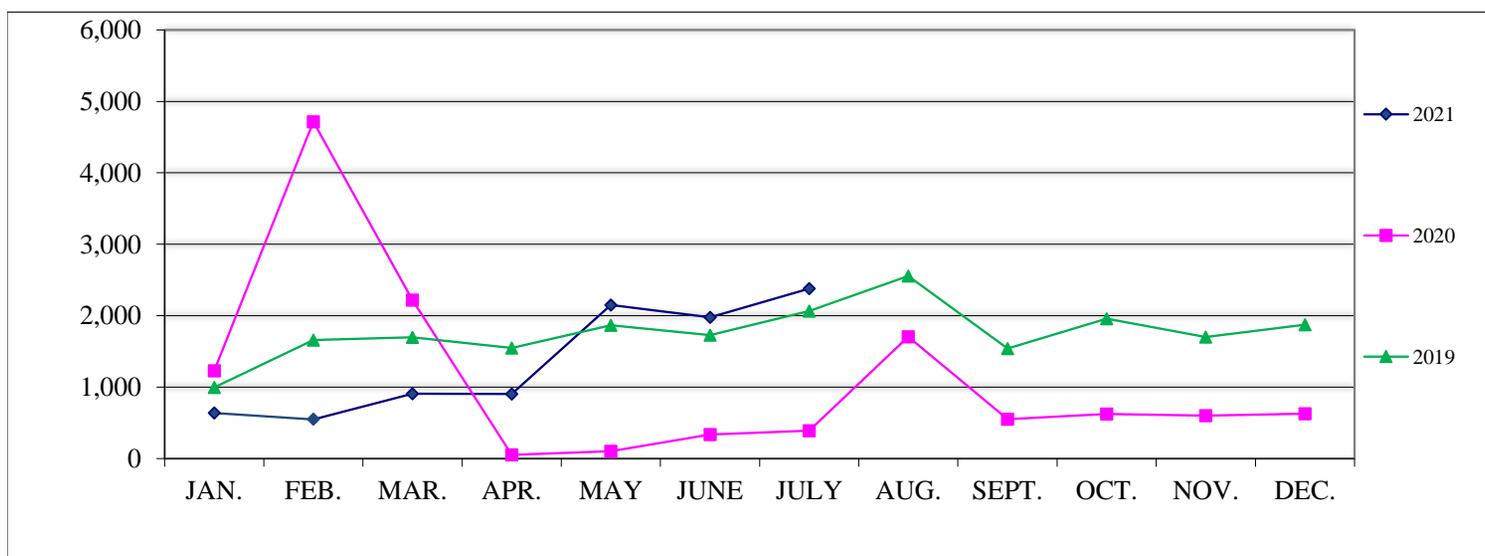
**Gallons of Fuel Sold at SLN**

	<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>
<b>2021</b>	118,269	145,726	209,376	127,107	171,289	159,725	<b>233,652</b>						<b>1,165,146</b>
<b>2020</b>	118,337	341,329	124,865	56,765	90,326	105,987	142,234	692,613	128,710	208,081	170,893	114,869	2,295,009
<b>2019</b>	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
<b>2018</b>	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
<b>2017</b>	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
<b>2016</b>	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
<b>2015</b>	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
<b>2014</b>	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
<b>2013</b>	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
<b>2012</b>	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
<b>2011</b>	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



## 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>TOTAL</u>
<b>2021</b>	638	548	909	904	2,151	1,979	<b>2,379</b>						<b>9,508</b>
<b>2020</b>	1,232	4,716	2,219	52	105	338	392	1,705	552	624	602	628	13,165
<b>2019</b>	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
<b>2018</b>	414	715	370	783	1,387	1,751	1,623	5,553	2,095	2,230	1,756	1,622	20,299
<b>2017</b>	720	1,344	731	756	761	852	793	746	3,874	946	1,229	1,207	13,959
<b>2016</b>	36	0	0	0	0	104	372	910	637	558	574	692	3,883
<b>2015</b>	528	107	4,550	531	122	88	77	79	61	3,574	592	80	10,389
<b>2014</b>	145	109	140	135	175	403	282	223	178	431	157	178	2,556
<b>2013</b>	166	191	205	214	243	218	202	205	161	178	212	243	2,438
<b>2012</b>	237	249	247	216	287	213	174	198	151	187	229	335	2,723
<b>2011</b>	146	156	205	181	254	258	261	234	225	287	264	234	2,705



**\*\*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 July 31, 2021

08/15/2021

	Jul 31, 21	Jun 30, 21	\$ Change	Jul 31, 20	\$ Change	% Change
<b>ASSETS</b>						
<b>Current Assets</b>						
<b>Checking/Savings</b>						
Cash in Bank-Bond Funds	52,173	52,173	0	210,400	-158,227	-75%
Cash in bank-Operating Funds	2,011,635	2,088,914	-77,279	769,265	1,242,370	162%
Cash in Bank - Mill Levy	2,344,447	2,344,344	103	2,056,251	288,196	14%
<b>Total Checking/Savings</b>	<b>4,408,255</b>	<b>4,485,431</b>	<b>-77,176</b>	<b>3,035,916</b>	<b>1,372,339</b>	<b>45%</b>
<b>Accounts Receivable</b>						
Accounts Receivable	112,189	62,730	49,459	104,616	7,573	7%
<b>Total Accounts Receivable</b>	<b>112,189</b>	<b>62,730</b>	<b>49,459</b>	<b>104,616</b>	<b>7,573</b>	<b>7%</b>
<b>Other Current Assets</b>						
Agri Land Receivable	66,760	66,760	0	56,000	10,760	19%
Mill Levy receivable	196,494	196,494	0	258,580	-62,086	-24%
Other current assets	163,360	168,007	-4,647	155,710	7,650	5%
Undeposited Funds	19,298	3,430	15,868	42,824	-23,526	-55%
<b>Total Other Current Assets</b>	<b>445,912</b>	<b>434,691</b>	<b>11,221</b>	<b>513,114</b>	<b>-67,202</b>	<b>-13%</b>
<b>Total Current Assets</b>	<b>4,966,356</b>	<b>4,982,852</b>	<b>-16,496</b>	<b>3,653,646</b>	<b>1,312,710</b>	<b>36%</b>
<b>Fixed Assets</b>						
Fixed assets at cost	94,225,303	93,877,058	348,245	92,117,002	2,108,301	2%
Less accumulated depreciation	-52,105,683	-51,868,343	-237,340	-49,056,840	-3,048,843	-6%
<b>Total Fixed Assets</b>	<b>42,119,620</b>	<b>42,008,715</b>	<b>110,905</b>	<b>43,060,162</b>	<b>-940,542</b>	<b>-2%</b>
<b>Other Assets</b>						
Deferred Outflow of Resources	1,232,712	1,232,712	0	1,276,204	-43,492	-3%
<b>Total Other Assets</b>	<b>1,232,712</b>	<b>1,232,712</b>	<b>0</b>	<b>1,276,204</b>	<b>-43,492</b>	<b>-3%</b>
<b>TOTAL ASSETS</b>	<b>48,318,688</b>	<b>48,224,279</b>	<b>94,409</b>	<b>47,990,012</b>	<b>328,676</b>	<b>1%</b>
<b>LIABILITIES &amp; EQUITY</b>						
<b>Liabilities</b>						
<b>Current Liabilities</b>						
<b>Accounts Payable</b>						
Accounts payable	413,288	174,515	238,773	67,853	345,435	509%
<b>Total Accounts Payable</b>	<b>413,288</b>	<b>174,515</b>	<b>238,773</b>	<b>67,853</b>	<b>345,435</b>	<b>509%</b>
<b>Credit Cards</b>						
Sam's Club Discover	0	1,296	-1,296	1,997	-1,997	-100%
<b>Total Credit Cards</b>	<b>0</b>	<b>1,296</b>	<b>-1,296</b>	<b>1,997</b>	<b>-1,997</b>	<b>-100%</b>
<b>Other Current Liabilities</b>						
Accrued debt interest payable	264,135	217,789	46,346	257,510	6,625	3%
Debt, current portion	3,772,397	3,772,397	0	1,427,350	2,345,047	164%
Deferred Agri Land Revenue	27,817	33,380	-5,563	23,333	4,484	19%
Deferred Mill Levy revenue	1,056,112	1,267,334	-211,222	1,111,462	-55,350	-5%
Other current liabilities	245,966	219,108	26,858	201,230	44,736	22%
<b>Total Other Current Liabilities</b>	<b>5,366,427</b>	<b>5,510,008</b>	<b>-143,581</b>	<b>3,020,885</b>	<b>2,345,542</b>	<b>78%</b>
<b>Total Current Liabilities</b>	<b>5,779,715</b>	<b>5,685,819</b>	<b>93,896</b>	<b>3,090,735</b>	<b>2,688,980</b>	<b>87%</b>
<b>Long Term Liabilities</b>						
Debt - Long Term	23,551,148	23,523,853	27,295	22,412,102	1,139,046	5%
Deferred Inflows of Resources	66,426	66,426	0	41,412	25,014	60%
Less current portion	-3,772,397	-3,772,397	0	-1,427,350	-2,345,047	-164%
Net OPEB Liability (KPERs)	13,924	13,924	0	13,338	586	4%
Net Pension Liability	715,670	715,670	0	632,856	82,814	13%
Security Deposits Returnable	91,151	91,021	130	70,171	20,980	30%
<b>Total Long Term Liabilities</b>	<b>20,665,922</b>	<b>20,638,497</b>	<b>27,425</b>	<b>21,742,529</b>	<b>-1,076,607</b>	<b>-5%</b>
<b>Total Liabilities</b>	<b>26,445,637</b>	<b>26,324,316</b>	<b>121,321</b>	<b>24,833,264</b>	<b>1,612,373</b>	<b>6%</b>
<b>Equity</b>						
Invested in Capital Assets net	18,568,472	18,438,664	129,808	20,847,435	-2,278,963	-11%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	2,538,711	2,668,519	-129,808	1,565,350	973,361	62%
Net Income	675,869	702,778	-26,909	653,961	21,908	3%
<b>Total Equity</b>	<b>21,873,052</b>	<b>21,899,961</b>	<b>-26,909</b>	<b>23,156,746</b>	<b>-1,283,694</b>	<b>-6%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>48,318,689</b>	<b>48,224,277</b>	<b>94,412</b>	<b>47,990,010</b>	<b>328,679</b>	<b>1%</b>

Salina Airport Authority  
**Profit & Loss Budget Performance**  
 July 2021

7:26 AM  
 08/16/2021  
 Accrual Basis

	<u>Jul 21</u>	<u>Jan - Jul 21</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
<b>Airfield revenue</b>						
Fuel Flowage Fees	18,996	98,128	107,917	-9,789	91%	185,000
Hangar rent	98,575	446,130	385,000	61,130	116%	660,000
Landing fees	2,005	16,739	17,500	-761	96%	30,000
Ramp rent	5,373	37,291	33,445	3,846	111%	57,335
<b>Total Airfield revenue</b>	<b>4 124,949</b>	<b>598,288</b>	<b>543,862</b>	<b>54,426</b>	<b>110%</b>	<b>932,335</b>
<b>Building and land rent</b>						
Agri land rent	5,563	38,943	38,943	0	100%	66,760
<b>Building rents - Long Term</b>						
Short-term leasing	31,739	239,510	177,450	62,060	135%	304,200
Building rents - Long Term - Other	81,347	539,742	476,904	62,838	113%	817,550
<b>Total Building rents - Long Term</b>	<b>113,086</b>	<b>779,252</b>	<b>654,354</b>	<b>124,898</b>	<b>119%</b>	<b>1,121,750</b>
<b>Land rent</b>						
Basic Land Rent	13,945	93,715	75,009	18,706	125%	128,586
Property tax - tenant share	9,452	66,164	66,164	0	100%	113,424
<b>Total Land rent</b>	<b>23,397</b>	<b>159,879</b>	<b>141,173</b>	<b>18,706</b>	<b>113%</b>	<b>242,010</b>
Tank rent	1,167	8,169	7,875	294	104%	13,500
<b>Total Building and land rent</b>	<b>143,213</b>	<b>986,243</b>	<b>842,345</b>	<b>143,898</b>	<b>117%</b>	<b>1,444,020</b>
<b>Other revenue</b>						
Airport Marketing	0	0	14,583	-14,583	0%	25,000
Commissions	1,479	8,834	12,285	-3,451	72%	21,060
Other income	6,511	37,249	44,917	-7,668	83%	77,000
<b>Total Other revenue</b>	<b>7,990</b>	<b>46,083</b>	<b>71,785</b>	<b>-25,702</b>	<b>64%</b>	<b>123,060</b>
<b>Total Income</b>	<b>276,152</b>	<b>1,630,614</b>	<b>1,457,992</b>	<b>172,622</b>	<b>112%</b>	<b>2,499,415</b>
<b>Gross Profit</b>	<b>5 276,152</b>	<b>1,630,614</b>	<b>1,457,992</b>	<b>172,622</b>	<b>112%</b>	<b>2,499,415</b>
<b>Expense</b>						
<b>Administrative expenses</b>						
A/E, consultants, brokers	0	21,403	18,667	2,736	115%	32,000
Airport promotion	17,693	96,935	58,333	38,602	166%	100,000
Bad Debt Expense	0	107	2,917	-2,810	4%	5,000
Computer/Network Admin.	2,780	16,123	17,500	-1,377	92%	30,000
Dues and subscriptions	2,286	14,678	14,583	95	101%	25,000
Employee retirement	5,707	45,892	49,785	-3,893	92%	85,345
FICA and medicare tax expense	4,769	35,095	38,407	-3,312	91%	65,840
Industrial development	2,375	16,625	25,375	-8,750	66%	43,500
Insurance , property	17,083	119,583	125,417	-5,834	95%	215,000
Insurance, medical	15,521	117,203	119,583	-2,380	98%	205,000
Kansas unemployment tax	0	4,220	583	3,637	724%	1,000
Legal and accounting	22,462	49,321	21,583	27,738	229%	37,000
Office salaries	37,925	283,202	301,036	-17,834	94%	516,062
Office Supplies	184	4,187	3,792	395	110%	6,500
Other administrative expense	1,182	8,970	8,750	220	103%	15,000
Postage	0	664	1,458	-794	46%	2,500
Property tax expense	14,238	99,665	99,665	0	100%	170,854
Special Events	0	0	583	-583	0%	1,000
Telephone	1,823	13,515	9,333	4,182	145%	16,000
Training	295	335	2,917	-2,582	11%	5,000
Travel and meetings	361	2,237	5,833	-3,596	38%	10,000
<b>Total Administrative expenses</b>	<b>6 146,684</b>	<b>949,960</b>	<b>926,100</b>	<b>23,860</b>	<b>103%</b>	<b>1,587,601</b>

