

Salina Airport
Authority
Board of
Directors
Regular Meeting
Wednesday,
January 17, 2024



Charting the course for global success.

Call to order.

Tod Roberg, Chair



Determine that a quorum is present and confirm that the meeting notice has been published.



Recognition of Guests.



Additions to the agenda and agenda overview.



Approval of the minutes of the December 20, 2023 regular board meeting.

Tod Roberg, Chair



Approval of airport activity and financial reports for the month ending December 31, 2023.

Tim Rogers, A.A.E.

Shelli Swanson, C.M.



DECEMBER 2023

FINANCIAL STATEMENTS

PRELIMINARY

SALINA Airport
Authority

DECEMBER 2023

FINANCIAL STATEMENTS

PRELIMINARY

Moody's Credit Opinion -
Salina Airport Authority, KS /
8 May 2023

Salina Airport Authority
Statement of Net Position Prev Year Comparison

01/14/2024

As of December 31, 2023

	<u>Dec 31, 23</u>	<u>Nov 30, 23</u>	<u>\$ Change</u>	<u>Dec 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS						
Current Assets						
Total Checking/Savings	13,136,437	9,667,321	3,469,116	3,585,502	9,550,935	266%
Total Accounts Receivable	118,682	140,143	-21,461	90,230	28,452	32%
Total Other Current Assets	678,738	831,946	-153,208	1,215,954	-537,216	-44%
Total Current Assets	<u>13,933,857</u>	<u>10,639,410</u>	<u>3,294,447</u>	<u>4,891,686</u>	<u>9,042,171</u>	<u>185%</u>
Total Fixed Assets	<u>52,708,565</u>	<u>52,304,729</u>	<u>403,836</u>	<u>48,363,194</u>	<u>4,345,371</u>	<u>9%</u>
Total Other Assets	<u>4,030,638</u>	<u>4,157,749</u>	<u>-127,111</u>	<u>4,157,749</u>	<u>-127,111</u>	<u>-3%</u>
TOTAL ASSETS	<u><u>70,673,060</u></u>	<u><u>67,101,888</u></u>	<u><u>3,571,172</u></u>	<u><u>57,412,629</u></u>	<u><u>13,260,431</u></u>	<u><u>23%</u></u>
LIABILITIES & EQUITY						
Liabilities						
Total Current Liabilities	8,049,866	4,155,060	3,894,806	9,557,754	-1,507,888	-16%
Total Long Term Liabilities	35,927,440	35,960,186	-32,746	21,233,783	14,693,657	69%
Total Liabilities	<u>43,977,306</u>	<u>40,115,246</u>	<u>3,862,060</u>	<u>30,791,537</u>	<u>13,185,769</u>	<u>43%</u>
Total Equity	<u>26,695,754</u>	<u>26,986,641</u>	<u>-290,887</u>	<u>26,621,091</u>	<u>74,663</u>	<u>0%</u>
TOTAL LIABILITIES & EQUITY	<u><u>70,673,060</u></u>	<u><u>67,101,887</u></u>	<u><u>3,571,173</u></u>	<u><u>57,412,628</u></u>	<u><u>13,260,432</u></u>	<u><u>23%</u></u>

Salina Airport Authority
Profit & Loss Prev Year Comparison
 January through December 2023

7:43 PM
 01/14/2024
 Accrual Basis

	<u>Jan - Dec 23</u>	<u>Jan - Dec 22</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
Total Airfield revenue	1,373,746	1,295,416	78,330	6%
Total Building and land rent	1,824,469	1,692,641	131,828	8%
Total Other revenue	108,574	130,519	-21,945	-17%
Total Income	<u>3,306,789</u>	<u>3,118,576</u>	<u>188,213</u>	<u>6%</u>
Gross Profit	3,306,789	3,118,576	188,213	6%
Expense				
Total Administrative expenses	2,078,599	1,987,876	90,723	5%
Maintenance expenses				
Total Maintenance expenses	1,047,391	1,136,238	-88,847	-8%
Total Expense	<u>3,125,990</u>	<u>3,124,114</u>	<u>1,876</u>	<u>0%</u>
Net Ordinary Income	180,799	-5,538	186,337	3,365%
Other Income/Expense				
Total Other Income	3,778,977	8,053,472	-4,274,495	-53%
Total Other Expense	3,885,115	4,348,707	-463,592	-11%
Net Other Income	-106,138	3,704,765	-3,810,903	-103%
Net Income	<u><u>74,661</u></u>	<u><u>3,699,227</u></u>	<u><u>-3,624,566</u></u>	<u><u>-98%</u></u>

Salina Airport Authority
Capital Additions Budget vs. Actual

As of December 31, 2023

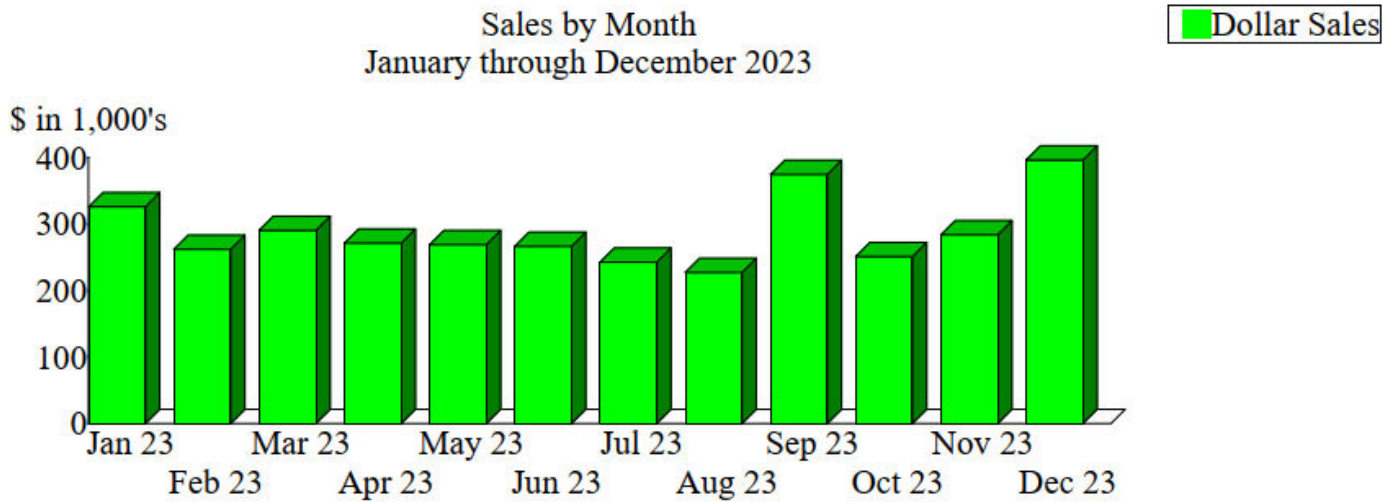
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01/14/2024

