

**MINUTES OF THE ANNUAL MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
MARCH 16, 2022
HANGAR 600, ROOM 100**

Call to Order

Chair Kristin Gunn called the meeting to order at 8:00 A.M. Chair Gunn confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst stated that the board meeting notice was published and distributed on Friday, March 11, 2022, and the meeting packet published on Monday, March 14, 2022.

Attendance

Attendance was taken. Chair Gunn, Directors Buer, Roberg, Eichelberger, and Carlin were present. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Business and Communications Manager Kasey Windhorst; and Attorney Greg Bengtson were present. David Artberry, Stiefel, Scott Hillegeist, SLN ATCT manager, Mike Hoppock, City of Salina Commissioner, Mitch Walter, Gillmore & Bell, Julie Yager-Zucker, Avflight Salina, Mitch Robinson, Saline County Economic Development Organization, Bob Vidrickson, Saline County Commissioner, Michael Bunn and Dan Reed, T-hangar tenants attended as guests.

Acceptance of Appointment/Oath of Office

Executive Director Rogers announced the appointed of Airport Authority board member, Stephanie Carlin, to serve a three-year term. Director Carlin executed her Acceptance of Appointment and Oath of Office.

Additions to the Agenda

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

Minutes

Chair Gunn asked if the board members had additions or corrections to the minutes. Director Eichelberger moved, seconded by Director Buer, to approve the minutes of the February 16, 2022 regular board meeting. Motion carried 5-0.

Airport Activity

Executive Director Rogers reviewed the statistics for air traffic, fuel flowage, and enplanements for the month of February 2022. The Salina air traffic control tower (ATCT) recorded 6,260 operations during February 2022 which was a 4.5% increase as compared to the February 2021 total of 5,989. For the year-to-date, a total of 11,024 operations have occurred at the Salina Airport which is 10% more than the February 2021 YTD total of 9,985. February 2022 fuel flowage came in at 200,550 gallons which was 38% more than the February 2021 total of 145,726 gallons. For the year to date a total of 352,247 gallons have been delivered which is 33% more than the 2021 YTD total of 263,995 gallons. SkyWest enplaned 1,350 passengers, which was a 226% increase over the February 2021 total of 413 passengers. The February 2022 total passenger count was 2,647 which was a 239% increase over the February 2021 YTD total of 781. United Express enplanements continue to recover at a rate higher than the national average.

Financial Reports

Director of Administration and Finance Swanson provided the financial reports for the month ending February 28, 2022. Highlights from the February 2022 financials include:

- Unrestricted cash in bank at \$2,342,186. Cash in bank, including bond funds is \$6.6 million.
- Total YTD income came in \$46,823 over the first two months in 2021 (11%) and is tracking slightly (3%, \$13,811) under the 2022 budget projections.
- Total operating expenses came in 6% under budget and are down 19.5% from 2021 or \$109,581 less.
- Net operating income before depreciation equaled \$18,319 at the end of February.

Swanson reported that the SAA remitted \$281,092 to the State Treasurer's office for the semi-annual interest payments on the Authority's outstanding general obligation bonds and the 2021 financial statement audit fieldwork by the independent auditing firm of Adams Brown is scheduled for March 23, 2022.

Swanson highlighted the significant capital expenditures for the month of February and detailed progress payments on bond proceeds. Swanson commented on short-term lease with NASA in the amount of \$102,481 for temporary use of Hangar 606 and ground support equipment later this summer. Chair Gunn directed staff to file the financials for audit.

Scheduled Air Service Update

Rogers updated the board on SkyWest's Notice of Termination to USDOT due to pilot shortage

and reviewed the following timeline with the board.

Essential Air Service (EAS) Timeline	
March 10, 2022	SkyWest submits a Notice of Termination to the USDOT
March 11, 2022	USDOT issues an Order Prohibiting Termination of Service and Requesting Proposals
April 11, 2022	Deadline for interested air carriers to submit proposals to the USDOT
April TBD	Deadline for community comments
May TBD	USDOT air carrier selection
June/July TBD	Transition from SkyWest to replacement air carrier

Rogers presented and reviewed the SLN True Market Study to the board which will be a critical tool used for the air carrier recruitment process. Rogers reviewed the plan for contacting candidate, replacement air carriers.

Review Bids Received for Building B595 Remodeling and Prospective Tenants

Rogers reviewed the scope of work for B595 warehouse rehabilitation project. The 20,000 SF warehouse/light manufacturing building will be divided in Unit A and Unit B. Bids were received from Cheney Construction and Hall Construction. The bid from Hall cannot be considered since the company was not able to secure the required statutory bid and performance bonds. Since Hall cannot be considered, the sole bid is \$1,957,000 submitted by Cheney. Cheney can have the work substantial complete by July 2022 to meet a tight schedule for one of two prospective tenants. Director of Administration and Finance Swanson reviewed prospects and proposed lease terms. Director Buer moved to accept the sole, complete bid submitted by Cheney Construction in the amount of \$1,957,000 and authorize the executive director to sign the B595 remodel project contract documents. Motion was seconded by Director Eichelberger, motion passed 4-0. Director

Roberg abstained from discussion and vote.

Runway 17/35 construction update and consideration of Change Order No. 1 for north 4,800 ft. of resurfacing

Rogers presented the project overview and APAC’s request for Change Order No. 1 due to price increase of oil and pavement markings. KDOT grant remains at \$1,352,948; the Salina Airport Authority’s share increased to 22% or \$375,787. Director Eichelberger moved to approve Change Order No. 1, seconded by Director Buer, motion passed unanimously.