	<u>Jul 21</u>	<u>Jan - Jul 21</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
<b>Maintenance expenses</b>						
<b>Airfield maintenance</b>	1,725	29,043	29,167	-124	100%	50,000
<b>Airport Security</b>	0	4,072	1,458	2,614	279%	2,500
<b>Building maintenance</b>	10,209	84,833	43,750	41,083	194%	75,000
<b>Equipment fuel and repairs</b>	5,823	52,925	35,000	17,925	151%	60,000
<b>Fire Services</b>	9,425	9,898	14,875	-4,977	67%	25,500
<b>Grounds maintenance</b>	400	10,040	4,375	5,665	229%	7,500
<b>Maintenance salaries</b>	25,711	194,316	221,776	-27,460	88%	380,187
<b>Other maintenance expenses</b>	2,195	11,011	14,583	-3,572	76%	25,000
<b>Snow removal expense</b>	0	2,685	11,667	-8,982	23%	20,000
<b>Utilities</b>	20,150	213,103	128,333	84,770	166%	220,000
<b>Total Maintenance expenses</b>	<b>75,638</b>	<b>611,926</b>	<b>504,984</b>	<b>106,942</b>	<b>121%</b>	<b>865,687</b>
<b>Total Expense</b>	<b>222,322</b>	<b>1,561,886</b>	<b>1,431,084</b>	<b>130,802</b>	<b>109%</b>	<b>2,453,288</b>
<b>Net Ordinary Income</b>	<b>53,830</b>	<b>68,728</b>	<b>26,908</b>	<b>41,820</b>	<b>255%</b>	<b>46,127</b>
<b>Other Income/Expense</b>						
<b>Other Income</b>						
<b>Capital contributed</b>	0	1,041,311	306,250	735,061	340%	525,000
<b>Gain on sale of assets</b>	0	193,240	11,667	181,573	1,656%	20,000
<b>Interest income</b>						
<b>Interest income on deposits</b>	104	624	875	-251	71%	1,500
<b>Total Interest income</b>	104	624	875	-251	71%	1,500
<b>Mill levy income</b>	211,222	1,478,557	1,478,557	0	100%	2,534,669
<b>Total Other Income</b>	<b>211,326</b>	<b>2,713,732</b>	<b>1,797,349</b>	<b>916,383</b>	<b>151%</b>	<b>3,081,169</b>
<b>Other Expense</b>						
<b>Debt interest expense net</b>						
<b>Bond issue cost</b>	1,121	1,582	26,250	-24,668	6%	45,000
<b>Interest Expense on Debt</b>	53,605	375,235	375,229	6	100%	643,250
<b>Total Debt interest expense net</b>	<b>54,726</b>	<b>376,817</b>	<b>401,479</b>	<b>-24,662</b>	<b>94%</b>	<b>688,250</b>
<b>Depreciation expense</b>	237,340	1,661,381	1,661,381	0	100%	2,848,082
<b>Other Non-Operating Expenses</b>	0	68,394	1	68,393	6,839,400%	1
<b>Total Other Expense</b>	<b>292,066</b>	<b>2,106,592</b>	<b>2,062,861</b>	<b>43,731</b>	<b>102%</b>	<b>3,536,333</b>
<b>Net Other Income</b>	<b>-80,740</b>	<b>607,140</b>	<b>-265,512</b>	<b>872,652</b>	<b>-229%</b>	<b>-455,164</b>
<b>Net Income</b>	<b>-26,910</b>	<b>675,868</b>	<b>-238,604</b>	<b>914,472</b>	<b>-283%</b>	<b>-409,037</b>

Salina Airport Authority  
**Profit & Loss Prev Year Comparison**  
 January through July 2021

7:27 AM  
 08/16/2021  
 Accrual Basis

	Jan - Jul 21	Jan - Jul 20	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Airfield revenue</b>				
Fuel Flowage Fees	98,128.42	81,584.86	16,543.56	20.28%
Hangar rent	446,129.65	291,313.86	154,815.79	53.14%
Landing fees	16,738.85	28,391.30	-11,652.45	-41.04%
Ramp rent	37,291.00	36,470.00	821.00	2.25%
<b>Total Airfield revenue</b>	<b>598,287.92</b>	<b>437,760.02</b>	<b>160,527.90</b>	<b>36.67%</b>
<b>Building and land rent</b>				
Agri land rent	38,943.31	32,666.69	6,276.62	19.21%
<b>Building rents - Long Term</b>				
Short-term leasing	239,510.47	204,416.80	35,093.67	17.17%
Building rents - Long Term - Other	539,742.23	482,001.02	57,741.21	11.98%
<b>Total Building rents - Long Term</b>	<b>779,252.70</b>	<b>686,417.82</b>	<b>92,834.88</b>	<b>13.53%</b>
<b>Land rent</b>				
Basic Land Rent	93,714.51	69,913.54	23,800.97	34.04%
Property tax - tenant share	66,164.00	72,274.44	-6,110.44	-8.45%
<b>Total Land rent</b>	<b>159,878.51</b>	<b>142,187.98</b>	<b>17,690.53</b>	<b>12.44%</b>
Tank rent	8,169.00	8,139.00	30.00	0.37%
<b>Total Building and land rent</b>	<b>986,243.52</b>	<b>869,411.49</b>	<b>116,832.03</b>	<b>13.44%</b>
<b>Other revenue</b>				
Airport Marketing	0.00	58,433.42	-58,433.42	-100.0%
Commissions	8,834.42	6,502.72	2,331.70	35.86%
Other income	37,248.53	45,768.62	-8,520.09	-18.62%
<b>Total Other revenue</b>	<b>46,082.95</b>	<b>110,704.76</b>	<b>-64,621.81</b>	<b>-58.37%</b>
<b>Uncategorized Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Total Income</b>	<b>1,630,614.39</b>	<b>1,417,876.27</b>	<b>212,738.12</b>	<b>15.0%</b>
<b>Gross Profit</b>	<b>1,630,614.39</b>	<b>1,417,876.27</b>	<b>212,738.12</b>	<b>15.0%</b>
<b>Expense</b>				
<b>Administrative expenses</b>				
A/E, consultants, brokers	21,402.80	0.00	21,402.80	100.0%
<b>Airport promotion</b>				
Air Serv. Mktg - City	0.00	3,410.54	-3,410.54	-100.0%
Air Serv. Mktg - County	0.00	46,125.00	-46,125.00	-100.0%
Air Serv. Mktg - SAA	94,307.79	63,866.01	30,441.78	47.67%
Airport promotion - Other	2,627.08	3,267.13	-640.05	-19.59%
<b>Total Airport promotion</b>	<b>96,934.87</b>	<b>116,668.68</b>	<b>-19,733.81</b>	<b>-16.91%</b>
Bad Debt Expense	107.00	0.00	107.00	100.0%
Computer/Network Admin.	16,123.31	22,046.06	-5,922.75	-26.87%
Dues and subscriptions	14,677.57	14,624.99	52.58	0.36%
Employee retirement	45,891.77	40,685.34	5,206.43	12.8%
FICA and medicare tax expense	35,095.33	33,259.30	1,836.03	5.52%
Industrial development	16,625.00	21,000.00	-4,375.00	-20.83%
Insurance , property	119,583.31	99,903.26	19,680.05	19.7%
Insurance, medical	117,202.72	96,539.12	20,663.60	21.4%
Kansas unemployment tax	4,220.38	371.79	3,848.59	1,035.15%
Legal and accounting	49,320.60	29,065.50	20,255.10	69.69%
Office salaries	283,202.35	274,793.14	8,409.21	3.06%
Office Supplies	4,186.98	3,276.93	910.05	27.77%
<b>Other administrative expense</b>				
Merchant Processing Fees	6,784.60	5,690.08	1,094.52	19.24%
Other administrative expense - Other	2,185.47	2,739.61	-554.14	-20.23%
<b>Total Other administrative expense</b>	<b>8,970.07</b>	<b>8,429.69</b>	<b>540.38</b>	<b>6.41%</b>
Postage	664.34	649.92	14.42	2.22%
Property tax expense	99,664.81	96,762.19	2,902.62	3.0%
Special Events	0.00	0.00	0.00	0.0%
Telephone	13,514.84	11,432.38	2,082.46	18.22%
Training	334.95	400.00	-65.05	-16.26%
Travel and meetings	2,236.57	6,926.17	-4,689.60	-67.71%
<b>Total Administrative expenses</b>	<b>949,959.57</b>	<b>876,834.46</b>	<b>73,125.11</b>	<b>8.34%</b>

	<u>Jan - Jul 21</u>	<u>Jan - Jul 20</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Maintenance expenses</b>				
<b>Airfield maintenance</b>	29,043.05	64,287.22	-35,244.17	-54.82%
<b>Airport Security</b>	4,071.57	602.07	3,469.50	576.26%
<b>Building maintenance</b>	84,833.00	48,894.33	35,938.67	73.5%
<b>Equipment fuel and repairs</b>	52,925.34	38,235.51	14,689.83	38.42%
<b>Fire Services</b>	9,898.07	5,718.33	4,179.74	73.09%
<b>Grounds maintenance</b>	10,039.76	3,315.17	6,724.59	202.84%
<b>Maintenance salaries</b>				
<b>COVID-19 Compensation</b>	343.00	0.00	343.00	100.0%
<b>Maintenance salaries - Other</b>	193,973.39	161,242.01	32,731.38	20.3%
<b>Total Maintenance salaries</b>	194,316.39	161,242.01	33,074.38	20.51%
<b>Other maintenance expenses</b>	11,010.80	12,631.29	-1,620.49	-12.83%
<b>Snow removal expense</b>	2,684.74	2,413.14	271.60	11.26%
<b>Utilities</b>	213,103.30	121,465.64	91,637.66	75.44%
<b>Total Maintenance expenses</b>	611,926.02	458,804.71	153,121.31	33.37%
<b>Uncategorized Expenses</b>	0.00	0.00	0.00	0.0%
<b>Total Expense</b>	1,561,885.59	1,335,639.17	226,246.42	16.94%
<b>Net Ordinary Income</b>	68,728.80	82,237.10	-13,508.30	-16.43%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
<b>Capital contributed</b>				
<b>CARES Grant No. 41 - Operating</b>	183,669.53	698,655.65	-514,986.12	-73.71%
<b>CRRSAA Grant No. 43 - Equipment</b>	270,402.57	0.00	270,402.57	100.0%
<b>CRRSAA Grant No. 43 - Operating</b>	512,128.65	0.00	512,128.65	100.0%
<b>Capital contributed - Other</b>	75,110.27	316,918.00	-241,807.73	-76.3%
<b>Total Capital contributed</b>	1,041,311.02	1,015,573.65	25,737.37	2.53%
<b>Gain on sale of assets</b>	193,240.00	0.00	193,240.00	100.0%
<b>Interest income</b>				
<b>Interest income on deposits</b>	624.30	1,370.51	-746.21	-54.45%
<b>Total Interest income</b>	624.30	1,370.51	-746.21	-54.45%
<b>Mill levy income</b>	1,478,556.94	1,557,335.04	-78,778.10	-5.06%
<b>Total Other Income</b>	2,713,732.26	2,574,279.20	139,453.06	5.42%
<b>Other Expense</b>				
<b>Debt interest expense net</b>				
<b>Bond issue cost</b>	1,582.42	2,667.60	-1,085.18	-40.68%
<b>Interest Expense on Debt</b>	375,235.00	371,082.60	4,152.40	1.12%
<b>Total Debt interest expense net</b>	376,817.42	373,750.20	3,067.22	0.82%
<b>Depreciation expense</b>	1,661,381.19	1,628,805.15	32,576.04	2.0%
<b>Other Non-Operating Expenses</b>	68,393.71	0.00	68,393.71	100.0%
<b>Total Other Expense</b>	2,106,592.32	2,002,555.35	104,036.97	5.2%
<b>Net Other Income</b>	607,139.94	571,723.85	35,416.09	6.2%
<b>Net Income</b>	<b>675,868.74</b>	<b>653,960.95</b>	<b>21,907.79</b>	<b>3.35%</b>

Salina Airport Authority  
**Capital Additions Budget vs. Actual**  
As of July 31, 2021

7:37 AM  
08/16/2021  
Accrual Basis

	<u>Jul 31, 21</u>	<u>Jan - Jul 21</u>	<u>Annual Budget</u>	<u>+/- Annual Budget</u>	<u>% of Annual Budget</u>
<b>ASSETS</b>					
<b>Fixed Assets</b>					
<b>Fixed assets at cost</b>					
<b>Airfield</b>					
AIP-42 Rwy 17/35 Rehab		232,240	470,000	-237,760	49%
Airfield Improvements	56,243	123,763	145,000	-21,237	85%
GA Hangar Restroom Design		6,455	8,250	-1,795	78%
GA Hangars Design	79,767	42,089	40,000	2,089	105%
<b>Total Airfield</b>	<u>136,010</u>	<u>404,547</u>	<u>663,250</u>	<u>-258,703</u>	<u>61%</u>
<b>Buildings &amp; Improvements</b>					
<b>Building improvements</b>					
Bldg. #614 Imps.		0	25,000	-25,000	0%
Bldg. 724 Renovation		18,935	20,000	-1,065	95%
Bldg. 824 Imps.		19,583	16,058	3,525	122%
Bldg. Imps. Other	147,384	229,423	30,000	199,423	765%
Hangar 606 Mechanical Additions	4,200	4,787	1	4,786	478,700%
Hangar 606 Rehabilitation		15,171	20,000	-4,829	76%
Hangar 959 Rehabilitation	220	61,094	85,000	-23,906	72%
<b>Total Building improvements</b>	<u>151,804</u>	<u>348,993</u>	<u>196,059</u>	<u>152,934</u>	<u>178%</u>
<b>FBO Improvements</b>					
Avflight North	0	0	22,500	-22,500	0%
<b>Total FBO Improvements</b>	<u>0</u>	<u>0</u>	<u>22,500</u>	<u>-22,500</u>	<u>0%</u>
<b>Terminal building improvements</b>					
Concourse Imps.	36,200	36,200	1	36,199	3,620,000%
<b>Total Terminal building improvements</b>	<u>36,200</u>	<u>36,200</u>	<u>1</u>	<u>36,199</u>	<u>3,620,000%</u>
<b>Total Buildings &amp; Improvements</b>	<u>188,004</u>	<u>385,193</u>	<u>218,560</u>	<u>166,633</u>	<u>176%</u>
<b>Equipment</b>					
Airfield Equipment		20,340	105,000	-84,660	19%
ARFF equipment	10,799	53,524	52,726	798	102%
Communications equipment		76,874	85,946	-9,072	89%
Computer equipment		2,492	15,000	-12,508	17%
Office equipment		18,517	20,000	-1,483	93%
Other Equipment		0	10,000	-10,000	0%
Shop equipment	8,425	166,614	563,126	-396,512	30%
Terminal bldg equipment	5,009	7,025	7,500	-475	94%
Vehicles		252,172	258,887	-6,715	97%
<b>Total Equipment</b>	<u>24,233</u>	<u>597,558</u>	<u>1,118,185</u>	<u>-520,627</u>	<u>53%</u>
<b>Land</b>					
Airport Indust. Cent. Imps.	0	0	15,000	-15,000	0%
Rail Spur Imps.		46,198	10,000	36,198	462%
<b>Total Land</b>	<u>0</u>	<u>46,198</u>	<u>25,000</u>	<u>21,198</u>	<u>185%</u>
<b>Total Fixed assets at cost</b>	<u>348,247</u>	<u>1,433,496</u>	<u>2,024,995</u>	<u>-591,499</u>	<u>71%</u>

