

**MINUTES OF THE REGULAR MEETING OF THE BOARD  
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY  
JULY 20, 2022  
HANGAR 600, ROOM 100**

**Call to Order**

The meeting was called to order at 8:00 A.M. by Chair Kent Buer. Chair Buer confirmed that a quorum was present. Administration Specialist Michelle Moon confirmed that the notice was published Friday, July 15, 2022, and a revised agenda and board packet published on Monday, July 18, 2022.

**Attendance**

Attendance was taken. Chair Buer, Directors Roberg (via GTM), Gunn, Carlin, and Eichelberger (via GTM) were present. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Administration Specialist Michelle Moon; and Attorney Greg Bengtson attended. Guests were Julie Yager-Zucker, Avflight; and Mitch Robinson, Salina Community Economic Development Organization. Attending via GTM were guests Danielle Hollingshead, C.P.A, Adams/Brown; Renee Duxler, Salina Area Chamber of Commerce; Kory Lewis, Coffman & Associates; Saline County Commissioner Bob Videricksen; and City of Salina Commissioner Mike Hoppock.

**Additions to the Agenda**

Chair Buer asked if there were any additions to the agenda. Executive Director Rogers stated there were no additions to the agenda. Rogers provided an overview of the agenda.

## **Minutes**

Chair Buer asked if the board members had additions or corrections to the minutes. Director Gunn moved to approve the minutes of the June 15, 2022 regular board meeting, Director Carlin seconded the motion. Motion carried 5-0.

## **Airport Activity**

Executive Director Rogers reviewed the airport activity during the month of June 2022. SLN ATCT recorded 6,660 operations during June 2022 which was a 7% decrease as compared to the June 2021 total of 7,142. Fuel flowage came in at 193,611 gallons which was 21% more than the June 2021 total of 159,726 gallons. For the year-to-date, a total of 1,230,478 gallons have been delivered which is 32% more than the June 2021 YTD total of 931,494 gallons. The increase in fuel flowage was positively impacted by the Gunslinger exercise. The direct economic impact of the 1,100 Marines in Salina for Gunslinger was \$1.6M. Gunslinger 2023 is already booked for SLN. Fuel Flowage for July will be down but the use of runway 12/30 will help to offset the construction closure of runway 17/35.

SkyWest enplaned 2,325 passengers, which was a 18% increase over the June 2021 total of 1,979 passengers. SLN enplanements has flattened and will take a predictable downturn due to the tag at Hays. Due to the tag, Salina outbound passenger enplanements will decline and be below the national average for the first time. With the tag, SkyWest has lost an estimated 3,200 passengers since June. ArkStar's report continues to remind SkyWest that Salina is a Business Market hub. Since getting the Notice of Termination rescinded, the next steps will be to optimize the schedule for the business market with better connections to Chicago and Denver and break the tag with

Hays.

### **Financial Reports**

Director of Administration and Finance Swanson reviewed the 2<sup>nd</sup> quarter financials ending June 30, 2022. Unrestricted cash in the bank is over budget 8% (1,887,229). Total year-to-date income came in \$270,311 over the first half of 2021 (20%) and is tracking over the 2022 projections (12%, \$171,158). A payment was made to APAC for the 17/35 project from the KDOT funds (\$1.2M). Accounts Payable are down \$1.6M from May 2022. Total operating expenses came in 1% under budget and is running .66% less than 2021 or \$9,467. Net operating income before depreciation equaled \$194,039 year to date at the end of the 2<sup>nd</sup> quarter.

Significant capital expenditures for June include continued storm damage repairs, B595 renovation continues, on schedule, with pay estimate #3 paid in June, and Hangar 626 design work continues with a payment to Hutton.

Rogers pointed out the 10-Year Operating Revenue and Expense Analysis report provided in the board packet. The report reflects the positive trend for the Salina Airport regarding the goals and objectives.

### **Comprehensive Annual Financial Report for calendar years 2021 and 2020**

Executive Director Rogers reported the Comprehensive Annual Financial Report is available on the SAA website at <https://www.salinaairport.com/media/36831/final-version-2021-cafr.pdf>.

Swanson explained that AdamsBrown was engaged to provide an independent review of the

financial statements.

Swanson introduced Danielle Hollingshead, CPA and lead auditor with AdamsBrown, LLC, to present to the board the Airport Authority's Comprehensive Annual Financial Report for Calendar Years 2021 and 2020 report. The independent auditor's opinion letter states that, *"In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Salina Airport Authority as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America."*

Director Eichelberger commended Ms. Hollingshead on the presentation and acknowledged the work efforts of the audit team in preparing the financials. The clean audit report is exceptional. Swanson pointed out specifically for future reference that the statistical portion of the report is a valuable resource as many of the documents have a 10-year historical record. Ms. Hollingshead added that the Management Discussion Analysis provides the best recap of the report.

### **SLN North Ramp Development Plan Review and Public Comment**

Executive Director Rogers provided an update of status of SLN North Ramp Development Plan project and let board members know that there has been no scope of development changes since his February 16, 2022, board meeting report. The next step is FAA approval of changes to the SLN Airport Layout Plan (ALP).

Rogers reported that an application for a National Environmental Policy Act (NEPA) Categorical Exclusion (CATEX) from the need to prepare an Environmental Assessment (EA) report of an even more extensive Environmental Impact Statement (EIS) report for the SLN North Ramp Project has been prepared. Rogers reviewed the contents of the application. Rogers reported that the CATEX application will be submitted to the FAA for a decision that no further NEPA review is required.