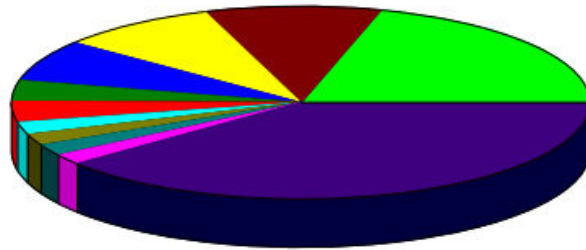
Accrual Basis

	<u>Dec. 23</u>	<u>Jan - Dec 23</u>	<u>Annual Budget</u>	<u>+/- Annual Budget</u>	<u>% of Annual Budget</u>
ASSETS					
Fixed Assets					
Fixed assets at cost					
Total Airfeld	144,274	3,357,195	14,585,804	-11,228,609	23%
Total Buildings & Improvements	366,856	3,505,795	5,330,000	-1,824,205	66%
Total Equipment	141,784	237,938	147,500	90,438	161%
Total Land		1,955	35,000	-33,045	6%
Total Fixed assets at cost	<u>652,914</u>	<u>7,102,883</u>	<u>20,098,304</u>	<u>-12,995,421</u>	<u>35%</u>

Sales by Month
January through December 2023



Sales Summary
January through December 2023

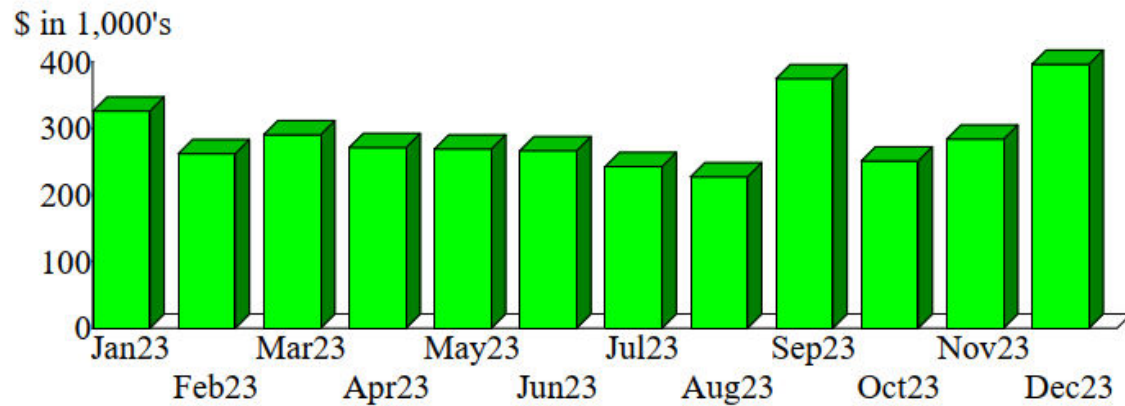


By Customer

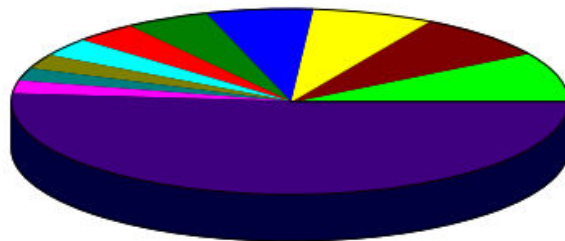
I Vision Aviation, PLLC	20.66%
Avflight Salina	9.87
Kansas Erosion Products, LLC.	8.98
Stryten Salina, LLC	7.10
Universal Forest Products (UFP)	3.63
K-State Salina	3.60
SFC Global Supply Chain	2.18
1st Infantry Division - Ft. Riley	1.98
Durham School Service, L.P.	1.93
Gartner Refrigeration, Inc.	1.83
Other	38.22
Total	\$3,462,505.06

