

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
OCTOBER 20, 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 and noted the board meeting notice was published on Friday, October 15, 2021, and the board packet was distributed on Monday, October 18, 2021.

Attendance

Attendance was taken. Chair Gunn, Directors Buer, Eichelberger, Roberg, and Weisel were present. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Director of Facilities and Construction Maynard Cunningham; Airport Administration Specialist Jazstyn Moyer; and Attorney Greg Bengtson was in attendance. Mitch Robinson, Salina Community Economic Development Organization; David Arteberry, Stifel, Nicolaus & Company, Inc.; Mitch Walter, Gilmore & Bell were in attendance as guests.

Additions to the Agenda

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

Minutes

Chair Gunn asked if the board members had additions or corrections to the minutes of the

September 15, 2021, regular board meeting. Director Eichelberger moved, seconded by Director Buer, to approve the minutes of the September 15, 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 7,206 operations during September 2021, which was a 4.5% decrease compared to the September 2020 total of 7,550. For year-to-date a total of 60,741 operations have occurred at the airport which is 43% more than the September 2020 year-to-date total of 42,569. September fuel flowage came in at 171,259 gallons which was a 33% increase compared to September 2020 total of 128,710 gallons. For year-to-date, a total of 1,565,572 gallons has been delivered to the Airport which is 13% less than the 2020 year-to-date total of 1,801,166 gallons. United/SkyWest flights enplaned 1,900 passengers, which was a 244% increase as compared to the September 2020 total of 552 enplaned passengers.

Director of Administration and Finance Swanson reported on the financials for the month of September 2021. Total administrative expenses arrived 8% over budget while total maintenance expenses ended the month 17% over budget bringing total operating expenses to 11% over budget year-to-date. Net operating income before depreciation for September reached \$141,606 which is ahead of budget by \$107,010. On October 14, SAA received \$222,935.78 marking the final reimbursement under the \$1,005,467 CRRSAA grant (2nd COVID relief grant). Total fixed asset additions YTD arrived at \$1,880,171 or 29% of the annual budget.

Short-term leasing activity continues a positive trend. On October 5, 2021, the SAA entered into a 2-week lease with Blue Air Training, Las Vegas, NV, for the leasing of 18,550 sq. ft. of hangar bay space, one small office, and ground support equipment in support of Canadian Joint Terminal Attack Controller course training flights at Smoky Hill Weapons Range. This short-term agreement will generate \$9,730 in rental during the month of October. Blue Air Training is a new SAA customer.

January – September 2021 (Q3) 10-year trend analysis

Director of Administration and Finance Swanson reviewed the third quarter 10-year trend analysis report (January – September) 2012 – 2021. Swanson highlighted on significant trends and reported a 10-year high in 2021 operating revenue.

Salina Airport Authority Taxable General Obligation Temporary Notes Bids Received

Swanson noted that on October 19, 2021, the SAA received bids for the 2021-1 General Obligation Temporary Notes (GOTN) in the amount of \$3,500,000. Moody's assigned a Aa3 rating to this GOTN. SAA's financial advisor, David Arteberry with Stifel, Nicolaus & Company, Inc. reviewed the following results of the sale.

Bid Results

Salina Arpt Auth \$3,550,000 Taxable General Obligations Temporary Notes Series 2021-1

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"/>	Piper Sandler & Co	0.525146
<input type="checkbox"/>	Huntington Securities, Inc.	0.600554
<input type="checkbox"/>	Country Club Bank	0.608643
<input type="checkbox"/>	First Bankers' Banc Securities Inc.	0.688296
<input type="checkbox"/>	Oppenheimer & Co., Inc.	0.788043
<input type="checkbox"/>	Northland Securities, Inc.	0.877446
<input type="checkbox"/>	UMB Bank N.A.	0.957105

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

SAA Resolution 21-10

Director of Administration and Finance Swanson reviewed SAA Resolution No. 21-10 which will authorize the issuance, sale and delivery of the taxable 2021-1 GOTN and provide for the levy and collection of an annual tax, if necessary, for the purpose of paying the principal and interest on notes as they become due and authorizing staff to take the steps necessary to finalize the temporary notes. Director Eichelberger moved to approve SAA Resolution No. 21-10 authorizing and directing the issuance, sale and delivery of taxable General Obligation Temporary Notes, Series 2021-1. Seconded by Director Weisel. Motion passed unanimously.

2022 Operating Revenue and Expense Forecast

Director of Administration and Finance Swanson distributed and reviewed the budget summary for CY 2022. Swanson commented on several key operating revenue and expense line items for the upcoming calendar year. The target operating revenue for 2022 is \$2,909,490 while targeted

gross operating expenses is forecasted at \$2,765,089. The final budget report will be presented to the board at the December board meeting.

Triplett Self-Storage, LLC Land Lease

Swanson reviewed the proposed land lease with Triplett Self-Storage, LLC to expand the self-storage located at 2435 Centennial Road in the Airport Industrial Center.

Property: 3.74 Acres – Portion of Lot 4, Block 1, Schilling Subdivision No. 7

Term: Five years with 7 five-year options to renew

Rental: \$800/month or \$.06/SF/Year

Lease provides for a graduated rental rate during first year as Lessee is developing site and constructing units.