# Salina Airport Authority

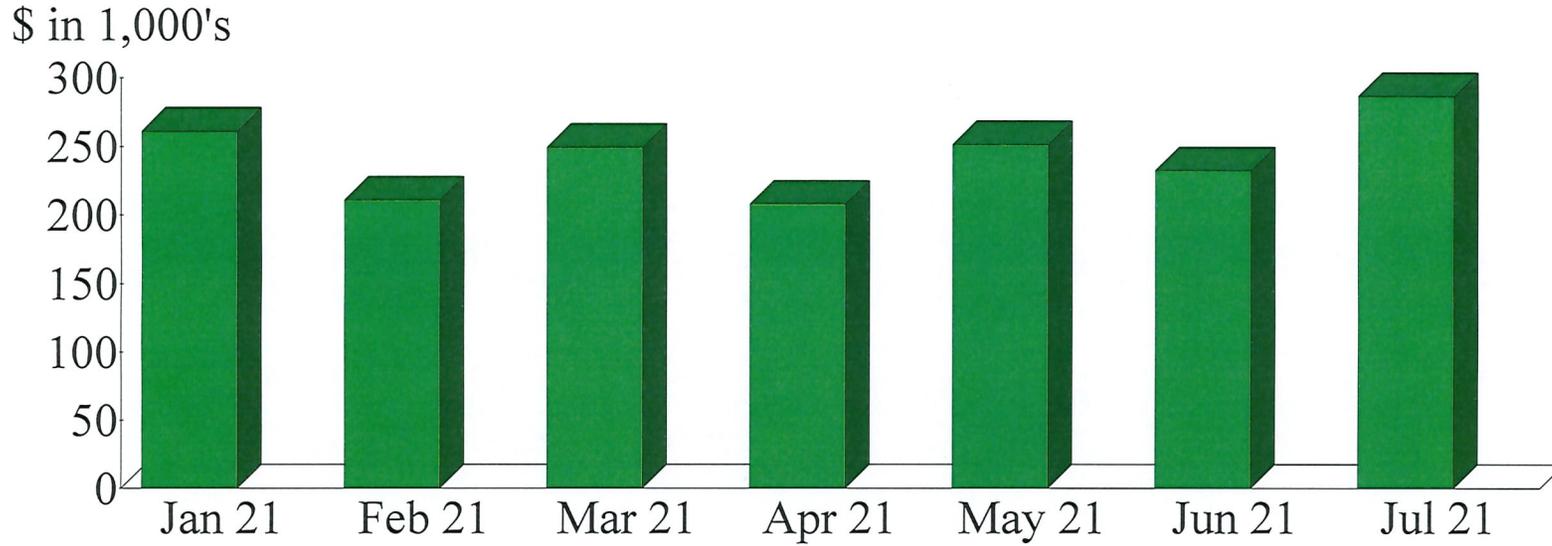
## Significant Capital Expenditures Detail

### July 2021

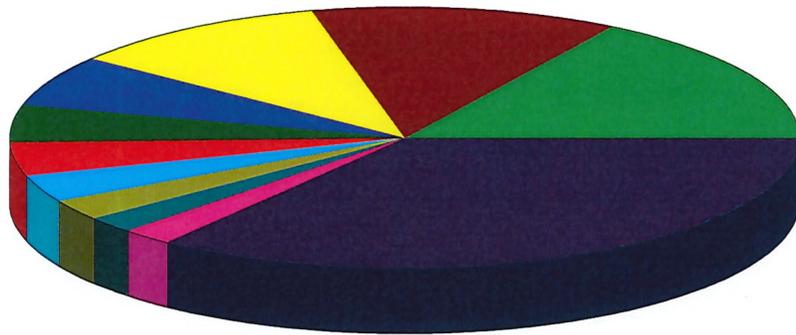
Type	Date	Name	Memo	Amount	Balance
<b>Fixed assets at cost</b>					
<b>Airfield</b>					
<b>Airfield Improvements</b>					
Bill	07/13/20	Western Extralite Com...	LED lights - term. ramp lighting	3,628.45	3,628.45
Bill	07/20/20	Cheney Door Company...	Gate Opener - Gate G4	2,510.23	6,138.68
Bill	07/26/20	Standard Signs Inc.(Lu...	Airfield Guidance Signs - LED upgrade	50,103.90	56,242.58
Total Airfield Improvements				56,242.58	56,242.58
<b>GA Hangar Restroom Construction</b>					
Bill	07/21/20	DH Pace Company, Inc.	GA Hgr. RR facility - door hardware	1,141.40	1,141.40
Bill	07/25/20	Cheney Construction Inc.	GA Hangar Public Restroom Facility - Payment N...	78,625.45	79,766.85
Total GA Hangar Restroom Construction				79,766.85	79,766.85
Total Airfield				136,009.43	136,009.43
<b>Buildings &amp; Improvements</b>					
<b>Building improvements</b>					
<b>Bldg. Imps. Other</b>					
Bill	07/16/20	Systems 4, LLC	Bldg. 655 - 6" gate valve gaskets and bolt kit and ...	2,906.00	2,906.00
Bill	07/29/20	Yutzy Roofing Service ...	Bldg. 614 roof repairs	139,287.00	142,193.00
Bill	07/30/20	Systems 4, LLC	H600 Furnish and install 3 ton 13 SEER-R410A ...	5,191.00	147,384.00
Total Bldg. Imps. Other				147,384.00	147,384.00
<b>Hangar 606 Mechanical Additions</b>					
Bill	07/14/20	Accurate Electric, LLC	Hangar 606 - run pipe and wire for 4 new dedicat...	4,200.00	4,200.00
Total Hangar 606 Mechanical Additions				4,200.00	4,200.00
<b>Hangar 959 Rehabilitation</b>					
Bill	07/12/20	Hutton Corporation	H959 project manager fee	220.00	220.00
Total Hangar 959 Rehabilitation				220.00	220.00
Total Building improvements				151,804.00	151,804.00
<b>Terminal building improvements</b>					
<b>Concourse Imps.</b>					
Bill	07/01/20	Western First Aid, Inc.	Zoll AED & wall cabinet	2,359.89	2,359.89
Bill	07/07/20	Salina Blueprint, Inc.	NEC Monitors - 43" monitor - term. bldg. concourse	3,840.00	6,199.89
Bill	07/13/20	Hutton Corporation	Concourse design contract fees	30,000.00	36,199.89
Total Concourse Imps.				36,199.89	36,199.89
Total Terminal building improvements				36,199.89	36,199.89
Total Buildings & Improvements				188,003.89	188,003.89
<b>Equipment</b>					
<b>ARFF equipment</b>					
Bill	07/28/20	Danko Emergency Equi...	SCBA cylinders - ARFF PPE	10,798.56	10,798.56
Total ARFF equipment				10,798.56	10,798.56
<b>Shop equipment</b>					
Bill	07/22/20	K-Four Trailer Sales	Scissor Lift Tilt Trailer	8,424.99	8,424.99
Total Shop equipment				8,424.99	8,424.99
<b>Vehicles</b>					
Bill	07/07/20	Marshall Motor Compa...	Running boards - MX service trucks	3,160.00	3,160.00
Bill	07/15/20	Marshall Motor Compa...	Mx Vehicles (1-5) mud flaps	1,348.72	4,508.72
Bill	07/29/20	Brian's Paint & Body R...	2019 Ford F150 spray-in bedliner (Airport 3)	500.00	5,008.72
Total Vehicles				5,008.72	5,008.72
Total Equipment				24,232.27	24,232.27
Total Fixed assets at cost				348,245.59	348,245.59
<b>TOTAL</b>				<b>348,245.59</b>	<b>348,245.59</b>

### Sales by Month January through July 2021

■ Dollar Sales



### Sales Summary January through July 2021

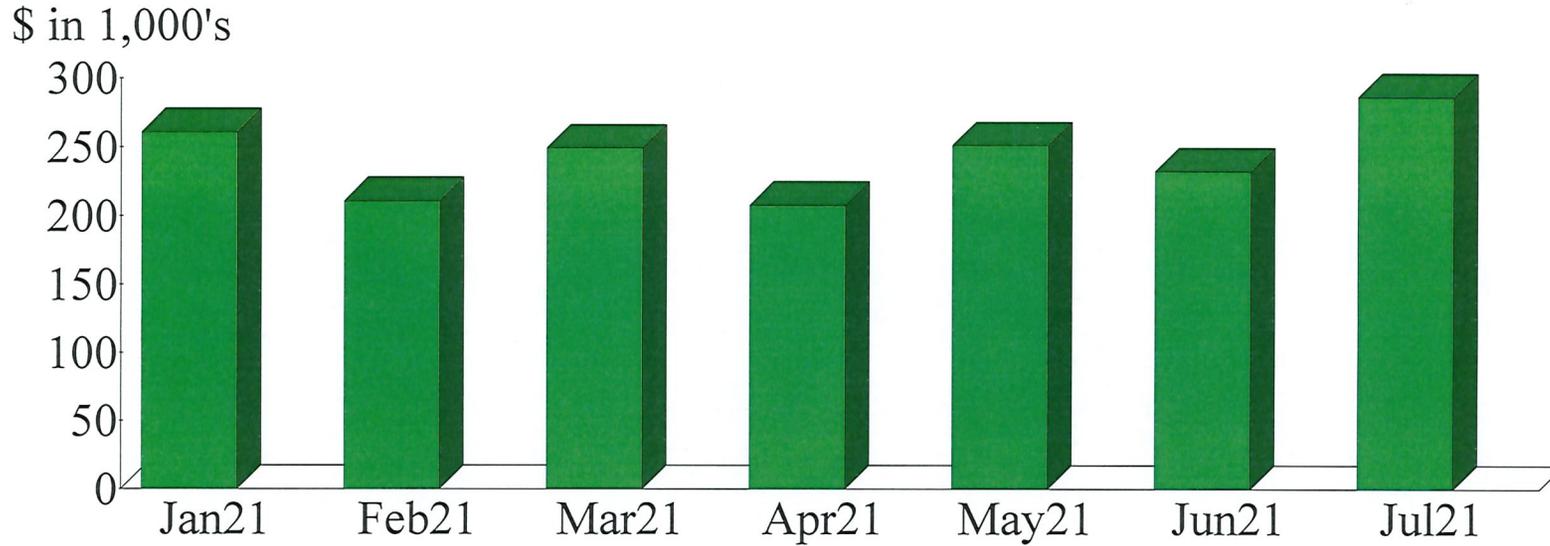


By Customer

■ Kansas Erosion Products, LLC.	16.24%
■ 1 Vision Aviation, PLLC	12.63
■ Avflight Salina	10.96
■ SFC Global Supply Chain	6.52
■ Stryten Salina, LLC	4.75
■ Universal Forest Products (UFP)	4.28
■ Kansas State Polytechnic - Salina	3.47
■ NASA	2.63
■ Durham School Service, L.P.	2.22
■ AGCO Corporation	2.16
■ Other	34.16
<b>Total</b>	<b>\$1,699,230.97</b>

### Sales by Month January through July 2021

■ Dollar Sales



### Sales Summary January through July 2021



H-00959-1 (Hangar Facility H959 - 2	9.76%
B-01021 (Building #1021 located at 36	5.68
Utility Reimbursement (Utility Reimbu	5.47
FFF-Avflight Salina (Fuel Flowage Fee	5.25
B-00655-3 (Bldg. #655 (56,961 SF) - 2	4.11
B-00620-1 (Building #620 (30,000 SF)	3.93
B-00626-1 (Manufacturing facility #62	3.33
H-0606-1 (Hangar 606 - 2630 Arnold C	3.30
Insurance(CP) (Insurance Reimburse	2.87
B-00655-4 (Bldg. #655 (33,992 SF) - 2	2.68
Other	53.61
<b>Total</b>	<b>\$1,699,230.97</b>

By Item

**SALINA AIRPORT AUTHORITY  
RESOLUTION NUMBER 21-06**

**A RESOLUTION LEVYING AN AD VALOREM TAX OF AN ESTIMATED .9479 MILLS ON ALL TAXABLE TANGIBLE PROPERTY WITHIN THE CITY OF SALINA, KANSAS FOR THE PURPOSE OF PROVIDING MATCHING FUNDS TO QUALIFY FOR ANY FEDERAL OR STATE GRANT RELATING TO THE DEVELOPMENT, IMPROVEMENT, OPERATION OR MAINTENANCE OF THE SALINA REGIONAL AIRPORT PURSUANT TO K.S.A 27-322(b.)**

WHEREAS, pursuant to K.S.A. 27-322(b), if the Authority is required to provide matching funds to qualify for any federal or state grant relating to the development, improvement, operation or maintenance of the public airport, and such funds are not otherwise available from revenues of the airport facility (“Matching Funds”), the Authority may levy a tax not to exceed one mill upon each dollar of the assessed tangible valuation of the property of the city.

WHEREAS, the requirement exists for the Salina Airport Authority to provide Matching Funds to qualify for Federal and State Grants in 2022.

WHEREAS, as required by K.S.A. 27-322(b), the Salina Airport Authority published its notice of its intent to levy up to one mill in the *Salina Journal* on, June 25, 2021, and July 4, 2021.

WHEREAS, a petition requesting an election on the question of the Salina Airport Authority levying up to the additional one mill was not filed within 30 days following the last publication of the published Notice of Intent.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Salina Airport Authority (the “Authority”):

1. The Salina Airport Authority levies an ad valorem tax in the amount of \$420,000 to be derived by an estimated at .9479 mills on each dollar of the assessed valuation of the taxable tangible property within the City of Salina, Kansas, for the year 2021 for the purpose of providing matching federal and state grant funds.

2. This levy shall be certified to the County Clerk of Saline County, Kansas, by the delivery of a signed copy of this Resolution to the office of the County Clerk of Saline County, Kansas, on or before August 25, 2020.

ADOPTED by the Board of Directors of the Salina Airport Authority this 18th day of August 2021.