Sales by Month
January through December 2023

Dollar Sales



Sales Summary
January through December 2023

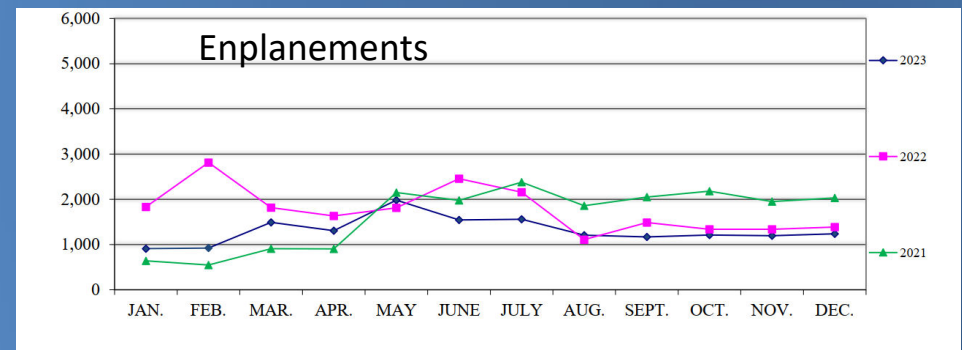
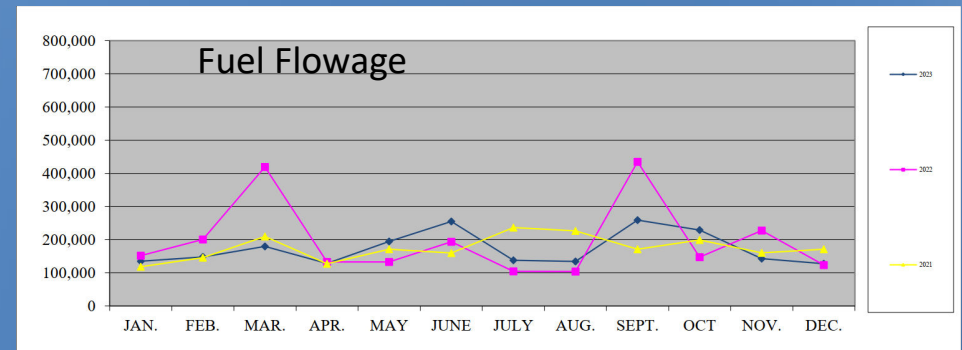
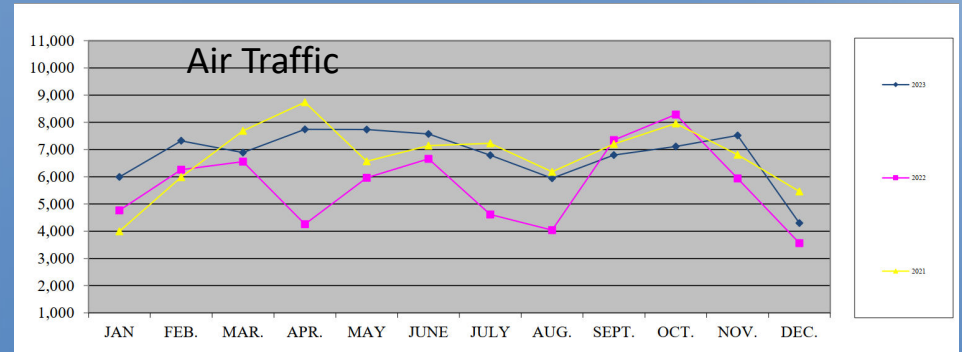


By Item

H-00959-1 (Hangar Facility H959 - 2	8.77%
H-0606-3 (Hangar 606, 2630 Arnold Co	8.03
B-01021 (Building #1021 located at 360	7.02
B-00655-3 (Bldg. #655 (96,611 SF) - 20	6.31
FFF-Avflight Salina (Fuel Flowage Fee	4.95
pptx (2023 Real Estate Taxes (see attach	3.80
B-00620-1 (Building #620 (30,000 SF)	3.31
H-0600-1 (Hangar 600 - 20,217 sq. ft.)	2.67
H-0600-4 (Hangar 600 - 2720 Arnold C	2.36
H-00409-1 (FBO Hangar - 2010 Rogers	2.24
Other	50.54
Total	\$3,462,505.06

Airport Activity

Tim Rogers, A.A.E.



Salina and Saline County Air Service Update

Tim Rogers, A.A.E.
Gary Foss



SALINA Airport Authority
Salina, Kansas, USA

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- FLY SLN VIDEOS
- FREQUENTLY ASKED QUESTIONS
- GROUND TRANSPORTATION
- HERTZ RENTAL CAR
- PROMOS
- THE MARKET @ SLN
- TSA
- UNITED AIRLINES RESERVATIONS
- VISIT SALINA APP - GOOGLE PLAY
- VISIT SALINA APP - ITUNES
- VISIT SALINA GUIDE

Arrivals Departures Flight Tracker Air Traffic Ma

Current Air Traffic - Salina Regional Airport (SLN)

Map showing flight UA 5022 from SLN to HYS at 11:39. Other cities marked: Denver, Chicago.

Flights Weather Airlines Settings

United Reservations: 1-800-864-8331



2023 in Review

Salina Regional Airport
Board of Directors



Prepared January 2024

Industry Overview

2023 largely reflected the US airline industry's ability to navigate challenging market conditions successfully

- **Demand recovery and profitability:** US full-service carriers returned to profitability in 2023, netting more than \$2 billion for the full year
 - Delta had the strongest recovery, followed by United and American
 - Demand for air travel surged as *Blended Travel* replaced pre-pandemic 'Corporate' and 'Leisure' distinctions
 - Airlines offered more premium economy options to attract leisure travelers traveling on reimbursed *Blended* trips

- **Supply chain constraints and aircraft leasing:** Global supply chain disruptions hampered aircraft production and deliveries, limiting airlines' capacity growth
 - Airlines turned to aircraft lessors, who managed more than 50% of the worldwide passenger aircraft fleet by value
 - Aircraft lease rates soared as demand exceeded supply
 - North American 4Q23 capacity was 99% that of 4Q19

Industry Overview

International demand in particular is surging against the backdrop of resource constraints

- **Network optimization and passenger mix:** Airlines adjusted their networks to achieve more efficient operations and accommodate the post-pandemic resurgence of international travel
 - Business travel demand caught up with strong leisure demand in the back half of the year, particularly with Media and Auto sectors seeing notable traction following strike resolutions
 - Recent corporate survey results indicate that 93 percent of companies surveyed expect their travel volumes to increase
 - or stay the same into 2024