Rogers also reported following a favorable FAA CATEX decision, the updated Salina Regional Airport (SLN) Airport Layout Plan (ALP) showing the SLN North Ramp Development can be approved by the FAA. The FAA CATEX and ALP approvals are required before SLN North Ramp construction can start.

Rogers reviewed the plans for the new North Ramp MRO hangar construction.

Chair Buer asked for public comment concerning the North Ramp Development Plan and NEPA CATEX application.

Mitch Robinson, Executive Director, Salina Community Economic Development Organization (SCEDO), addressed the board, commenting that the Salina Airport is the number one asset to the Salina community. Director Robinson stated that the Airport property is the prime location for aviation projects; the Airport is the ideal location for expansion; and that the expansion itself is ideal as it occurs on existing property, limiting additional environmental impact. Robinson stated that the expansion has the support of SCEDO.

No other public comments were received by the board.

Rogers noted for the board that staff will be preparing an excerpt of the minutes of the meeting for signature by Director Eichelberger as secretary and certification.

**FAA Airport Improvement Program (AIP) Projects Scheduled for Calendar Years 2023 through 2027.**

Rogers presented a summary of airfield improvements projects scheduled calendar years 2023 through 2027. The order of the projects matches up with FAA priorities and available grant funds. Years 2023 through 2025 take advantage of multiple sources of FAA grant funding. The grant program applicable to SLN projects is listed. The 2023 – 2025 priority projects are:

- 2023 - New fuel farm construction
- 2023 - Rehabilitate (resurface) Runway 12/30
- 2024 - Rehabilitate and expand the terminal building parking lot
- 2025- Terminal building expansion

FAA AIP grant funding for the projects is estimated to be \$18,631,574 over the next four years.

The local match required is estimated to be \$1,594,675.

The fuel farm construction is stalled at the federal level. Rogers reported that a 104-page addendum was submitted to the FAA, and he expects a resolution by the end of July.

Runway 12/30 pavement investigation report was completed in 2021 and submitted to the FAA, projecting that the rehabilitation will last an estimated 15 years, well over the 10-year

requirement. FAA approval was given for the rehabilitation/resurface of Runway 12/30. Design work is scheduled for CY 2023.

Terminal building expansion project was not selected for 2022 but will be submitted for the 2023 application process; other opportunities will be available over the next 4 years. In the interim, the expansion work on the overflow parking area continues with local funds.

In all, between 2023 and 2027, \$33.8M in projects, \$30.8M of federal funding is available, \$3M is needed for local match. Next month, the board will be considering mill levy funds for next year. There are opportunities through regional collaboration for state funding to reduce the local match.

#### **SAA's General Obligation Debt Service Mill Levy Requirement for Calendar Year 2023.**

Swanson provided a summary of the debt service schedules for the G.O. bond debt, estimated by the Saline County Clerk at \$485M. Swanson reported that the airport authority needs 4.901 Mill for G.O. bond debt, generating \$2.378M for 2022. SAA staff will provide a report from Steifel regarding a refinancing analysis prior to the special board meeting scheduled for August 31.

#### **Consideration of SAA's Intent to Exceed the Revenue Neutral Rate for the 2022 Mill Levy for the Budget Year 2023.**

Rogers discussed the changes to state law and commented that Jamie Doss, Saline County Master County Clerk, was immensely helpful in implementing the new regulations. By adopting a notice

of intent, the Salina Airport Authority declares its intent to consider a 2022 mill levy that would exceed its 2021 mill levy. The SAA's 2021 certified mill levy rate is 4.838 generating an estimated \$2,456,055. The projected 2022 mill levy rate is 5.091 that would generate an estimated \$3,129,470. A notice of intent also sets a date for a public hearing to provide for an opportunity for public comment concerning the SAA's 2023 mill levy budget. The Salina Airport Authority uses mill levy funds for general obligation bond (G.O.) debt service and for federal and state grant matching funds.

Director Carlin moved to approve the Notice of Revenue Neutral Intent certification to be submitted to the Saline County Clerk and authorize Chair Buer to sign the notice. Director Gunn seconded the motion. Motion carried 5-0.

#### **SAA Resolution No. 22-07**

Director of Administration and Finance Shelli Swanson presented Resolution 22-07 designating the Bennington State Bank as the depository for the SAA's general obligation temporary notes, Series 2022-1, project funds in the amount of \$1,000,000, and designating the individuals authorized to sign checks on the account. Director Carlin moved to approve SAA Resolution No. 22-07 and authorize Chair Buer to sign the resolution, Director Gunn seconded the motion. Motion passed unanimously.

#### **Consideration of bids received for the storm damage repair to Bldg. 655 and Hangars 606 and 626.**

Director of Facilities and Construction Cunningham stated that only one bid was received for the project. Cheney Construction's total bid for all three structures was \$254,118. The cost of the



repairs is eligible for FEMA financial assistance. FEMA requires two costs, first the pre-disaster construction costs, second for mitigation construction costs. Swanson is confident of FEMA assistance, estimating FEMA's share will be no less than 90% of the repair costs.

Director Gunn moved to accept the Cheney Construction bid for windstorm damage repairs for building B655, hangars H606 and H626, and authorize the executive director to sign a contract with Cheney in an amount not to exceed \$254,118. Director Carlin seconded the motion. Motion carried 5-0.

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

Minutes approved at the August 17, 2022, board meeting.

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Alan Eichelberger, Secretary

(SEAL)