

**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

	Design Central	One Office Solution
<i>Concourse seating</i>	42,037.50	44,290.00
<i>Bar height tables & 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
<i>Total</i>	\$58,877.50	\$61,466.24

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

Bidder	Amount
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.

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.

Secretary

(SEAL)