- **Labor shortages and operational performance:** Airlines faced labor challenges in the cockpit, cabin, and on the ground, as well as in air-traffic control
 - These shortages affected on-time performance and schedules, and increased labor costs
 - Airlines also faced political pressure and potential regulation over fees and customer service

Closer to Home

SLN navigated the relationship with SkyWest successfully - - encouraging them to bid with the existing 50 seat airline - - then offering incentives for early morning departures and late evening arrivals from DEN as well as nonstop ORD

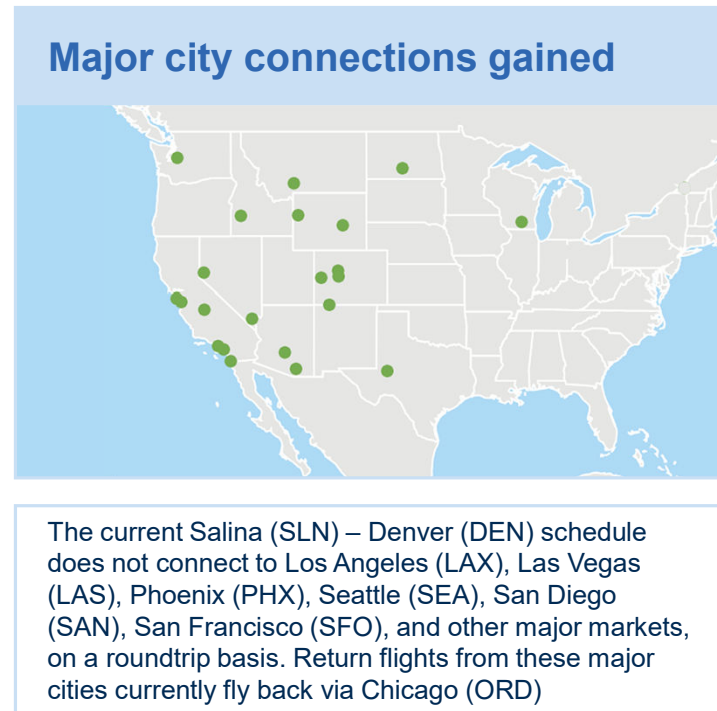
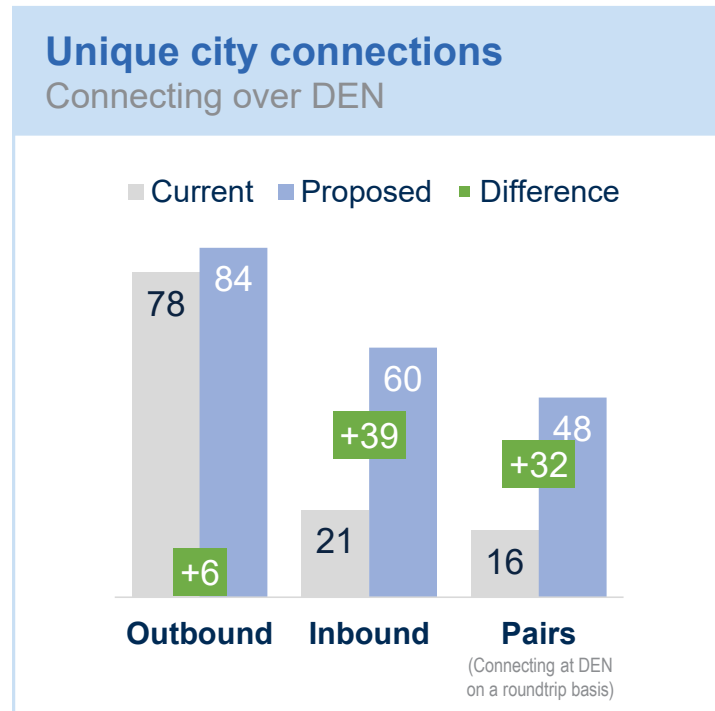
Proposed schedule subject to United Airlines gating

Targeted effective date March 31, 2024

Departure from	Departure time	Arrival at	Arrival time	Connections to / from	Connections start	Connections end	Number of connecting flights
ORD	11:50	SLN	14:10	From East	07:50	11:15	93
SLN	15:15	ORD	17:35	To East / Omni	18:10	21:35	126
DEN	21:05	SLN	23:35	West, Omni/East	17:05	20:35	103
SLN	06:35	DEN	07:05	West, Omni/East	07:40	10:05	85

Closer to Home

Connecting flights will be restored to 32 cities on a roundtrip basis over Denver (DEN), recapturing passengers currently forced to drive to and from Wichita



Current schedule as operated in November 2023. Proposed schedule as proposed by SkyWest
Assuming a 4-hour connect window with a 30-minute domestic/domestic minimum connect time
16 pairs are connected to in "Current Schedule". 48 pairs will be connected to in "Proposed Schedule" – a net increase of 32 cities.

Closer to Home

Salina ran a variety of media in 2023. Online digital media generated over 9.2 million impressions and almost 82k clicks through to united.com. If just 1 in 4 clicks resulted in a booking, around 20k bookings have been generated

Sample of media ran by Salina in 2023



One of two banner ads which ran on the intranet pages of US Army Fort Riley, home of the 1st Infantry Division



Business-focused LinkedIn ads



Digital Banner ads focused on holiday travel



A Facebook display ad advertising DEN service during neighboring Manhattan's (MHK) closure in 2023