\_\_\_\_\_  
Kristin Gunn, Chair

ATTEST:

\_\_\_\_\_  
Brian Weisel, Secretary

**SALINA AIRPORT AUTHORITY  
RESOLUTION NO. 21-07**

**A RESOLUTION LEVYING AN AD VALOREM TAX OF AN ESTIMATED 3.988 MILLS ON ALL TAXABLE TANGIBLE PROPERTY WITHIN THE CITY OF SALINA, KANSAS FOR THE PURPOSE OF PAYING THE INTERST ON AND PRINCIPAL OF GENERAL OBLIGATION BONDS OF THE SALINA AIRPORT AUTHORITY PURSUANT TO K.S.A. (2016 Supp.) 27-323(a).**

WHEREAS, the Salina Airport Authority has prepared a general obligation bond debt service budget for calendar year 2022 relating to general obligation bonds (the “Bonds”) issued by the Salina Airport Authority and approved by the governing body of the City of Salina, Kansas, all pursuant to K.S.A. (2016 Supp.) 27-323(a); and

WHEREAS, the Board of Directors has determined that sufficient funds are not available from operating revenues for such general obligation bond debt service; and

WHEREAS, the Salina Airport Authority is authorized by K.S.A. (2016 Supp.) 27-323(a) to annually levy a tax on all taxable tangible property within the City of Salina, Kansas, in addition to all other levies authorized by law and without the consent of the governing body of the City, in an amount sufficient to pay the interest on and principal of the Bonds as the same become due;

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE SALINA AIRPORT AUTHORITY THAT:

1. The Salina Airport Authority levies an ad valorem tax in the amount of \$1,767,255 to be derived by an estimated 3.988 mills on each dollar of the assessed valuation of the taxable tangible property within the City of Salina, Kansas, for the year 2021 for the purpose of paying general obligation bond debt service in 2022 and providing funding for the principal and interest fund as detailed below:

	<u>Description</u>	<u>Amount</u>
a.	2015-A (Refunded 2005-A & 2007-A, Fund terminal bldg. and H959 improvements)	\$188,693
b.	2017-A (Refunded portion of 2009-B and 2011-A, helipad construction Rwy 17/35 improvements, airport industrial center improvements)	\$805,307
c.	2017-B (Refunded 2009-A and 2011-B, matching funds AIP, airfield imp.)	\$166,800
d.	2019-A (Rwy. 17/35 imps, ARFF equipment, AIP match)	\$80,163
e.	2019-B (Refunded balance of 2009-B and 2011-A)	\$792,705
f.	2020-1 GO Temporary Notes – Schwan’s project real estate acquisition	\$ 10,080
h.	2021-A (Rehabilitation of Hangars 504 and 959)	\$177,387
i.	Less G.O. Bond Debt Service Principal & Interest Fund	(\$185,080)



j. Less Estimated MV Tax revenue (\$268,800)

**TOTAL AD VALOREM TAX REQUIRED FOR PRINCIPAL & INTEREST FUND \$1,767,255**

2. This levy shall be certified to the County Clerk of Saline County, Kansas, by the delivery of a signed copy of this Resolution to the office of the County Clerk of Saline County, Kansas, on or before August 25, 2021.

ADOPTED by the Board of Directors of the Salina Airport Authority this 18 day of August 2021.

SALINA AIRPORT AUTHORITY

By: \_\_\_\_\_  
Kristin Gunn, Chair

ATTEST:

By: \_\_\_\_\_  
Brian Weisel, Secretary

(SEAL)



**SALINA AIRPORT AUTHORITY**  
**Mill Levy Projections For GO Bond Debt Service**

**2022-2030**

Actual Debt Service Schedule as of 8/03/2020				2015-A GO DEBT SERVICE		2017-A GO DEBT SERVICE		2017-B GO DEBT SERVICE		2019-A GO DEBT SERVICE		2019-B GO DEBT SERVICE		2020-1 GO TEMP NOTE <sup>(4)</sup>		2021-A GO BOND DEBT SERVICE <sup>(6)</sup>		TOTAL GO DEBT SERVICE PAYMENTS	GO BOND DEBT SERVICE FUND	LESS BALANCE ALLOCATED FROM DEBT SERVICE FUNDS	LESS ESTIMATED MV TAX REVENUE	TOTAL MILL LEVY REQUIRED				
YEAR BUDGET PREPARED	FISCAL YEAR	ASSESSED VALUATION (1)	% +/-	Mills	\$	Mills	\$	Mills	\$	Mills	\$	Mills	\$	Mills	\$	Mills	\$	\$	Mills	\$			Mills	\$		
2020	2021	\$ 450,264,488	-0.925%	0.418	\$ 188,368	0.815	\$ 366,958	0.372	\$ 167,300	0.170	\$ 76,483	2.733	\$ 1,230,480	0.022	\$ 10,080			\$ 2,039,669	0.100	\$ 45,000			-0.593	\$ (267,100)	4.037	\$ 1,817,569
2021	2022	\$ 443,091,314	-1.593%	0.426	\$ 188,693	1.817	\$ 805,307	0.376	\$ 166,800	0.181	\$ 80,163	1.789	\$ 792,705	0.023	\$ 10,080	0.400	\$ 177,387	\$ 2,221,135	0.000	\$ -	-0.418	\$ (185,080)	-0.607	\$ (268,800)	3.988	\$ 1,767,255
2022	2023	\$ 443,157,778	0.015%	0.200	\$ 88,443	1.813	\$ 803,463	0.375	\$ 166,300	0.177	\$ 78,635	2.022	\$ 896,100			0.397	\$ 175,813	\$ 2,208,754					-0.610	\$ (270,144)	4.375	\$ 1,938,610
2023	2024	\$ 443,224,251	0.015%	0.205	\$ 91,043	3.848	\$ 1,705,600	0.374	\$ 165,550	0.174	\$ 77,043					0.396	\$ 175,305	\$ 2,214,540					-0.613	\$ (271,495)	4.384	\$ 1,943,045
2024	2025	\$ 443,290,735	0.015%	0.210	\$ 93,195	3.842	\$ 1,703,160	0.372	\$ 164,800	0.181	\$ 80,385					0.405	\$ 179,580	\$ 2,221,120					-0.616	\$ (272,852)	4.395	\$ 1,948,268
2025	2026	\$ 443,357,229	0.015%			3.434	\$ 1,522,598	1.013	\$ 449,050	0.177	\$ 78,530					0.403	\$ 178,455	\$ 2,228,633					-0.619	\$ (274,216)	4.408	\$ 1,954,416
2026	2027	\$ 443,423,732	0.015%			2.816	\$ 1,248,883	1.612	\$ 714,750	0.173	\$ 76,605					0.399	\$ 176,955	\$ 2,217,193					-0.621	\$ (275,588)	4.379	\$ 1,941,605
2027	2028	\$ 443,490,246	0.015%			2.808	\$ 1,245,333	1.617	\$ 717,200	0.179	\$ 79,575					0.395	\$ 175,305	\$ 2,217,413					-0.625	\$ (276,965)	4.375	\$ 1,940,447
2028	2029	\$ 443,556,769	0.015%			2.806	\$ 1,244,738	1.621	\$ 719,050	0.174	\$ 77,325					0.402	\$ 178,355	\$ 2,219,468					-0.628	\$ (278,350)	4.376	\$ 1,941,117
2029	2030	\$ 444,222,104	0.150%			2.908	\$ 1,291,875	1.520	\$ 675,300	0.000	\$ -					0.396	\$ 176,030	\$ 2,143,205					-0.630	\$ (279,742)	4.195	\$ 1,863,463

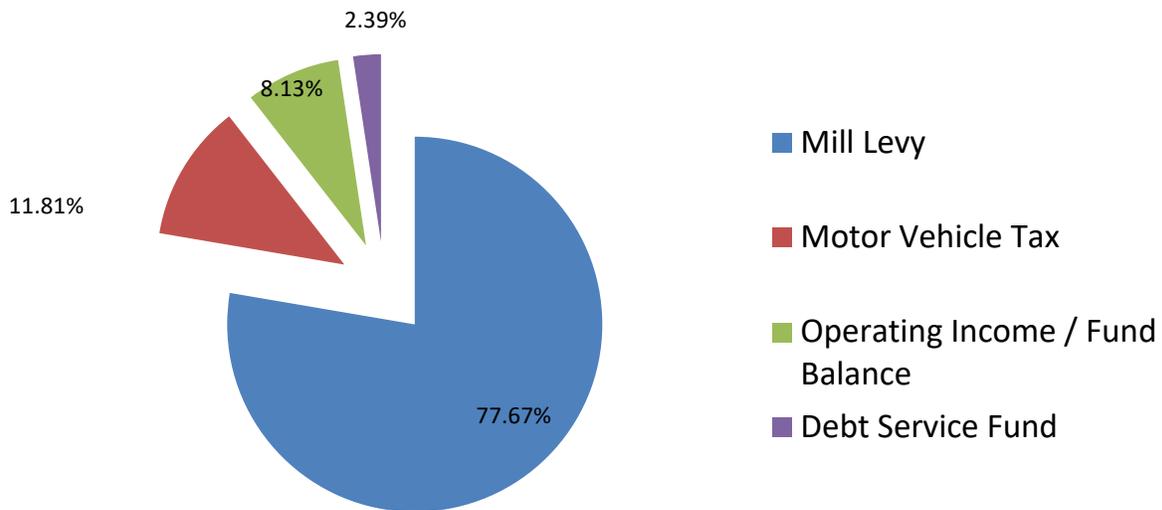
- NOTES:**
- Final assessed valuation (Less TIF) for 2020  
 Estimated Assessed Valuation at July 1, 2021 as provided by the Saline County Clerk's Office less TIF and pending exemptions (For 2022 Budget)  
 Future Assessed Valuation assumed to grow annually at a rate of .015% (For 2021-2029 Budget Years)
  - 2009-A & 2011-B Series Refunded in 2017  
 2009-B & 2011-A Series Partial Refunding in 2017  
 2009-B & 2011-A Series Balance of Issues Refunded in 2019
  - 2016-1 GO Temp Notes permanently financed with 2019-A Series
  - 2020-1 Temp Notes expected to be repaid with federal and grant proceeds
  - Estimated 2021 GO Bond Issue to retire 2019-1 Temp Notes

**Salina Airport Authority**  
**2022 Debt Service Payments Analysis**  
**Sources of Repayment**

**2022 Payment Schedule and Source of Funds - \$2,275,463**

<b>Long-Term Liability</b>	<b>Mill Levy</b>	<b>Motor Vehicle Tax</b>	<b>Debt Service Fund</b>	<b>Operating Income / Fund Balance</b>	<b>Total</b>
2015-A GO Bond	188,693				188,693
2017-A GO Bond	805,307				805,307
2017-B GO Bond	166,800				166,800
2019-A GO Bond	80,163				80,163
2019-B GO Bond	348,905	268,800	175,000		792,705
2021-A GO Bond	177,387				177,387
2020-1 GO Temp Notes			10,080		10,080
2020-Lease Purchase Agreement				54,328	54,328
<b>Totals</b>	<b>\$ 1,767,255</b>	<b>\$ 268,800</b>	<b>\$ 185,080</b>	<b>\$ 54,328</b>	<b>\$ 2,275,463</b>

**Source of Funds for 2022 P&I Payments \$2,275,463**



**SOURCES AND USES OF FUNDS**

**SALINA REGIONAL AIRPORT  
SALINA AIRPORT AUTHORITY  
SALINA, KANSAS**

**2021-1 General Obligation Bond Temporary Notes  
Airport and Airport Industrial Center Improvements**

August 12, 2021

***OPTION 1***

<b>USE OF FUNDS</b>	<b>SOURCE OF FUNDS</b>		
	<b>2021-1 GO Temp Notes</b>	<b>SAA Cash</b>	<b>Total Project Cost</b>
General Aviation Box Hangars and Public Restroom	\$ 570,000.00	\$ 600,000.00	\$ 1,170,000.00
MJ Kennedy Air Terminal Concourse Expansion & Remodel	1,100,000		1,100,000
Bldg. 595 Remodel	1,830,000		1,830,000
<b>TOTAL PROJECT COST =</b>	<b>\$ 3,500,000.00</b>	<b>\$ 600,000.00</b>	<b>\$ 4,100,000.00</b>

**SOURCES AND USES OF FUNDS**

**SALINA REGIONAL AIRPORT  
SALINA AIRPORT AUTHORITY  
SALINA, KANSAS**

**2021-1 General Obligation Bond Temporary Notes  
Airport and Airport Industrial Center Improvements**

August 12, 2021

***OPTION 2***

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<u>USE OF FUNDS</u>	<u>SOURCE OF FUNDS</u>		
	<u>2021-1 GO Temp Notes</u>	<u>SAA Cash</u>	<u>Total Project Cost</u>
General Aviation Box Hangars and Public Restroom	\$ 570,000.00	\$ 600,000.00	\$ 1,170,000.00
MJ Kennedy Air Terminal Concourse Expansion & Remodel	1,100,000		1,100,000
<b>TOTAL PROJECT COST =</b>	<b>\$ 1,670,000.00</b>	<b>\$ 600,000.00</b>	<b>\$ 2,270,000.00</b>

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## **SALINA AIRPORT AUTHORITY**

### **RESOLUTION NO. 21-08**

#### **A RESOLUTION APPROVING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE SALINA AIRPORT AUTHORITY FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN CAPITAL IMPROVEMENTS AT THE SALINA REGIONAL AIRPORT AND AIRPORT INDUSTRIAL CENTER AND AUTHORIZING THE SALE OF TAXABLE GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2021-1 OF THE SALINA AIRPORT AUTHORITY.**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY AS FOLLOWS:

Section 1. The issuance of general obligation bonds (the “Bonds”) of the Salina Airport Authority (the “Authority”) in a principal amount of not to exceed \$3,500,000, exclusive of costs of issuance and any temporary financing costs, the proceeds of the Bonds to be used for the purpose of paying the costs of certain capital improvements located at the Salina Regional Airport and Airport Industrial Center, including, but not limited to:

Construction of five new 50/50 general aviation hangars, public restrooms and associated taxi lane; and

MJ Kennedy Air Terminal concourse and gate improvements to provide for additional passenger seating and capacity; and

Renovation of Building 595 to facilitate the lease of such building for use as a distribution center or other industrial purposes

(collectively, the “Projects”), as authorized by K.S.A. 27-315 to 27-326 inclusive, is hereby approved and is in the best interests of the Authority. The total cost of the Projects shall not exceed \$4,100,000 with \$3,500,000 to be paid from bond proceeds and the balance to be paid from available Authority funds. Pending the issuance of the Bonds, the Authority may issue its temporary notes to provide financing for the Projects.

Section 2. The Authority expects to make capital expenditures after the date of this resolution in connection with the Projects, and the Authority intends to reimburse itself for such expenditures with the proceeds of bonds and notes in the maximum principal amount of \$3,500,000, exclusive of costs of issuance and any temporary financing costs.