Review of Calendar Year 2022 – 2027 Airport Improvement Projects and Associated Project Budgets and Funding Sources (federal and local share)

Rogers reviewed an updated schedule for FAA grant funding for planned Salina Regional Airport improvement projects such as fuel farm construction, terminal building parking lot expansion, terminal building expansion, and Runway 12/30 rehabilitation.

Revised March 10, 2022

State and Federal Grant Funding Summary

Calendar Year	FAA ACIP Years 1-5	Project	Estimated Total Project		Agency	Grant Program	Grant Status	SAA Local Share
			Cost	Grant \$				
2022	1-5	Runway 17/35, South 7,500 ft construction	\$ 4,321,531	\$ 4,200,979	FAA	AIP Entitlement	Awarded 6-23-2021 Award notification received 2-14-2022	\$ 120,552
2022		Runway 17/35, North 4,800 ft construction	1,728,735	1,352,948	KDOT	KDOT Economic Development		375,787
2022-2023	1-5	Construct/improve/repair fuel farm	2,800,750	2,520,675	FAA	AIP MAP	ACIP update submitted on 3-8-2022	280,075
2022-2025	1-5	Terminal Bldg. Expansion	8,559,000	8,131,050	FAA	BIL ATG	ACIP update submitted on 3-8-2022	427,950
2022-2024	1-5	Rehabilitate Runway 12/30	4,235,250	3,811,725	FAA	BIL AIG	ACIP update submitted on 3-8-2022	423,525
2023	1-5	Acquire snow removal equipment	1,430,000	1,287,000	FAA	AIP MAP	ACIP update submitted on 3-8-2022	143,000
2022-2023	1-5	Construct or improve Terminal Bldg. parking lot	2,989,000	2,690,100	FAA	AIP MAP	ACIP update submitted on 3-8-2022	298,900
2025-2026	1-5	Rehabilitate T/W's A, B, C, D, E & from Rwy 35 to T/W G	4,889,750	4,400,775	FAA	AIP Entitlement	ACIP update submitted on 3-8-2022	488,975
2027	6-11	Upgrade Runways 17-35 lighting systems	715,951	644,356	FAA	AIP Entitlement	ACIP update submitted on 3-8-2022	71,595
2027	6-11	Upgrade Runways 12-30 lighting systems	435,000	391,500	FAA	AIP Entitlement	ACIP update submitted on 3-8-2022	43,500
			\$ 32,104,967	\$ 29,431,108				\$ 2,673,859

Rogers reported on the Bipartisan Infrastructure Law Airport Terminal Grant and Airport Infrastructure Grant as well as discussing other state and federal grand funding available.

Executive Session

At 8:55 AM. Director Roberg 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 an economic development expansion project based upon the need to discuss data relating to the financial affairs or trade 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 9:10 AM.

Director Buer second the motion. The motion passed unanimously.

The open meeting resumed at 9:10 AM.

SAA Resolution No. 22-02 Providing Statutory Authority for the Issuance of Salina Airport Authority General Obligation Bonds to Finance Certain MRO Hangar Improvements

Rogers presented the revised SAA Resolution No. 22-02 to the board that better describes the Airport Authority's authority to issue general obligation bonds instead of "Approving" the issuance of general obligation bonds. Approval of the resolution will enable SAA staff to continue lease negotiations. Approval also allows bond counsel and financial advisors to proceed with the steps needed to prepare for a bond issue. Rogers provided the calendar of events and detailed lease terms for two prospective tenants for hangars H606 and H626. Director Buer moved, seconded by Director Roberg to approve SAA Resolution No. 22-02. Motion passed unanimously.

Election of officers and board member committee assignments for 2022 – 2023

Director Gunn proposed the following slate of officers and committee assignments for 2022 – 2023:

Chair	Kent Buer
Vice-Chair	Tod Roberg
Secretary	Al Eichelberger
Treasurer	Stephanie Carlin
Past Chairman	Kristin Gunn

Salina Area Chamber of Commerce Board of Directors (ex officio member)	Kent Buer
Schilling Project Executive Group (SAA board liaison)	Kristin Gunn
Salina Community Economic Development Organization (SAA board liaison)	Tod Roberg

Director Roberg motion to approve the election of the board officers and committee assignments for 2022-2023 as presented and authorize Director Eichelberger, in his capacity as the newly elected board secretary to attest Resolution 22-02 and certify the minutes from today's meeting. Director Buer seconded the motion. Motion passed unanimously.

SAA Resolution No. 22-03

Swanson presented SAA Resolution 22-03, the resolution designates the banks used by the Airport Authority, specifies the individuals authorized to sign SAA checks, and defines the number of signatures required on each check. Director Buer moved to approve SAA Resolution No. 22-03. Director Roberg seconded. Motion carried unanimously.

Board Reference Manual

Executive Director Rogers reviewed the updates to the board reference manual and noted the addition of the SCEDO primary guiding documents. The board reference manual can be accessed online using the below link.

<https://www.salinaairport.com/media/36743/boardreferencemanual-2022.pdf>

Staff Reports

Rogers reported on the FAA Part 139 Airport Certification Inspection completed in February 2022 and highlighted items on the compliance letter received following the inspection.

Rogers presented construction costs and financing for the G.A. hangar project. The airport authority is reviewing cash options to reduce the monthly lease rate. Bids and additional options are anticipated to be presented to the board at the June meeting.

Upon a motion duly made, the meeting adjourned at 9:40 A.M.

Minutes approved at the April 20, 2022 board meeting.

Secretary

(SEAL)