One of multiple billboard ads ran by Salina

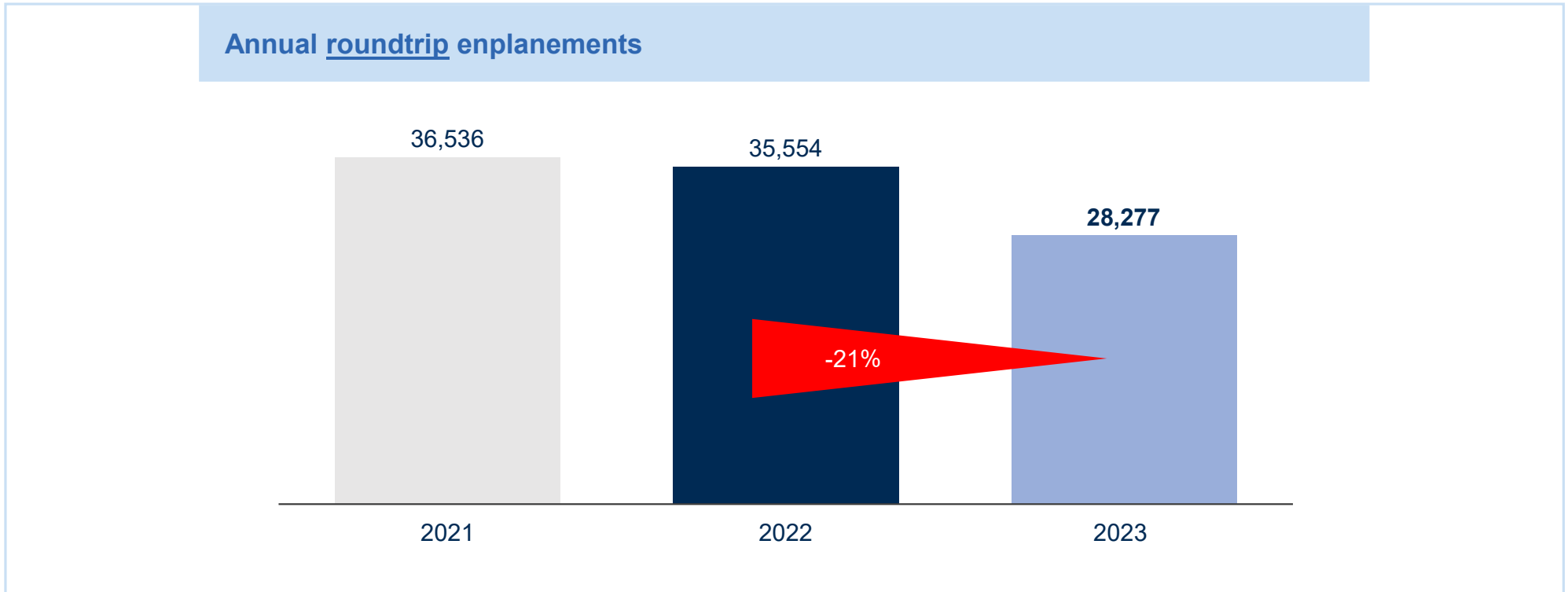


A screenshot of a holiday-themed TV commercial

2023 At a Glance

Traffic

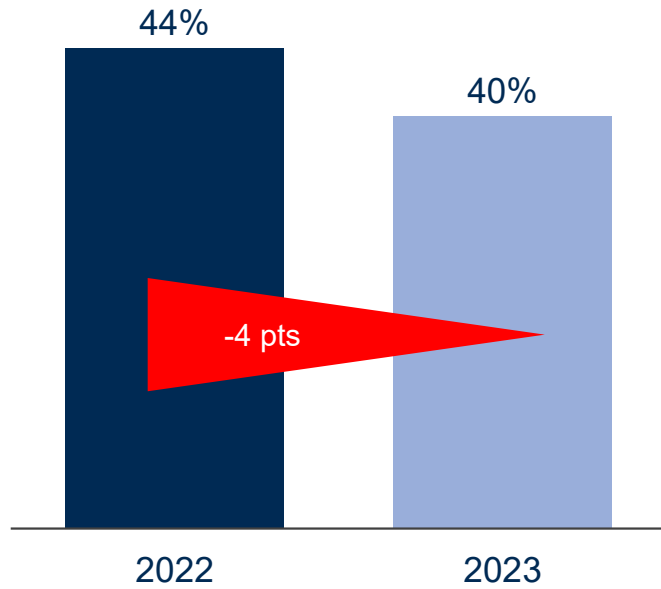
SLN finished with slightly over 28,000 enplanements on a non-directional basis down 21% - - or roughly 7,000 passengers as a result of losing nonstop flights to connecting hubs and connections to the biggest cities of the west



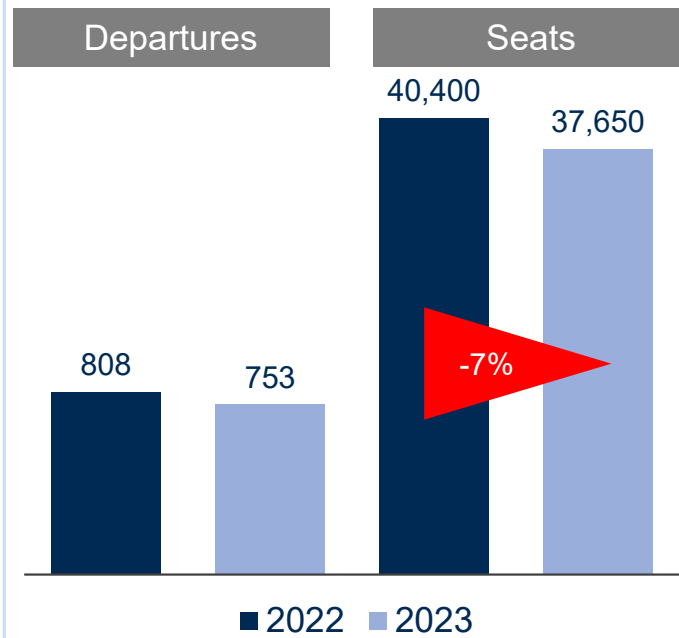
Traffic

Load factor, or seats filled, declined four points yr/yr on 7% fewer seats, given pilot shortage schedule challenges at SkyWest