Section 3. The Executive Director, the Director of Administration and Finance, Stifel, Nicolaus & Company, the Authority’s Financial Advisor and Gilmore & Bell, P.C., the Authority’s Bond Counsel, are hereby authorized and directed to take such other action as may be necessary to carry out the intent of this Resolution.

Section 4. This Resolution shall take effect immediately upon its adoption and passage.

ADOPTED AND PASSED by the governing body of the Authority on August 18, 2021.

SALINA AIRPORT AUTHORITY

\_\_\_\_\_  
Name: Kristin Gunn  
Chairman

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Name: Brian Weisel  
Secretary

Option 1

**SALINA AIRPORT AUTHORITY**

**RESOLUTION NO. 21-08**

**A RESOLUTION APPROVING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE SALINA AIRPORT AUTHORITY FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN CAPITAL IMPROVEMENTS AT THE SALINA REGIONAL AIRPORT AND AIRPORT INDUSTRIAL CENTER AND AUTHORIZING THE SALE OF TAXABLE GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2021-1 OF THE SALINA AIRPORT AUTHORITY.**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY AS FOLLOWS:

Section 1. The issuance of general obligation bonds (the “Bonds”) of the Salina Airport Authority (the “Authority”) in a principal amount of not to exceed \$1,670,000, exclusive of costs of issuance and any temporary financing costs, the proceeds of the Bonds to be used for the purpose of paying the costs of certain capital improvements located at the Salina Regional Airport and Airport Industrial Center, including, but not limited to:

Construction of five new 50/50 general aviation hangars, public restrooms and associated taxi lane; and

MJ Kennedy Air Terminal concourse and gate improvements to provide for additional passenger seating and capacity

(collectively, the “Projects”), as authorized by K.S.A. 27-315 to 27-326 inclusive, is hereby approved and is in the best interests of the Authority. The total cost of the Projects shall not exceed \$2,270,000 with \$1,670,000 to be paid from bond proceeds and the balance to be paid from available Authority funds. Pending the issuance of the Bonds, the Authority may issue its temporary notes to provide financing for the Projects.

Section 2. The Authority expects to make capital expenditures after the date of this resolution in connection with the Projects, and the Authority intends to reimburse itself for such expenditures with the proceeds of bonds and notes in the maximum principal amount of \$1,670,000, exclusive of costs of issuance and any temporary financing costs.

Section 3. The Executive Director, the Director of Administration and Finance, Stifel, Nicolaus & Company, the Authority’s Financial Advisor and Gilmore & Bell, P.C., the Authority’s Bond Counsel, are hereby authorized and directed to take such other action as may be necessary to carry out the intent of this Resolution.

Section 4. This Resolution shall take effect immediately upon its adoption and passage.

ADOPTED AND PASSED by the governing body of the Authority on August 18, 2021.

SALINA AIRPORT AUTHORITY

\_\_\_\_\_  
Name: Kristin Gunn  
Chairman

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Name: Brian Weisel  
Secretary

Option 2



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

Airports Division  
Central Region  
Iowa, Kansas, Missouri, Nebraska

FAA ACE-600  
901 Locust  
Kansas City, MO 64106

### **Airport Rescue Grant Transmittal Letter**

July 27, 2021

Mr. Timothy Rogers  
Executive Director  
Salina Regional Airport  
3237 Arnold Avenue  
Salina, KS 67401

Dear Mr. Rogers:

Please find the following electronic Airport Rescue Grant Offer, Grant No. 3-20-0072-045-2021 for Salina Regional Airport. This letter outlines expectations for success. Please read and follow the instructions carefully.

To properly enter into this agreement, you must do the following:

- a. The governing body must provide authority to execute the grant to the individual signing the grant; i.e., the sponsor's authorized representative.
- b. The sponsor's authorized representative must execute the grant, followed by the attorney's certification, **no later than August 25**, in order for the grant to be valid.
- c. You may not make any modification to the text, terms or conditions of the grant offer.
- d. The grant offer must be digitally signed by the sponsor's legal signatory authority and then the grant offer will be routed via email to the sponsor's attorney. Once the attorney has digitally attested to the grant, an email with the executed grant will be sent to all parties.

Subject to the requirements in 2 CFR § 200.305, each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System. The terms and conditions of this agreement require you draw down and expend these funds within four years.

An airport sponsor may use these funds for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. Please refer to the [Airport Rescue Grants Frequently Asked Questions](#) for further information.

With each payment request you are required to upload an invoice summary directly to Delphi. The invoice summary should include enough detail to permit FAA to verify compliance with the American Rescue Plan Act (Public Law 117-2). Additional details or invoices may be requested by FAA during the review of your payment requests.

As part of your final payment request, you are required to include in Delphi:

- A signed SF-425, *Federal Financial Report*
- A signed closeout report (a sample report is available [here](#)).

Until the grant is completed and closed, you are responsible for submitting a signed and dated SF-425 annually, due 90 days after the end of each Federal fiscal year in which this grant is open (due December 31 of each year this grant is open).

As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR part 200. Subpart F requires non-Federal entities that expend \$750,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to assure your organization will comply with applicable audit requirements and standards.

I am readily available to assist you and your designated representative with the requirements stated herein. The FAA sincerely values your cooperation in these efforts.

Sincerely,

Jason Knipp  
Kansas State Planner



U.S. Department  
of Transportation  
Federal Aviation  
Administration

**AIRPORT RESCUE GRANT**

**GRANT AGREEMENT**

**Part I - Offer**

Federal Award Offer Date July 27, 2021

Airport/Planning Area Salina Regional

Airport Rescue Grant No. 3-20-0072-045-2021

Unique Entity Identifier 156346900

TO: Salina Airport Authority  
(herein called the "Sponsor")

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

**WHEREAS**, the Sponsor has submitted to the FAA an Airports Rescue Grant Application dated **June 22, 2021**, for a grant of Federal funds at or associated with the **Salina Regional Airport**, which is included as part of this Airport Rescue Grant Agreement;

**WHEREAS**, the Sponsor has accepted the terms of FAA's Airport Rescue Grant offer;

**WHEREAS**, in consideration of the promises, representations and assurances provided by the Sponsor, the FAA has approved the Airport Rescue Grant Application for the **Salina Regional Airport**, (herein called the "Grant" or "Airport Rescue Grant") consisting of the following:

**WHEREAS**, this Airport Rescue Grant is provided in accordance with the American Rescue Plan Act ("ARP Act", or "the Act"), Public Law 117-2, as described below, to provide eligible Sponsors with funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. Airport Rescue Grant amounts to specific airports are derived by legislative formula (See Section 7102 of the Act).

**WHEREAS**, the purpose of this Airport Rescue Grant is to prevent, prepare for, and respond to the coronavirus pandemic. Funds provided under this Airport Rescue Grant Agreement must be used only for purposes directly related to the airport. Such purposes can include the reimbursement of an airport's operational expenses or debt service payments in accordance with the limitations prescribed in the Act. Airport Rescue Grants may be used to reimburse airport operational expenses directly related to **Salina Regional Airport** incurred no earlier than January 20, 2020.

Airport Rescue Grants also may be used to reimburse a Sponsor's payment of debt service where such payments occur on or after March 11, 2021. Funds provided under this Airport Rescue Grant Agreement will be governed by the same principles that govern "airport revenue." New airport development projects not directly related to combating the spread of pathogens may not be funded with this Grant. Funding under this Grant for airport development projects to combat the spread of pathogens will be reallocated using an addendum to this Agreement for identified and approved projects.

**NOW THEREFORE**, in accordance with the applicable provisions of the ARP Act, Public Law 117-2, the representations contained in the Grant Application, and in consideration of (a) the Sponsor's acceptance of this Offer; and, (b) the benefits to accrue to the United States and the public from the accomplishment of the Grant and in compliance with the conditions as herein provided,

**THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay 100% percent of the allowable costs incurred as a result of and in accordance with this Grant Agreement.**

**Assistance Listings Number (Formerly CFDA Number): 20.106**

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

### **CONDITIONS**

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is **\$1,078,987**, allocated as follows:
 

\$1,078,987	ARPA General [KV]
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2. **Grant Performance.** This Airport Rescue Grant Agreement is subject to the following Federal award requirements:
  - a. The Period of Performance:
    1. Shall start on the date the Sponsor formally accepts this agreement, and is the date signed by the last Sponsor signatory to the agreement. The end date of the period of performance is 4 years (1,460 calendar days) from the date of acceptance. The period of performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.
    2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. (2 Code of Federal Regulations (CFR) § 200.1)
  - b. The Budget Period:
    1. For this Airport Rescue Grant is 4 years (1,460 calendar days). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the budget period.
    2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which the Sponsor is authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to §200.308.

- c. Close out and Termination.
1. Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the end date of the period of performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the Grant within one year of the period of performance end date with the information available at the end of 120 days. (2 CFR § 200.344)
  2. The FAA may terminate this Airport Rescue Grant, in whole or in part, in accordance with the conditions set forth in 2 CFR § 200.340, or other Federal regulatory or statutory authorities as applicable.
3. **Unallowable Costs.** The Sponsor shall not seek reimbursement for any costs that the FAA has determined to be unallowable under the ARP Act.
  4. **Indirect Costs - Sponsor.** The Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the Grant Application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages only.
  5. **Final Federal Share of Costs.** The United States' share of allowable Grant costs is 100%.
  6. **Completing the Grant without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the Grant without undue delays and in accordance with this Airport Rescue Grant Agreement, the ARP Act, and the regulations, policies, standards, and procedures of the Secretary of Transportation ("Secretary"). Pursuant to 2 CFR § 200.308, the Sponsor agrees to report to the FAA any disengagement from funding eligible expenses under the Grant that exceeds three months or a 25 percent reduction in time devoted to the Grant, and request prior approval from FAA. The report must include a reason for the stoppage. The Sponsor agrees to comply with the attached assurances, which are part of this agreement and any addendum that may be attached hereto at a later date by mutual consent.
  7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
  8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs unless this offer has been accepted by the Sponsor on or before **August 25**, or such subsequent date as may be prescribed in writing by the FAA.
  9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner, including uses that violate this Airport Rescue Grant Agreement, the ARP Act, or other provision of applicable law. For the purposes of this Airport Rescue Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement(s). The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or relate to this Airport Rescue Grant Agreement, including, but not limited to, any action taken by a Sponsor related to or arising from, directly or indirectly, this Airport Rescue Grant Agreement.
11. **System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).**
- a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
  - b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/SAM/pages/public/index.jsf>.
12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.
13. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Agreement.
14. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
15. **Buy American.** Unless otherwise approved in advance by the FAA, in accordance with 49 United States Code (U.S.C.) § 50101 the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.
16. **Audits for Sponsors.**
- PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA.
17. **Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:
- a. Verify the non-Federal entity is eligible to participate in this Federal program by:
    1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-Federal entity is excluded or disqualified; or

2. Collecting a certification statement from the non-Federal entity attesting the entity is not excluded or disqualified from participating; or
  3. Adding a clause or condition to covered transactions attesting the individual or firm is not excluded or disqualified from participating.
- b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions (e.g. subcontracts).
  - c. Immediately disclose to the FAA whenever the Sponsor (1) learns the Sponsor has entered into a covered transaction with an ineligible entity, or (2) suspends or debar a contractor, person, or entity.

**18. Ban on Texting While Driving.**

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
  1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to this Airport Rescue Grant or subgrant funded by this Grant.
  2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
    - A. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
    - B. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded by this Airport Rescue Grant.

**19. Trafficking in Persons.**

- a. You as the recipient, your employees, subrecipients under this Airport Rescue Grant, and subrecipients' employees may not –
  1. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
  2. Procure a commercial sex act during the period of time that the award is in effect; or
  3. Use forced labor in the performance of the award or subawards under the Airport Rescue Grant.
- b. The FAA as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity –
  1. Is determined to have violated a prohibition in paragraph a. of this Airport Rescue Grant Agreement term; or
  2. Has an employee who is determined by the agency official authorized to terminate the Airport Rescue Grant Agreement to have violated a prohibition in paragraph a. of this Airport Rescue Grant term through conduct that is either –

- A. Associated with performance under this Airport Rescue Grant; or
  - B. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 2 CFR Part 1200.
- c. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a. of this Grant condition during this Airport Rescue Grant Agreement.
- d. Our right to terminate unilaterally that is described in paragraph a. of this Grant condition:
- 1. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. § 7104(g)), and
  - 2. Is in addition to all other remedies for noncompliance that are available to the FAA under this Airport Rescue Grant.

**20. Employee Protection from Reprisal.**

- a. Prohibition of Reprisals —
- 1. In accordance with 41 U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (a)(2) of this Grant condition, information that the employee reasonably believes is evidence of:
    - a. Gross mismanagement of a Federal grant;
    - b. Gross waste of Federal funds;
    - c. An abuse of authority relating to implementation or use of Federal funds;
    - d. A substantial and specific danger to public health or safety; or
    - e. A violation of law, rule, or regulation related to a Federal grant.
  - 2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:
    - a. A member of Congress or a representative of a committee of Congress;
    - b. An Inspector General;
    - c. The Government Accountability Office;
    - d. A Federal employee responsible for oversight or management of a grant program at the relevant agency;
    - e. A court or grand jury;
    - f. A management official or other employee of the Sponsor, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct; or
    - g. An authorized official of the Department of Justice or other law enforcement agency.
  - 3. Submission of Complaint — A person who believes that they have been subjected to a reprisal prohibited by paragraph a. of this Airport Rescue Grant Agreement may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.

4. **Time Limitation for Submittal of a Complaint** — A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.
  5. **Required Actions of the Inspector General** — Actions, limitations, and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b).
  6. **Assumption of Rights to Civil Remedy** — Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c).
21. **Limitations.** Nothing provided herein shall be construed to limit, cancel, annul, or modify the terms of any Federal grant agreement(s), including all terms and assurances related thereto, that have been entered into by the Sponsor and the FAA prior to the date of this Airport Rescue Grant Agreement.
22. **Face Coverings Policy.** The sponsor agrees to implement a face-covering (mask) policy to combat the spread of pathogens. This policy must include a requirement that all persons wear a mask, in accordance with Centers for Disease Control (CDC) and Transportation Security Administration (TSA) requirements, as applicable, at all times while in all public areas of the airport property, except to the extent exempted under those requirements. This special condition requires the airport sponsor continue to require masks until [Executive Order 13998, Promoting COVID-19 Safety in Domestic and International Travel](#), is no longer effective.

