

**MINUTES OF THE REGULAR MEETING OF THE BOARD  
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY**

**AUGUST 18, 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 on Friday, August 13, 2021 and the board packet was distributed on Monday, August 16, 2021.

**Attendance**

Attendance was taken. Chair Gunn, Directors Buer, Eichelberger, 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. Julie Yager Zuker, AvFlight and Mitch Robinson, Salina Community Economic Development Organization 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 SCEDO contributions for CY 2022-2024 and consideration of a lease agreement with One Office Solutions for Bldg. 520, Unit E.

## **Minutes**

Chair Gunn asked if the board members had additions or corrections to the minutes of the July 21, 2021, regular board meeting. Director Weisel moved, seconded by Director Buer, to approve the minutes of the July 21, 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 7,230 operations during July 2021, which was a 34% increase compared to the July 2020 total of 5,399. For year-to-date a total of 47,354 operations have occurred at the airport which is 71% more than the July year-to-date total of 27,701. July fuel flowage came in at 233,652 gallons which was a 64% increase compared to July 2020 total of 142,234 gallons. For year-to-date, a total of 1,650,146 gallons has been delivered to the Airport which is 19% more than the 2020 year-to-date total of 979,842 gallons. United/SkyWest flights enplaned 2,379 passengers, which was a 507% increase as compared to the July 2020 total of 772 enplaned passengers.

Director of Administration and Finance Swanson reported on the financials for the month of July 2021. Total administrative expenses arrived 3% over budget while total maintenance expenses ended the month 21% over budget bringing total operating expenses to 9% over budget year-to-date. Net operating income before depreciation for July reached \$68,728 which is ahead of budget by \$41,820.

Short-term leasing activity continues on a positive trend. During the month of July, the SAA

entered into a five-month lease with Kansas Erosion Products for 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 August to December 2021. 1 Vision Aviation extended their short-term lease agreement in Hangar 600 by two weeks for approximately 20,000 sq. ft. resulting in \$4,720 in hangar revenue.

### **2022 to 2026 Airport Capital Improvement Program (ACIP)**

Executive Director Rogers reviewed the priorities of the Salina Airport Authority that were submitted to the Federal Aviation Administration for grant funding consideration of which include:

- **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

The FAA notified the Salina Airport Authority that the Salina Regional Airport was selected for designation in the FAA’s Military Airports Program (MAP). This selection will provide federal grant funding for the rehabilitation of the airport fuel farm and rehabilitation of the terminal building parking lot.

### **SAA Resolution No. 21-06**

Executive Director Rogers presented SAA Resolution 21-06 for the purpose of providing matching funds to qualify for federal and state grants. The 2022 mill levy funds needed for matching state and federal airport improvement grants is \$420,000 or an estimated mill levy of 0.9479. Director Buer moved to approve SAA Resolution 21-06 levying an ad valorem tax of an estimated 0.9479 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 and authorize Chair Gunn and Secretary Weisel to sign the Resolution. Director Weisel seconded the motion. Motion passed unanimously.

#### **SAA Resolution No. 21-07**

Director of Administration and Finance Swanson reviewed SAA Resolution No. 21-07 that details the mill levy required to pay G.O. Bond debt principal and interest in 2022. An estimated mill levy of 3.998 mills will raise \$1,767,255 required for G.O. Bond debt service payments. Director Weisel moved to approve SAA Resolution No. 21-07 levying an ad valorem tax of an estimated 3.998 mills on all taxable tangible property within the City of Salina, Kansas for the purpose of paying the interest on and principal of General Obligation bonds of the Salina Airport Authority and authorize Chair Gunn and Secretary Weisel to sign the Resolution. Seconded by Director Eichelberger. Motion passed unanimously.

#### **SAA Resolution No. 21-08**

Rogers reviewed the SAA's capital improvement project budgets and estimated construction costs for all projects listed below and discussed financing through General Obligation Temporary notes.

- 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)

Staff provided the board with two financing options for their consideration:

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.

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.

Option 1 includes all three projects referenced above and totals to approximately \$4,100,000.00.

Option 2 includes all with the exception of Bldg. 595 and totals to approximately \$2,270,000.00.

Director Weisel moved to approve 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. Seconded by Director Eichelberger. Motion passed unanimously.

**American Rescue Plan Act (ARPA) Grant Offer**

Rogers reviewed the 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 related to Salina Regional Airport operations and maintenance. Director Eichelberger moved to accept and approve the proposed American Rescue Plan Act (ARPA) federal grant offer and agreement and authorize Chair Gunn and board attorney Bengtson sign the agreement. Seconded by Director Weisel. Motion passed unanimously.

**Dragun Corporation Lease Agreement (Building B412)**

Swanson reviewed the proposed lease agreement with Dragun Corporation for a portion of Bldg. 412 (1,576 SF) located at 2804 Arnold Avenue 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.           |

Director Weisel moved to approve 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 to sign the agreement. Seconded by Director Buer. Motion passed unanimously.

**One Office Solutions Lease Agreement (Building B520, Unit E)**

Swanson distributed and reviewed the proposed lease agreement with One Office Solutions for Bldg. 520, Unit E located at 2775 Arnold Avenue. The Lease terms are as follows:

|                 |  |                   |
|-----------------|--|-------------------|
| Effective Date: | September 1, 2021  |                   |
| Term:           | Two Years  |                   |
| Renewal:        | Option to renew for one additional term of 1-year                    |                   |
| Rate:           | Sept. 2021   | \$0 per month     |
|                 | Oct. – Nov. 2021   | \$900 per month   |
|                 | Dec. 2021 – Feb. 2022  | \$1,000 per month |
|                 | Mar. – May 2022  | \$1,200 per month |
|                 | June – Aug. 2022   | \$1,400 per month |
| Other:          | Lessee is responsible for utilities and general liability insurance. |                   |

Director Buer moved to approve the two-year lease agreement with One Office Solutions for Bldg. B520, Unit E and authorize Chair Gunn and Secretary Weisel to sign the agreement. Seconded by Director Eichelberger. Motion passed unanimously.

**Staff Reports**

Rogers reviewed the member funding contributions for the Salina Community Economic Development Organization (SCEDO). For calendar years 2022-2024, the amount is \$50,000 per year. Director Eichelberger inquired about access to SCEDO monthly board meeting packets. Mitch Robinson, SCEDO Executive Director stated board meeting notices will be provided to the SAA board members monthly.

Upon a motion duly made, the meeting adjourned at 9:30 A.M.

Minutes approved at the September 15, 2021, Board Meeting.

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Secretary

(SEAL)