Salina (SLN) annual outbound load factor



Salina (SLN) annual SkyWest operated outbound capacity



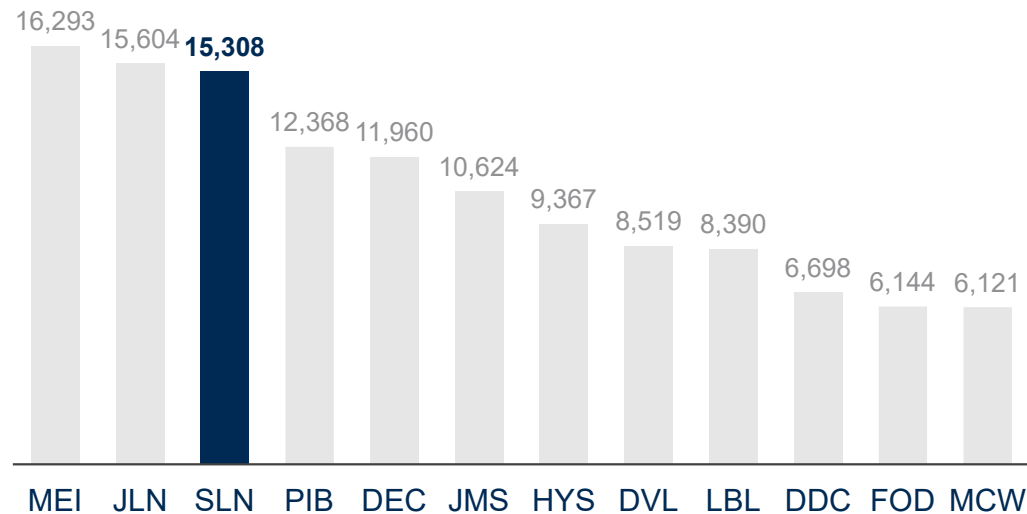
Traffic

SLN reported the third most TSA screenings amongst markets whose nonstop schedules to the hub were combined with other airports in 2023 (tagged markets)

TSA throughput in SkyWest markets they operate 'at risk' (without mainline carrier reimbursement)

Calendar year 2023

With nonstop schedules to connecting hubs at attractive flight times, SLN should **recoup the 7,000 passengers lost** and **add close to 1,000 incremental passengers** for a total of 8,000 incremental passengers annually

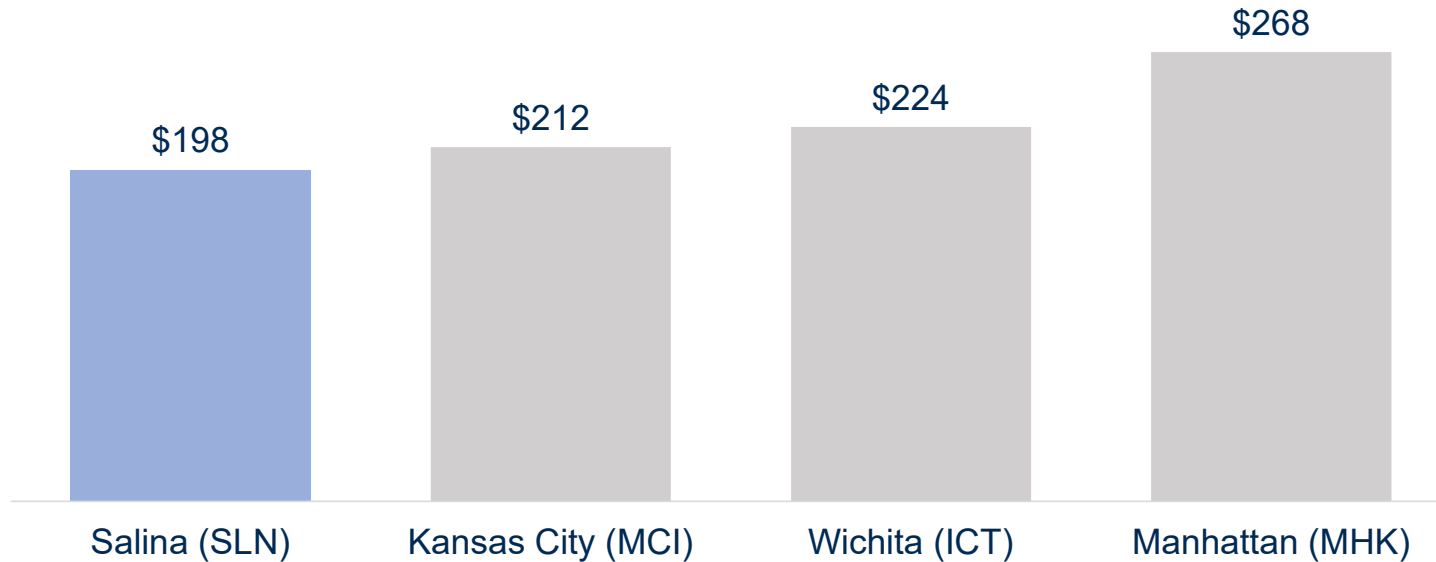


Fares

Salina's average domestic fare was lower than that at Kansas City, Wichita and Manhattan in the Year Ending 3Q23