Rate adjustment: Every 24-months during term and renewal options

Effective date: Commencing on the issuance of a City of Salina building permit for any component of the project.

Lessee: Lessee will be responsible for all site development including fencing upgrades, utilities, paving and storage unit construction.

SAA: SAA will work with AT&T to relocate a telephone line currently on the site, will fill in a cut-out of an earthen berm to the south of the premises, will relocate or abandon a septic system encroaching from the premises from the south, and will assist in modifying a fence as necessary between the Triplett and Winfield United leaseholds.

Director Weisel moved to approve the Lease Agreement with Triplett Self Storage, LLC for the leasing of 3.74 acres of land located on a portion of Lot 4, Block 1, Schilling Subdivision No. 7. Seconded by Director Buer. Motion passed unanimously.

Building B520 (Salina Development Center) Exterior Marquee

Swanson commented on the multi-tenant facility known as the Salina Development Center, Bldg. 520, located at 2775 Arnold Avenue. The facility is home to GeoCore, One Office Solution, and Pomp’s Tire Center and only one unit is currently available for lease.

Luminous Neon and Gleason Sign Company both submitted the following proposals.

23-Sep-21
Bldg. 520, Salina Development Center Signage (Lot Marquee Sign and Building Unit Signs)

Gleason					Luminous Neon				
Item	Description	Quantity	Unit Price	Extended Amount	Item	Description	Quantity	Unit Price	Extended Amount
1	Illuminated Lot Marquee Sign (includes removal of existing)	1	\$ 17,368.00	\$ 17,368.00	1	Illuminated Lot Marquee Sign (includes removal of existing)	1	\$ 23,966.92	\$ 23,966.92
2	Building Unit Signs (includes removal of existing)	7	2,329.143	16,304.00	2	Building Unit Signs (includes removal of existing)	7	1,153.71	8,075.98
Total				\$ 33,672.00	Total				\$ 32,042.90

Director Weisel moved to approve the bid submitted by Luminous Neon in the amount of \$32,042.90. Seconded by Director Roberg. Motion passed unanimously.

Airport Engineering and Consulting Firm Interviews

Rogers commented on the Five (5) airport engineering and consulting firms that were interviewed for multiple airport improvement projects to be completed over a five-year period, 2022 – 2026.

The firms interviewed were:

- The Aviation Planning Group (Group 1 Projects)
- Garver (Group 1 Projects)
- Lochner (Group 1 Projects)
- Benesh (Group 2 Projects)
- Jviation (Group 1 and 2 Projects)

The airport improvement projects were:

- Terminal building expansion design and construction (Group 2 Projects)
- Runway 12/30 rehabilitation design and construction (Group 1 Projects)
- Acquisition of airfield snow removal equipment (Group 1 Projects)
- Terminal building parking lot rehabilitation and expansion (Group 1 Projects)
- SLN fuel farm rehabilitation (Group 1 Projects)
- Taxiway Alpha (A) rehabilitation (Group 1 Projects)
- Runway and taxiway lighting system rehabilitation (Group 1 Projects)

The scoring results by the interview panel members was quite close. Based on interview scores, the top ranked firms for the projects listed above are:

- Terminal building expansion design and construction - **Jviation**
- Runway 12/30 rehabilitation design and construction - **Jviation**
- Acquisition of airfield snow removal equipment - **Garver**
- Terminal building parking lot rehabilitation and expansion - **Lochner**

- SLN fuel farm rehabilitation - **Jviation**
- Taxiway Alpha (A) rehabilitation - **Jviation**
- Runway and taxiway lighting system rehabilitation - **Jviation**

Director Weisel moved to proceed with scope of work and fee negotiations with the top ranked engineering and consulting firms. Seconded by Director Eichelberger. Motion passed unanimously.

Runway 12/30 Pavement Investigation

Rogers reviewed the process of determining whether to rehabilitate Runway 12/30 or reconstruct the runway is to fully understand the condition of runway's pavement. The SAA's airport engineering firm Jviation can complete a Runway 12/30 pavement investigation by November 30. The field work would be completed late October and the results will be available to share with KDOT and the FAA by November 30. The total cost for the field work is \$75,000.

Completion of a Runway 12/30 pavement investigation report will enable the SAA and Jviation to initiate discussions with the FAA on the scope of work (rehabilitation and/or reconstruction) needed to keep the runway in good repair and operational.

Director Weisel moved to approve a contract with Jviation of a not-to-exceed amount of \$75,000 for completion of a Runway 12/30 Pavement Investigation Report. Seconded by Director Eichelberger. Motion passed unanimously.

Executive Session

At 9:30 A.M. Director Buer moved the following:

I move that the Airport Authority board of directors recess into an executive session for fifteen (15) minutes to discuss the subject of a specific economic development project based upon the need to discuss data relating to the financial affairs or traded secrets of corporations, partnerships, trusts and individual proprietorships pursuant to K.S.A. 75-4319(b)(4). The open meeting will resume in this room at 9:45 AM.

Director Weisel second the motion. The motion passed unanimously.

The open meeting resumed at 9:45 A.M.

Upon a motion duly made, the meeting adjourned at 9:47 A.M.

Minutes approved at the November 17, 2021 Board Meeting.

Secretary

(SEAL)