## SPECIAL CONDITIONS FOR USE OF AIRPORT RESCUE GRANT FUNDS

### CONDITIONS FOR EQUIPMENT -

1. **Equipment or Vehicle Replacement.** The Sponsor agrees that when using funds provided by this Grant to replace equipment, the proceeds from the trade-in or sale of such replaced equipment shall be classified and used as airport revenue.
2. **Equipment Acquisition.** The Sponsor agrees that for any equipment acquired with funds provided by this Grant, such equipment shall be used solely for purposes directly related to combating the spread of pathogens at the airport.
3. **Low Emission Systems.** The Sponsor agrees that vehicles and equipment acquired with funds provided in this Grant:
  - a. Will be maintained and used at the airport for which they were purchased; and
  - b. Will not be transferred, relocated, or used at another airport without the advance consent of the FAA.

The Sponsor further agrees that it will maintain annual records on individual vehicles and equipment, project expenditures, cost effectiveness, and emission reductions.

### CONDITIONS FOR UTILITIES AND LAND -

4. **Utilities Proration.** For purposes of computing the United States' share of the allowable airport operations and maintenance costs, the allowable cost of utilities incurred by the Sponsor to operate and maintain airport(s) included in the Grant must not exceed the percent attributable to the capital or operating costs of the airport.
5. **Utility Relocation in Grant.** The Sponsor understands and agrees that:

- a. The United States will not participate in the cost of any utility relocation unless and until the Sponsor has submitted evidence satisfactory to the FAA that the Sponsor is legally responsible for payment of such costs;
- b. FAA participation is limited to those utilities located on-airport or off-airport only where the Sponsor has an easement for the utility; and
- c. The utilities must serve a purpose directly related to the Airport.

The Sponsor's acceptance of this Offer and ratification and adoption of the Airport Rescue Grant Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor. The Offer and Acceptance shall comprise an Airport Rescue Grant Agreement, as provided by the ARP Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to this Grant. The effective date of this Airport Rescue Grant Agreement is the date of the Sponsor's acceptance of this Offer.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

Dated July 27, 2021

**UNITED STATES OF AMERICA  
FEDERAL AVIATION ADMINISTRATION**

*Jim A. Johnson*

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*(Signature)*

**Jim A. Johnson**

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*(Typed Name)*

**Director, Central Region Airports Division**

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*(Title of FAA Official)*

**Part II - Acceptance**

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Airport Rescue Grant Application and incorporated materials referred to in the foregoing Offer under Part I of this Airport Rescue Grant Agreement, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Airport Rescue Grant Application and all applicable terms and conditions provided for in the ARP Act and other applicable provisions of Federal law.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct. <sup>1</sup>

Dated July 27, 2021

**Salina Airport Authority**

*(Name of Sponsor)*

  
Kristin Gunn (Jul 27, 2021 21:06 CDT)

*(Signature of Sponsor's Designative Official/Representative)*

**By:** Kristin Gunn

*(Type Name of Sponsor's Designative Official/Representative)*

**Title:** Board Member

*(Title of Sponsor's Designative Official/Representative)*

<sup>1</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.

**CERTIFICATE OF SPONSOR'S ATTORNEY**

I, \_\_\_\_\_, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of   Kansas  . Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the ARP Act. The Sponsor understands funding made available under this Grant Agreement may only be used for costs related to operations, personnel, cleaning, sanitization, janitorial services, and combating the spread of pathogens at the airport incurred on or after January 20, 2020, or for debt service payments that are due on or after March 11, 2021. Further, it is my opinion the foregoing Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

Dated at \_\_\_\_\_

By:

\_\_\_\_\_  
*(Signature of Sponsor's Attorney)*

## AIRPORT RESCUE GRANT ASSURANCES

### AIRPORT SPONSORS

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#### A. General.

1. These Airport Rescue Grant Assurances are required to be submitted as part of the application by sponsors requesting funds under the provisions of the American Rescue Plan Act of 2021 ("ARP Act," or "the Act"), Public Law 117-2. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
2. Upon acceptance of this Airport Rescue Grant offer by the sponsor, these assurances are incorporated into and become part of this Airport Rescue Grant Agreement.

#### B. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this Airport Rescue Grant that:

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Airport Rescue Grant including but not limited to the following:

#### FEDERAL LEGISLATION

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- a. 49 U.S.C. Chapter 471, as applicable
  - b. Davis-Bacon Act — 40 U.S.C. 276(a), et. seq.
  - c. Federal Fair Labor Standards Act — 29 U.S.C. 201, et. seq.
  - d. Hatch Act — 5 U.S.C. 1501, et. seq.<sup>2</sup>
  - e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et. seq.
  - f. National Historic Preservation Act of 1966 — Section 106 — 16 U.S.C. 470(f).
  - g. Archeological and Historic Preservation Act of 1974 — 16 U.S.C. 469 through 469c.
  - h. Native Americans Grave Repatriation Act — 25 U.S.C. Section 3001, et. seq.
  - i. Clean Air Act, P.L. 90-148, as amended.
  - j. Coastal Zone Management Act, P.L. 93-205, as amended.
  - k. Flood Disaster Protection Act of 1973 — Section 102(a) — 42 U.S.C. 4012a.
  - l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f)).
  - m. Rehabilitation Act of 1973 — 29 U.S.C. 794.
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- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin).
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 — 42 U.S.C. 6101, et. seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968 — 42 U.S.C. 4151, et. seq.
- s. Power plant and Industrial Fuel Use Act of 1978 — Section 403- 2 U.S.C. 8373.
- t. Contract Work Hours and Safety Standards Act — 40 U.S.C. 327, et. seq.
- u. Copeland Anti-kickback Act — 18 U.S.C. 874.1.
- v. National Environmental Policy Act of 1969 — 42 U.S.C. 4321, et. seq.
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- x. Single Audit Act of 1984 — 31 U.S.C. 7501, et. seq.<sup>2</sup>
- y. Drug-Free Workplace Act of 1988 — 41 U.S.C. 702 through 706.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

#### **EXECUTIVE ORDERS**

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- a. Executive Order 11246 – Equal Employment Opportunity
- b. Executive Order 11990 – Protection of Wetlands
- c. Executive Order 11998 – Flood Plain Management
- d. Executive Order 12372 – Intergovernmental Review of Federal Programs
- e. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction
- f. Executive Order 12898 – Environmental Justice
- g. Executive Order 14005 – Ensuring the Future Is Made in All of America by All of America's Workers.

#### **FEDERAL REGULATIONS**

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- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
  - b. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.<sup>3,4</sup>
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- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.
- d. 28 CFR Part 35 – Discrimination on the Basis of Disability in State and Local Government Services.
- e. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
- f. 29 CFR Part 1 – Procedures for predetermination of wage rates.<sup>1</sup>
- g. 29 CFR Part 3 – Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.<sup>1</sup>
- h. 29 CFR Part 5 – Labor standards provisions applicable to contracts covering Federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).<sup>1</sup>
- i. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally assisted contracting requirements).<sup>1</sup>
- j. 49 CFR Part 20 – New restrictions on lobbying.
- k. 49 CFR Part 21 – Nondiscrimination in Federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
- l. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.
- m. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Program.
- n. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.<sup>1</sup>
- o. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
- p. 49 CFR Part 30 – Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
- q. 49 CFR Part 32 – Government-wide Requirements for Drug-Free Workplace (Financial Assistance).
- r. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- s. 49 CFR Part 41 – Seismic safety of Federal and Federally assisted or regulated new building construction.

#### **FOOTNOTES TO AIRPORT RESCUE GRANT ASSURANCE B**

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- <sup>1</sup> These laws do not apply to airport planning sponsors.
- <sup>2</sup> These laws do not apply to private sponsors.
- <sup>3</sup> Cost principles established in 2 CFR Part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses
- <sup>4</sup> Audit requirements established in 2 CFR Part 200 subpart F are the guidelines for audits.

## **SPECIFIC ASSURANCES**

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Specific assurances required to be included in grant agreements by any of the above laws, regulations, or circulars are incorporated by reference in this Grant Agreement.

### **1. Purpose Directly Related to the Airport**

It certifies that the reimbursement sought is for a purpose directly related to the airport.

### **2. Responsibility and Authority of the Sponsor.**

#### **a. Public Agency Sponsor:**

It has legal authority to apply for this Grant, and to finance and carry out the proposed grant; that an official decision has been made by the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

#### **b. Private Sponsor:**

It has legal authority to apply for this Grant and to finance and carry out the proposed Grant and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

### **3. Good Title.**

It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

### **4. Preserving Rights and Powers.**

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish, or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.
- b. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with this Grant Agreement.
- c. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations, and the terms and conditions of this Grant Agreement.

### **5. Consistency with Local Plans.**

Any project undertaken by this Grant Agreement is reasonably consistent with plans (existing at the time of submission of the Airport Rescue Grant application) of public agencies that are authorized

by the State in which the project is located to plan for the development of the area surrounding the airport.

**6. Consideration of Local Interest.**

It has given fair consideration to the interest of communities in or near where any project undertaken by this Grant Agreement may be located.

**7. Consultation with Users.**

In making a decision to undertake any airport development project undertaken by this Grant Agreement, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

**8. Pavement Preventative Maintenance.**

With respect to a project undertaken by this Grant Agreement for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed, or repaired with Federal financial assistance at the airport, including Airport Rescue Grant funds provided under this Grant Agreement. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

**9. Accounting System, Audit, and Record Keeping Requirements.**

- a. It shall keep all Grant accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the Grant in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the Grant supplied by other sources, and such other financial records pertinent to the Grant. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a Grant or relating to the Grant in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

**10. Minimum Wage Rates.**

It shall include, in all contracts in excess of \$2,000 for work on the airport funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

**11. Veteran's Preference.**

It shall include in all contracts for work on any airport development project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment

of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

## **12. Operation and Maintenance.**

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, State and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:
  1. Operating the airport's aeronautical facilities whenever required;
  2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
  3. Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.
- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

## **13. Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

## **14. Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft.

## **15. Exclusive Rights.**

The sponsor shall not grant an exclusive right to use an air navigation facility on which this Grant has been expended. However, providing services at an airport by only one fixed-based operator is not an exclusive right if—

- a. it is unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide the services; and
- b. allowing more than one fixed-based operator to provide the services requires a reduction in space leased under an agreement existing on September 3, 1982, between the operator and the airport.

**16. Airport Revenues.**

- a. This Grant shall be available for any purpose for which airport revenues may lawfully be used to prevent, prepare for, and respond to coronavirus. Funds provided under this Airport Rescue Grant Agreement will only be expended for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport(s) subject to this agreement and all applicable addendums for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments as prescribed in the Act
- b. For airport development, 49 U.S.C. § 47133 applies.

**17. Reports and Inspections.**

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
- b. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
  - 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
  - 2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

**18. Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

**19. Airport Layout Plan.**

- a. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, it will keep up to date at all times an airport layout plan of the airport showing:
  - 1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
  3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
  4. all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.
- b. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, if a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

## 20. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this Grant.

- a. Using the definitions of activity, facility, and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR Part 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability
  1. Programs and Activities. If the sponsor has received a grant (or other Federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities
  2. Facilities. Where it receives a grant or other Federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
  3. Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of, real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

## c. Duration

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
2. So long as the sponsor retains ownership or possession of the property.

## d. Required Solicitation Language

It will include the following notification in all solicitations for bids, Requests for Proposals for work, or material under this Grant and in all proposals for agreements, including airport concessions, regardless of funding source:

"The **Salina Airport Authority**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

## e. Required Contract Provisions.

1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT Acts and regulations.
2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
  - A. For the subsequent transfer of real property acquired or improved under the applicable activity, grant, or program; and
  - B. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, grant, or program.

- C. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
- D. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

**21. Foreign Market Restrictions.**

It will not allow funds provided under this Grant to be used to fund any activity that uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

**22. Policies, Standards and Specifications.**

It will carry out any project funded under an Airport Rescue Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars for AIP projects, as of June 22, 2021.

**23. Access By Intercity Buses.**

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

**24. Disadvantaged Business Enterprises.**

The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

**25. Acquisition Thresholds.**

The FAA deems equipment to mean tangible personal property having a useful life greater than one year and a per-unit acquisition cost equal to or greater than \$5,000. Procurements by micro-purchase means the acquisition of goods or services for which the aggregate dollar amount does

not exceed \$10,000, unless authorized in accordance with 2 CFR § 200.320. Procurement by small purchase procedures means those relatively simple and informal procurement methods for securing goods or services that do not exceed the \$250,000 threshold for simplified acquisitions.

**Current FAA Advisory Circulars Required for Use in AIP Funded and PFC  
Approved Projects**

View the most current Series 150 Advisory Circulars (ACs) for Airport Projects at  
[http://www.faa.gov/airports/resources/advisory\\_circulars](http://www.faa.gov/airports/resources/advisory_circulars) and  
[http://www.faa.gov/regulations\\_policies/advisory\\_circulars](http://www.faa.gov/regulations_policies/advisory_circulars)

## LEASE AGREEMENT

This Lease Agreement (the "Lease") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the "Authority"), and **DRAGUN CORPORATION**, a corporation authorized to do business in Kansas, with principal offices located at 30445 Northwestern Hwy, Suite 260, Farmington Hills, MI 48334 ("Lessee")

### 1. Property Description.

1.1. Legal Description of Leased Tract. The Authority, in consideration of the rents, covenants, agreements, and conditions hereinafter agreed to be paid and performed by the Lessee, leases unto the Lessee the following described real estate:

A portion of Bldg. 412 (containing approximately 1,576 sq. ft., more or less located at the Salina Airport Industrial Center, Salina, Saline County, Kansas, (commonly known as 2804 Arnold Ave.),

together with any improvements constructed or to be constructed thereon and the appurtenances thereunto belonging, as depicted on the attached Exhibit A (the "Premises").

### 2. Term, Effective Date and Holdover.

2.1. Term and Effective Date of Lease. This Lease shall be for a term of approximately two (2) years commencing effective August 23, 2021 ("Effective Date") and terminating on August 31, 2023 ("Primary Term"), subject to the option for renewal and extension hereinafter set forth.

2.2. Holdover. If the Lessee remains in possession of all or any part of the Premises after the expiration of this Lease, without the express or implied consent of the Authority, such occupancy shall be considered to be a "Holdover Tenancy" from month-to-month only, and not a renewal or extension of this Lease for any further term. In such case, the Basic Rent for such Holdover Tenancy shall be payable in the amount of 150% of the amount specified in Section 4.1 herein. Such Holdover Tenancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable rental adjustments as per Section 3.1.1 herein. The foregoing provisions of this Subsection are in addition to and do not affect the right of re-entry or any right of the Authority hereunder or as otherwise provided by law and in no way shall such provisions affect any right which the Authority may have otherwise to recover damages, to the extent

permissible by applicable law, from Lessee for loss or liability incurred by the Authority resulting from the failure by Lessee to surrender the Premises, or for any other reason. Nothing contained in this Subsection shall be construed as consent by Authority to any holding over by Lessee and the Authority expressly reserves the right to require Lessee to surrender possession of the Premises to Authority as provided in this Lease, and to the extent permissible by applicable law, upon the expiration of this Lease.