Average domestic one-way fares

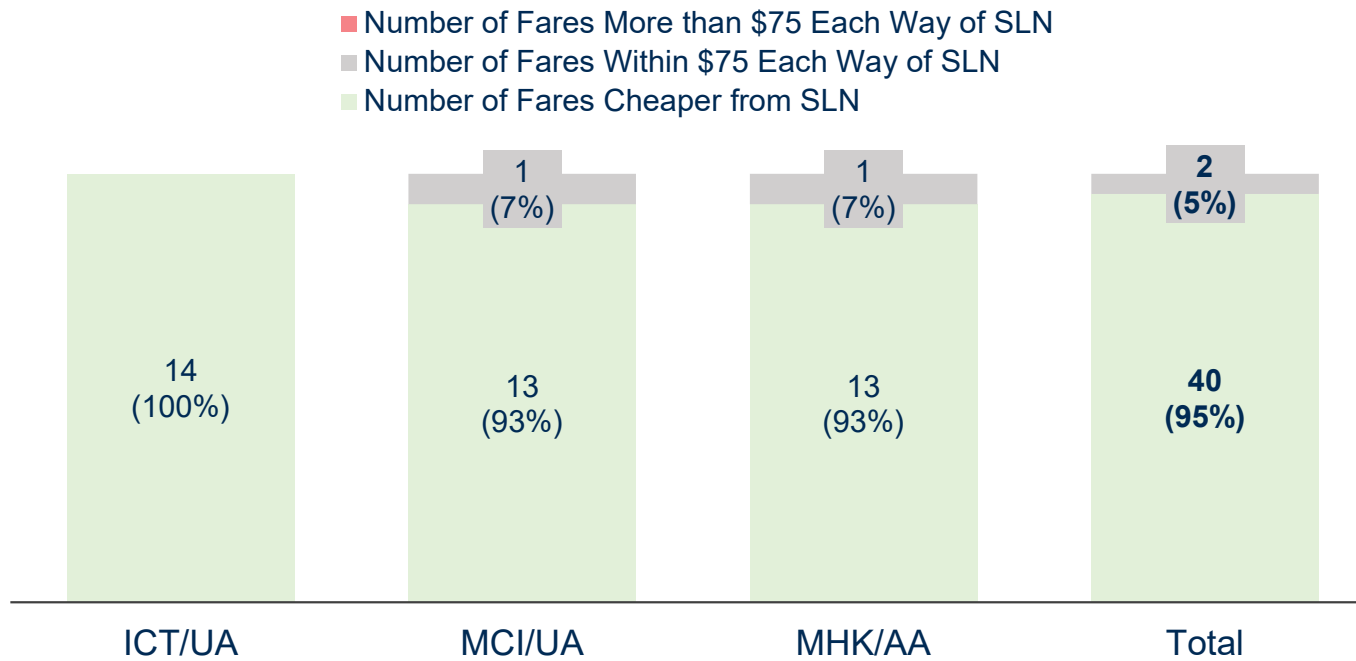
4Q 2022 through 3Q 2023 (latest four quarters of data); post-departure results; all carriers



Fares

For March 2024 bookings, 95% of roundtrip fares in top markets are lower than offered by United at Wichita and Kansas City, as well as American at Manhattan

Salina (SLN) roundtrip top market fares differential



Sources: itasoftware.com, aa.com & united.com as of January 04
For travel March 07, roundtrip returning March 14

Fares

\$180 roundtrip fares for travel between Salina and Denver are available for 24 of the 30 days displayed for March

Salina (SLN) to Denver (DEN) roundtrip fare calendar For travel March 2024

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 from \$180 Lowest	2 from \$180 Lowest
3 from \$180 Lowest	4 from \$201	5 from \$180 Lowest	6 from \$180 Lowest	7 from \$180 Lowest	8 from \$275	9 from \$230
10 from \$230	11 from \$230	12 from \$180 Lowest	13 from \$180 Lowest	14 from \$180 Lowest	15 from \$180 Lowest	16 from \$230
17 from \$180 Lowest	18 from \$180 Lowest	19 from \$180 Lowest	20 from \$180 Lowest	21 from \$180 Lowest	22 from \$180 Lowest	23 from \$180 Lowest
24 from \$180 Lowest	25 from \$180 Lowest	26 from \$180 Lowest	27 from \$180 Lowest	28 from \$180 Lowest	29 from \$180 Lowest	30 from \$180 Lowest

Fares

\$180 roundtrip fares for travel between Salina and Chicago O’Hare are available for 12 of the 30 days displayed in March

Salina (SLN) to Chicago O’Hare (ORD) roundtrip fare calendar For travel March 2024

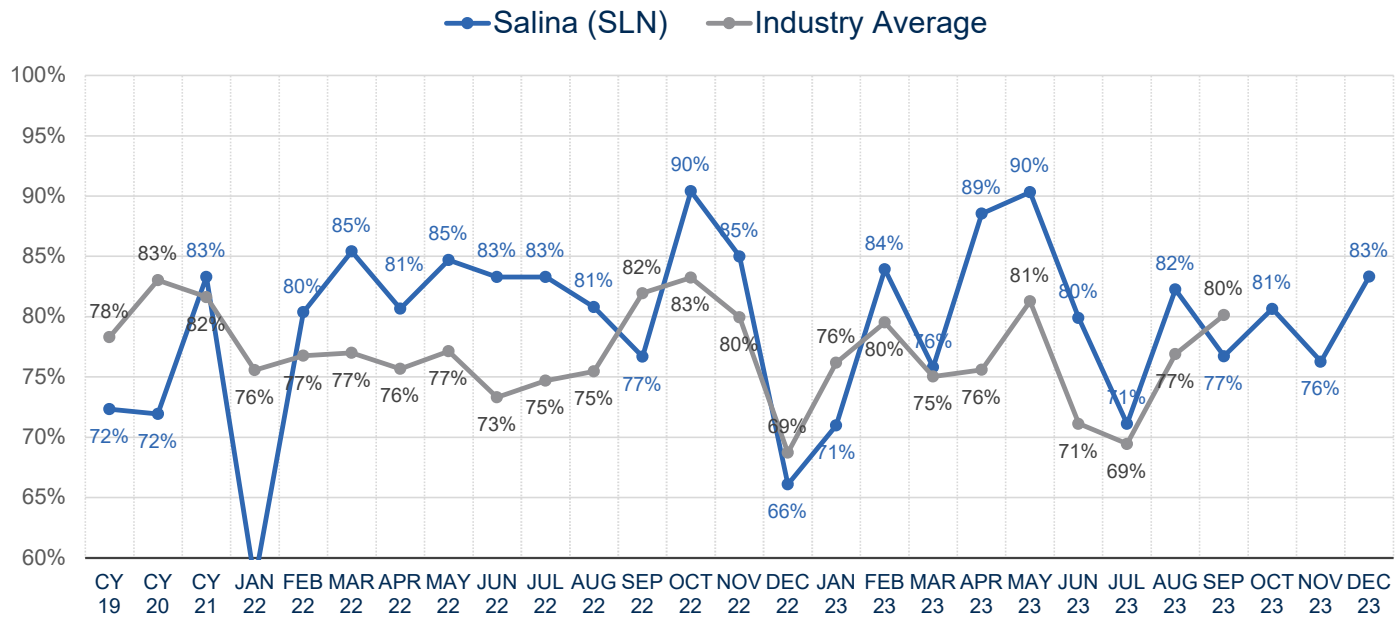
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 from \$180 Lowest	2 from \$180 Lowest
3 from \$180 Lowest	4 from \$180 Lowest	5 from \$203	6 from \$238	7 from \$227	8 from \$418	9 from \$364
10 from \$469	11 from \$318	12 from \$286	13 from \$180 Lowest	14 from \$180 Lowest	15 from \$180 Lowest	16 from \$180 Lowest
17 from \$203	18 from \$203	19 from \$238	20 from \$203	21 from \$180 Lowest	22 from \$226	23 from \$180 Lowest
24 from \$203	25 from \$428	26 from \$290	27 from \$180 Lowest	28 from \$180 Lowest	29 from \$286	30 from \$225