3. Option to Renew. The Lessee is hereby given two options to renew this Lease at the expiration of the Primary Term.

3.1. Option No. 1 Renew the Lease for one (1) additional term of one (1) year at the expiration of the Primary Term.

3.2. Option No. 2 Renew the Lease for one (1) additional term of two (2) years at the expiration of the Primary Term.

3.3. In the event the Lessee elects to exercise either Option No. 1 or Option No. 2 "Option Period" hereunder, it must notify the Authority in writing six (6) months prior to the expiration of the Primary Term.

3.4. The Basic Rent for the Option Period shall be as follows:

3.4.1. Basic Rent for the Option Period shall be determined by increasing the Basic Rent of 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 prior 24-month period has not shown a net increase, the Basic Rent for the Option Period shall remain the same as the Basic Rent 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 all 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 Labor Statistics. The difference between such index nearest to the first day of the prior 24-month and the latest 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 in the Basic Rent or that the Basic Rent will remain the same as the prior 24-month period.

#### 4. Rent.

4.1. Basic Rent. Lessee agrees to pay the Authority a Basic Rent for the leasing of the Premises the sum of Eight Hundred and Twenty-Five dollars and no/100 (\$825.00) per month. The rental shall be payable monthly in advance and shall be due on the first day of each month for that month. If occupancy does not occur precisely on the first day of a given month, the rental shall be prorated for that month.

4.2. Additional Rental. In addition to the Basic Rent, Lessee covenants and agrees that it will be responsible for Additional Rent, which shall include the following components:

4.2.1. Taxes. Not Applicable

4.2.2. Late Charge. If the rental amount due hereunder is not received by the Authority within five (5) days of due date, a late charge of six percent (6%) of the total amount due and currently owing, or Seventy-Five Dollars (\$75.00), whichever is greater, will be assessed against the Lessee. Failure to pay the rent and the late charge within twenty (20) days shall be grounds for termination of this Lease, solely at the discretion of the Authority, and not as a termination right for Lessee, in addition to recovery of the unpaid rent and the late charge.

4.2.3. Security Deposit. Not Applicable.

4.2.4. Keys. All keys issued to Lessee by the Authority must be returned to the Authority by 12:00 P.M., Noon, on the date this Lease expires or is terminated. If all keys are not returned or if Lessee loses a key during the term of the Lease or any extension thereof, a fee will be charged for each key lost and for each building interior and exterior lock change. The charge per key and lock change will be according to the current rates and charges schedule as adopted annually in the Authority's fiscal year budget.

4.3. Rental Renegotiations. Lessee acknowledges that as required by AAIA Section 511. (a)(9), the Authority must maintain a fee and rental structure for its facilities and services, which will make the Airport as self-sustaining as possible under the circumstances. In the event that an FAA and/or DOT audit should determine that the rentals provided for herein are inadequate, the parties agree to renegotiate the rentals.

#### 5. Insurance.

5.1. Lessee's Liability Insurance. Lessee shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of Kansas such insurance as will protect Lessee from claims set forth below which may

arise out of or result from Lessee's operations and for which Lessee may be legally liable, whether such operations be by Lessee or by its independent contractors or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

- 5.1.1. Claims under workers' compensation, disability benefit and other similar employee benefit acts, which are applicable to Lessee's operations;
  - 5.1.2. Claims for damages because of bodily injury, occupational sickness or disease, or death of Lessee's employees;
  - 5.1.3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Lessee's employees;
  - 5.1.4. Claims for damages insured by usual personal injury liability coverage;
  - 5.1.5. Claims for damages, other than the leased property, because of injury to or destruction of tangible property, including loss of use resulting there from;
  - 5.1.6. Claims for damages because of bodily injury including death of a person, or property damage arising out of the ownership, maintenance or use of a motor vehicle;
  - 5.1.7. Claims for bodily injury or property damage arising out of products liability and/or completed operations; and
  - 5.1.8. Claims involving contractual liability insurance applicable to Lessee's obligations under Section 17.1 of this Lease.
- 5.2. The insurance required by Section 5.1 and Section 5.2 shall be written for not less than the limits of liability specified below or as required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from date of commencement of this Lease. All insurance policies must be issued by an insurance carrier which has a Best's general policyholder's rating (as published in the most recent issue of Best's Key Rating Guide, Property-Casualty) of not less than A- and a financial size category of V or greater (which equates to an adjusted policyholders' surplus of \$4-\$25 million). Coverage from Lloyd's of London and Industrial Risk Insurance (IRI) is also acceptable only if there is 100% reinsurance with an acceptably rated company. The reinsurance agreement must have a total value (100 percent) assumption of liability endorsement. In addition, reinsurance agreements must have at least 90-days prior notice of cancellation provisions.

5.2.1. Commercial General Liability, which is no more restrictive than ISO Form CG0001 1/96 or any revision thereof with minimum limits of liability of:

\$ 2,000,000	General Aggregate
\$ 2,000,000	Products-Completed Operations Aggregate
\$ 1,000,000	Personal & Advertising Injury
\$ 1,000,000	Each Occurrence
\$ 100,000	Fire Damage (Any one fire)
\$ 5,000	Medical Expense (Any one person)

The policy shall be endorsed to provide the required limits on a "per location" basis.

5.2.2. Comprehensive Auto Liability for owned, non-owned and hired vehicles with combined single limits of liability of \$1,000,000 per occurrence.

5.2.3. Workers' Compensation with statutory limits.

5.2.4. Employer's Liability coverage with limits of at least:

\$ 500,000	Each Accident
\$ 500,000	Disease-Policy Limit
\$ 500,000	Disease-Each Employee

5.2.5. Commercial Umbrella / Excess Liability providing excess coverage with limits no less than \$5,000,000 each occurrence / \$5,000,000 annual aggregate.

5.2.6. such other coverage as is appropriate to the operations of Lessee's business, e.g., hangarkeeper's legal liability, pollution liability, etc.

5.3. Certificates of Insurance acceptable to the Authority shall be filed with the Authority prior to commencement of this Lease. These certificates and the insurance policies required by this Section 5 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Authority. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by Lessee with reasonable promptness in accordance with Lessee's information and belief.

- 5.4. Lessee agrees that its insurance policies will be amended to be primary without right of contribution from the Authority or its insurance policies, that Lessee's insurance policies will be amended to state that its insurer agrees to waive its right of subrogation against the Authority and that the above insurances will not be invalidated for the Authority by any action, inaction or negligence of the insured. All amounts of claims, losses or damages resulting from deductible clauses or self-insured retentions shall be for the account of the Lessee.
- 5.5. Lessee agrees that all liability policies, except workers' compensation, will be amended to name the Authority, its subsidiaries, parent, affiliates, executive officers, directors and employees as additional insureds.
- 5.6. All independent contractors hired by Lessee will be held to the same insurance requirements as the Lessee. The Authority will be named as an additional insured on independent contractors' policies, and Lessee will provide the Authority, upon request, with copies of such independent contractors' Certificates of Insurance.
- 5.7. The requirement of Lessee to purchase and maintain insurance shall not, in any manner, limit or qualify the liabilities and obligations otherwise assumed by Lessee under this Lease.

5.8. Claims Made Insurance

- 5.8.1. Lessee shall, to the extent reasonably possible, obtain the liability insurance required hereunder on an occurrence basis. If any insurance required herein is to be issued or renewed on a claims made basis, the retroactive date of such insurance shall be no later than the commencement date of this Lease and shall provide that in the event of cancellation or non-renewal of the insurance, the discovery period for insurance claims (tail coverage) shall be for a period of not less than two years.

5.9. Authority's Liability Insurance

- 5.9.1. The Authority shall be responsible for purchasing and maintaining the Authority's usual liability insurance.

5.10. Property Insurance

- 5.10.1. The Authority shall purchase and maintain commercial property insurance covering Bldg. 412, with a company or companies lawfully authorized to do business in the State of Kansas.

5.10.2. All loss payments made under the property insurance for loss to the building shall be payable to the Authority.

5.10.3. Loss of Use Insurance (rent loss/business income/extra expense).

5.10.3.1. The Authority, at the Authority's option, may purchase and maintain such insurance as will insure the Authority's property due to fire or other hazards, however caused, and the cost thereof shall be paid by the Authority. The Authority waives all rights of action against Lessee for loss of use of the Authority's property, including consequential losses due to fire, theft or other hazards however caused.

5.10.3.2. Lessee, at Lessee's option, may purchase and maintain such insurance as will insure Lessee against loss of use of the Leased Premises due to fire or other hazards, however caused, and the cost thereof shall be paid by Lessee. Lessee waives all rights of action against the Authority for loss of use of the leased Premises, including consequential losses due to fire, theft or other hazards however caused.

5.10.4. Waivers of Subrogation. The Authority and Lessee waive all rights against each other, for damages caused by fire or other causes of loss to the extent covered by property insurance required pursuant to this Section 5.10 or other property insurance applicable to the leased Premises, except such rights as they have to the proceeds of such insurance held by Lessee as fiduciary. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though (1) that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) did not pay the insurance premium directly or indirectly, (3) and whether or not the person or entity had an insurable interest in the property damaged.

5.10.5. Damage to Building Contents Owned by Lessee. Lessee acknowledges that it shall be fully responsible for any loss or damage to its personal property located on or about the Premises, that it shall be solely responsible for such personal property, and Lessee releases the Authority and its current and former officers, directors, employees, and agents from any liability therefore.

6. Use of Premises. Lessee agrees to use the Premises for the sole purpose of establishing and maintaining an environmental field offices and other activities normally associated therewith. All activities will comply with applicable law or regulations.

6.1. Lessee agrees that the Premises shall not be used or occupied for any purpose that constitutes a nuisance or may be objectionable to adjacent property; that it

will not allow the escape from the Premises of any fumes, odors, smoke, obnoxious gas, gases or other substances which are offensive or which constitute a nuisance or interfere with the conduct of other business in the area. Lessee will provide adequate devices to control excessive noise, vibrations or electromagnetic emissions.

7. Environmental Concerns.

7.1. Defined Terms. The following terms are defined in the Lease Agreement and shall mean:

7.1.1. **“Environmental Law”** means any now-existing or hereafter enacted or promulgated federal, state, local, or other law, statute, ordinance, rule, regulation or court order pertaining to (i) environmental protection, regulation, contamination or clean-up, (ii) toxic waste, (iii) underground storage tanks, (iv) asbestos or asbestos-containing materials, or (v) the handling, treatment, storage, use or disposal of Hazardous Substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act and The Resource Conservation Recovery Act, all as exist from time to time.

7.1.2. **“Hazardous Substances”** means all (i) “hazardous substances” (as defined in 42 U.S.C. §9601(14)) (ii) “chemicals” subject to regulation under Title III of the Superfund Amendments and Reauthorization Act of 1986, as amended from time to time (iii) natural gas liquids, liquefied natural gas or synthetic gas, (iv) any petroleum, petroleum-based products or crude oil or any fraction, or (v) any other hazardous or toxic substances, wastes or materials, pollutants, contaminants or any other substances or materials that are included under or regulated by any Environmental Law.

7.2. Authority’s Responsibility. The Authority is party to a settlement reached with the United States of America to complete the cleanup of environmental contamination caused by the Department of Defense at the Salina Regional Airport and Airport Industrial Center, formerly the Schilling Air Force Base. The Authority shall be responsible for the cleanup and removal of any Hazardous Substances which are determined to have been present on the Premises prior to August 23, 2021. Authority agrees to indemnify and hold Lessee harmless from and against all claims, expenses, loss or liability arising from the presence of any such contamination which occurred prior to August 23, 2021.

7.2.1. The Authority shall be responsible for any contamination caused by or during the performance of Authority’s work as landlord, even if it occurs after August 23, 2021.

7.3. Lessee Responsibility. The Lessee shall be responsible for the cleanup and removal of any Hazardous Substances, petroleum products, and petroleum additives released on the Premises at any time Lessee occupies the Premises from and after August 23, 2021. Lessee agrees to indemnify and hold the Authority

harmless from and against all claims, expenses, loss, or liability arising from any such contamination which occurs at any time Lessee occupies the Premises from and after August 23, 2021.

7.3.1. Lessee agrees to comply with all storm water and waste collection requirements of any federal, state, or local governmental laws, rules and regulations.

7.3.2. Lessee agrees that it will comply with all federal, state, and local regulations regarding the handling, storage, and dispensing of Hazardous Substances, including petroleum products, on the Premises.

7.3.3. Lessee agrees that it will immediately notify the Authority in the event of any spills or leaks of Hazardous Substances, including any liquid hydrocarbon materials, on the Premises, and to clean up the affected area in accordance with Kansas Department of Health and Environment standards.

7.4. Non-waiver. Any acknowledgement or undertaking of responsibility by either party to this Lease in relation to the other party, as set forth above, shall not be regarded as a release or waiver of any right by the responsible party to seek recovery against or contribution from any person or entity not a party to this Lease.

8. Improvements to Premises. Lessee may, with the written consent of the Authority, which consent shall not be unreasonably withheld, build and construct improvements on the Premises; provided, however, that prior to commencement of any such work the Lessee shall submit construction and site plans thereof to the Authority for its approval and secure the necessary building permits from the City of Salina. Any repairs, improvements or new construction shall conform to the following:

8.1. Any improvements on the Premises shall be restricted to commercial, industrial or warehouse use.

8.2. All construction shall conform to the applicable Building Code.

9. Ownership of Fixtures. It is understood and agreed by and between the parties hereto that any fixtures attached to the Premises or placed on or about Premises by Lessee shall be considered personal property and shall remain the property of the Lessee, who shall have the right to remove the same from the Premises upon the expiration of this Lease so long as such removal does not impair the structural feature of the improvements presently on the Premises. Provided, however, in the event of termination of this Lease due to a breach of covenant by the Lessee, then all fixtures and improvements shall become the property of the Authority and may not be removed from the Premises.

10. Removal of Fixtures. On or before the date of expiration or termination of this Lease, or any extension thereof, the Lessee shall vacate the Premises, remove its personal property and movable fixtures therefrom and restore the Premises to as good an order and condition as that existing upon the commencement of the term of this Lease, damages beyond the control of the Lessee and due to normal wear and tear excepted. If, however, the Lessee fails to remove the personal property and movable fixtures and/or to restore the Premises to substantially the same condition as existed at commencement of the Lease, then the Authority may remove the personal property and movable fixtures and restore the Premises and may retain the fixtures until such time as Lessee reimburses the Authority for all its expenses connected therewith.

11. Default.

11.1. Lessee shall be in default of this Lease if it:

- 11.1.1. Fails to pay the Basic Rent or Additional Rental when due or to comply with any substantial term, condition or covenant of this Lease within ten (10) days after written notice;
- 11.1.2. Abandons or surrenders the Premises or the leasehold estate;
- 11.1.3. Attempts to assign or sublease the Premises other than in accordance with the terms of the Lease;
- 11.1.4. Is adjudicated bankrupt or insolvent, makes a general assignment for the benefit of creditors takes the benefit of any insolvency act, or is unable to meet its obligations as they become due; or
- 11.1.5. Violates any of the other terms and conditions of this Lease.

11.2. In the event of default by Lessee, the Authority shall have the following cumulative remedies:

- 11.2.1. Terminate the Lease;
- 11.2.2. Reenter and repossess the Premises;
- 11.2.3. Relet the Premises or any part thereof;
- 11.2.4. Accelerate and collect rentals remaining to be paid under the Lease;
- 11.2.5. Seize and hold Lessee's onsite property for the satisfaction of the deficiency;
- 11.2.6. Bring a suit for damages against Lessee; or
- 11.2.7. Pursue any other remedy available to the Authority under Kansas law.

11.3. Waiver by the Authority of any breach of this Lease shall not be construed as a continuing waiver of a subsequent breach nor imply further indulgence.

12. Attorney Fees. In the event legal action must be taken because of the breach of any agreement or obligation contained in this Lease on the part of the Lessee or Authority to be kept or performed, and a breach shall be established, the prevailing party shall be entitled to recover all expenses incurred thereof, including reasonably attorney fees.

13. Repairs to Improvements on Premises. During the term of the Lease, Authority will keep roof and exterior of the Premises in a good state of repair.
- 13.1. The Authority shall be responsible for all routine maintenance and repairs necessary to keep the heating and/or cooling system, in a good state of repair and in good working condition.
- 13.2. The Authority shall be responsible for all routine maintenance and repairs necessary to keep the plumbing, electrical systems and doors in a good state of repair and in good working condition. The Authority shall provide and install the initial supply of hand fire extinguishers as required by applicable building code for the interior of the Premises and shall maintain and replace the extinguishers as necessary to comply with applicable building code including annual inspections. Lessee is responsible for maintaining electric loads within the design capacity of the system. The Authority shall be responsible for maintaining the parking lot in its present condition.
- 13.3. Lessee covenants that during the term of this Lease it will properly care for the demised Premises and appurtenances as necessary to preserve and maintain the same in good order and condition.
- 13.4. Lessee shall keep clean and orderly and supply the consumables in the areas designated as common use restrooms and breakroom. In the event, the other areas of Bldg. 412 become occupied by other tenants, Lessee agrees to work with and share this responsibility with the co-tenants.
14. Utilities and HVAC System. The Authority shall provide Lessee with the actual cost of the Premises electricity, gas and water service utilities and shall invoice Lessee, on a monthly basis, for their pro-rata share during the Lease Term. Said amount shall constitute Additional Rental. Lessee shall, at its own expense, obtain and pay for all, Internet, cable TV, phone or other utilities used by Lessee during the term of this Lease, for the Premises.
15. Liens. The Lessee shall pay, satisfy and discharge all liens and obligations of any nature and kind whatsoever created by or the obligations of the Lessee which shall attach to or be imposed upon the Premises and shall indemnify, save and hold harmless the Authority from such payment and from all resulting damages and expenses.
16. Assignment of Lease. The Lessee shall not assign this Lease or any interest therein and shall not sublet the Premises or any part thereof, or allow any person to occupy or use the Premises or any portion thereof, without the prior written consent of the

Authority. A consent to one assignment or subletting for use by any other person shall not be deemed to be a consent to any subsequent assignment.

17. Indemnification and Hold Harmless.

17.1. To the fullest extent permitted by law, the Lessee shall indemnify and hold harmless the Authority, its affiliates and its officers, directors, employees, agents, representatives, guests and invitees ("Authority Indemnitees") from and against all claims, damages, losses, liabilities, fines, penalties, costs, and expenses (including attorney's fees, consultant costs, environmental investigation, remedial or removal costs and natural resource damages) arising out of, relating to or resulting from (i) Lessee's occupancy and or use of the Premises; (ii) any breach of this Lease by the Lessee; (iii) any leak, spill or other release or disposal of or exposure to (A) any goods while being transported or delivered by Lessee or (B) any other materials, substances or chemicals that Lessee or any of its independent contractors bring onto the Premises; and/or (iv) the acts, omissions, negligence or willful misconduct of any persons used or employed directly or indirectly by the Lessee or any independent contractor. The indemnification obligations under this Subparagraph shall not be limited in any way by the limits of any insurance coverage or limitations on the amount or type of damages, compensation or benefits payable by, for or to the Lessee, any independent contractor, or any other person under any insurance policy, worker's compensation acts, disability acts or other employee benefit acts.

17.2. In claims against any person or entity indemnified under this Section 17 by an employee of Lessee, an independent contractor of the Lessee's, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 17.1 shall not be limited by limitation or amount or type of damages, compensation or benefits payable by or for Lessee, or an independent contractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

18. Inspection of Premises. The Lessee agrees that the Authority, the Federal Aviation Administration, or its agents may, at all reasonable times, have free access to the Premises for the purpose of examining or inspecting the condition of the Premises and any improvements thereon, or exercising any right or power reserved to the Authority or Federal Aviation Administration under the terms and provisions of this agreement.

19. Notices. All notices to be given pursuant to this Lease shall be addressed to the parties as follows:

<b>Authority</b>	Salina Airport Authority Salina Airport Terminal Building 3237 Arnold Salina, KS 67401
<b>Lessee</b>	Dragun Corporation Ms. Peggy Miller, President 30445 Northwestern Hwy, Suite 260 Farmington, Hills, MI 48334

20. Damage by Casualty.

20.1. If the Premises are destroyed or damaged by fire or other casualty, the Lessee may, at its sole option terminate this Lease. If this Lease is so cancelled, rent shall be paid only to the date of cancellation and the Lessee shall surrender the Premises to the Authority after being allowed a reasonable time to locate a substitute site, remove its personal property and otherwise conclude its affairs at the Premises

20.2. If the Lessee does not elect to terminate this Lease in case of destruction or damage by casualty, this Lease shall continue in full force and effect and the Authority shall restore the Premises to at least its previous condition, and to Lessee's satisfaction, within a reasonable time. For that purpose, the Authority and its agents and contractors may enter the Premises. Rent shall totally abate during the period of such restoration. The Authority's obligation to restore the Premises shall be absolute, and shall not be limited by the amount of available insurance proceeds.

21. General Clauses.

21.1. The Lessee shall comply with all applicable laws, ordinances and regulations of the state, county and municipality in which the Premises are located with regard to construction, sanitation, licenses or permits to do business and all other matters.

21.2. The Lessee shall pay to the proper governmental agencies and as they become due and payable, all taxes, assessments, and similar charges, which at any time during the term of this Lease may be taxed, except those which the Authority has in this Lease agreed to pay.

- 21.3. Any property of the Authority damaged or destroyed by the Lessee, incident to the Lessee's use and occupation of the Premises, shall be promptly repaired or replaced by the Lessee to the satisfaction of the Authority or in lieu of repair or replacement, the Lessee shall, if so required by the Authority, pay to the Authority money in the amount sufficient to compensate for the loss sustained by the Authority by reason of damage or destruction of the property.
- 21.4. The Lessee acknowledges that it has inspected and knows the condition of the Premises and it is understood that the Premises is leased without any representation or warranty by the Authority whatsoever and without obligation on the part of the Authority to make any alterations, repairs, or additions to the Premises.
- 21.5. The Lessee shall not use, or permit to be used, any portion of the Premises under its control for signs, billboards, or displays, other than those connected with its own operations on the Premises. Advertising signs must be located on the buildings on the Premises and shall not contain more than 120 square feet in the area. Flashing or illuminated signs in which the light is not maintained constant and stationary in intensity and color are prohibited. ?
- 21.6. All loading docks for buildings or warehouses located on the Premises shall be maintained only on the side or rear of the building or warehouse.
- 21.7. The Lessee shall not be the agent of the Authority in making repairs or other improvements to the Premises and no materialman's liens or claims thereunder shall be valid against the Authority or against the interest of the Authority in the Premises.
- 21.8. All materials, supplies, or equipment stored outside of the buildings located on the Premises shall be stored in an orderly manner so as not to create a nuisance or fire hazard and shall be in compliance with all applicable governmental regulations.
- 21.9. The Lessee must at all times keep the Premises and buildings in a safe, clean, wholesome condition and comply in all respects with all government, health, and police requirements. The Lessee will remove at its own expense any rubbish which may accumulate on the property.
- 21.10. The Authority shall be responsible for snow removal on the Premises as required by Lessee's occupancy, except handwork, and shall keep unpaved areas grassed and landscaped to present a pleasing appearance. Such grass and landscaping shall be kept reasonably mowed and trimmed by the Authority. ?
- 21.11. The Authority reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the Airport and all publicly-

owned air navigational facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.

- 21.12. The Authority reserves the right to further develop or improve the landing area and all publicly-owned air navigation facilities of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance.
- 21.13. The Authority reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport which in the opinion of the Authority would limit the usefulness of the Airport or constitute a hazard to aircraft.
- 21.14. During time of war or national emergency the Authority shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities, and/or other area or facilities of the Airport. If any such agreement is executed, the provisions of this Lease, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- 21.15. It is understood and agreed that the rights granted by this Lease will not be exercised in such a way to interfere with or adversely affect the use, operation, maintenance, or development of the Airport.
- 21.16. There is hereby reserved to the Authority, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Premises together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using the airspace or landing at, taking off from, or operating on or about the Airport.
- 21.17. This Lease shall be subordinate to provisions of any existing or future agreement between the Authority and the United States of America or any agency thereof relative to the operation, development or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.
- 21.18. If Lessee defaults in its payment of rent or fails to substantially comply with any of the other items of this Lease then, if requested by the Authority, the Lessee agrees to provide the Authority with a financial statement covering Lessee's latest fiscal or calendar year, which financial statement shall be in such form as accurately discloses the assets, liabilities, and net worth of the Lessee. If, in the opinion of the Authority, the financial statement provided is incomplete or fails to accurately indicate the financial condition of the Lessee, the Lessee

agrees to provide the Authority such further financial information as the Authority may in writing request.

## 22. Nondiscrimination Assurances.

- 22.1. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenant's and agrees as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Premises, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities or benefits and services in compliance with all other requirements imposed pursuant to 49 CFR, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the regulations may be amended.
- 22.2. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenants and agrees as a covenant running with the land that (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the facilities; (ii) that in construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (iii) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, and as the regulations may be amended.
- 22.3. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participation in any employment activities covered in 14 CFR, Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered sub organizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub organizations, as required by 14 CFR, Part 152, Subpart E, to the same effect.
- 22.4. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

22.5. The Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that the Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

23. Binding Effect. This Lease shall be binding upon the heirs, beneficiaries, personal representatives, successors, and assigns of the Authority and the Lessee.

The Authority and the Lessee have each caused this Lease to be executed by its duly authorized officers on the date shown.

**SALINA AIRPORT AUTHORITY**

Date \_\_\_\_\_

By: \_\_\_\_\_  
Kristin Gun  
Chair of the Board of Directors

**ATTEST**

Date \_\_\_\_\_

By: \_\_\_\_\_  
Brian Weisel  
Secretary of the Board of Directors

**DRAGUN CORPORATION**

Date August 13, 2021

By: Peggy Miller  
Peggy Miller  
President

**ATTEST**

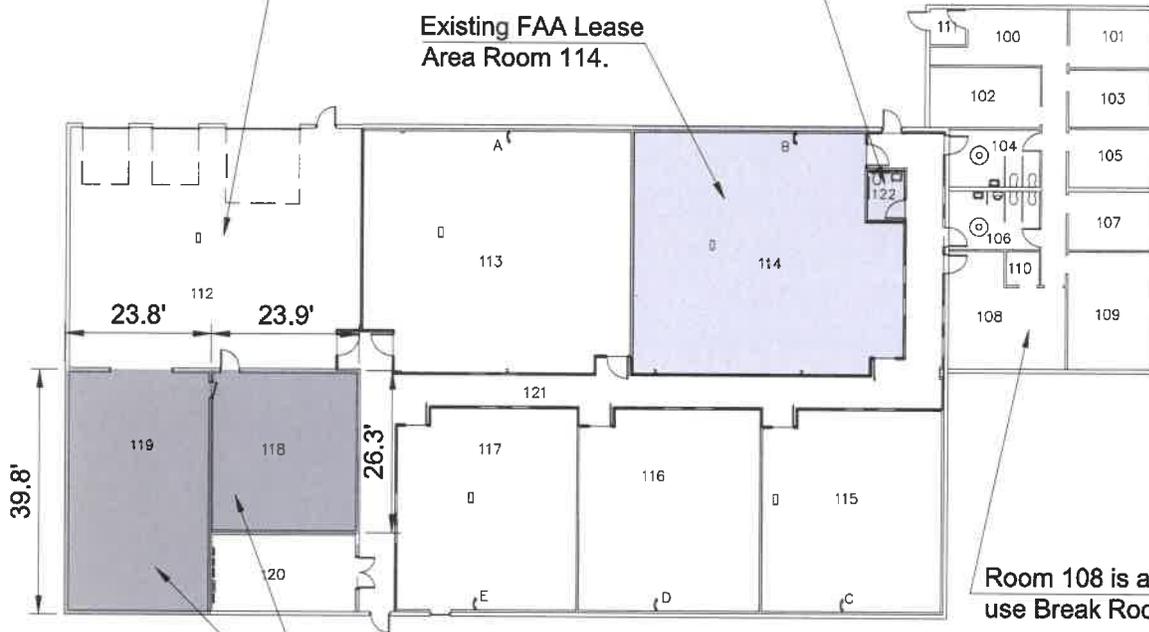
Date 8/13/21

By: Tammy Killewald  
Tammy Killewald [Name]  
Accountant [Title]

Room 112 is a common use Loading / Unloading.

Room 122 is a common use Rest Room.

Existing FAA Lease Area Room 114.



Room 108 is a common use Break Room.

**Lease Boundaries**

Room 119  
Area = 946 S.F.  
Room 118  
Area = 630 S.F.

Total Area = 1,576 S.F.

Drawing Number 2974-07-21

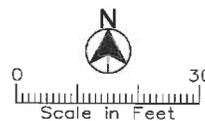


3237 ARNOLD, SALINA, KS 67401  
(785-827-3914 FAX: 785-827-2221)

None : REVISIONS  
KRB : DESIGNED BY  
KRB : DRAWN BY

1" = 30' : SCALE

7/30/21, 07:03 : DATE



**SALINA AIRPORT AUTHORITY**  
**Dragun Corp Lease Exhibit A, Building 412**

1
OF
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