Operational Performance

On-time departures for SLN exceeded the industry average 72% of the time over the past two years

SkyWest On-Time Arrivals at Salina (SLN)

Percentage share of arrivals that were on-time or within 14 minutes of scheduled arrival

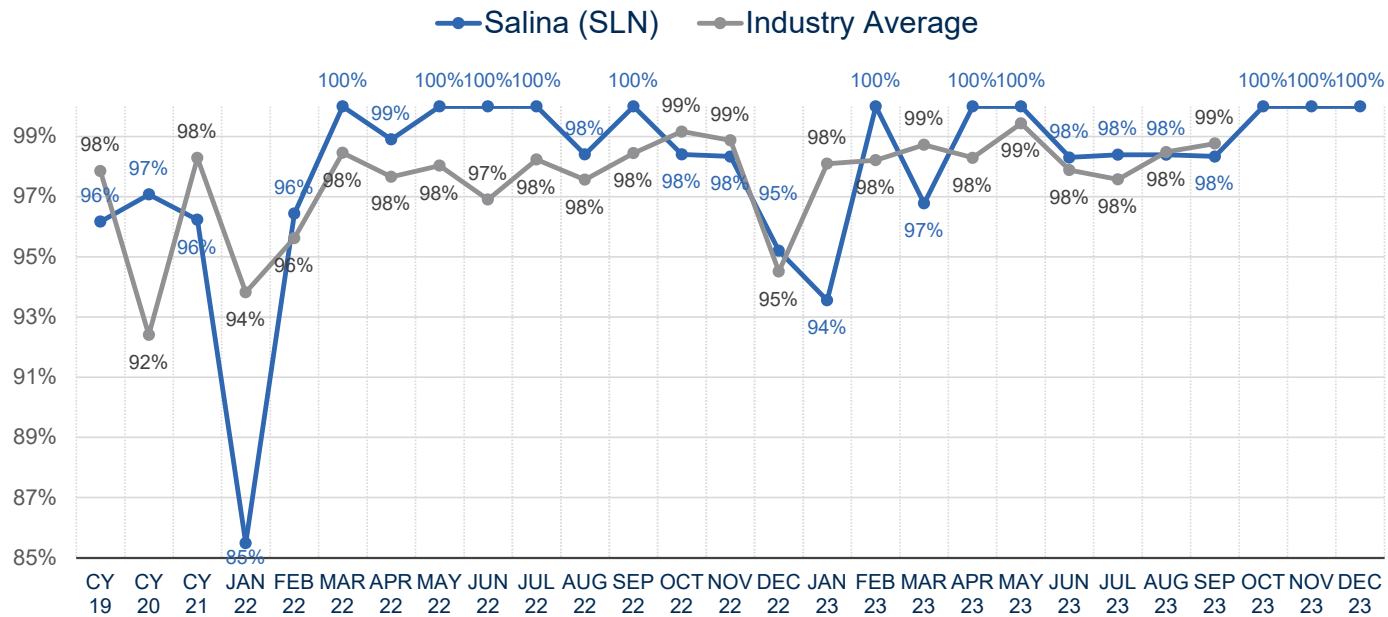


Operational Performance

And there were no cancellations, to include Acts of God, in 11 of the past 24 months, well exceeding industry averages

SkyWest Total Completion Factor at Salina (SLN)

Percentage share of scheduled flights operated, including weather-related cancellations



The Year Ahead

2024 holds exciting opportunities for SLN

- **Capitalize on the new attractive schedule through marketing efforts**
 - Since 2020, the airport has been working to mitigate risk
 - Attractive local and connecting schedules allow SLN to play offense through media and other marketing and sales efforts
 - The two largest zip codes in Manhattan represent a particular opportunity as Manhattan (MHK) has no westbound service
- **Advocate aggressively with SkyWest to avail themselves of maintenance at SLN**
- **Pave the way for new service to IAH with both SkyWest and United Airlines**
 - Studies, testimonials, surveys and the like allow SLN to maintain visibility, bettering the new route opportunity when the time is right

Thank you!



Gary Foss
Managing Partner

garyfoss@arkstargroup.com
817.637.4544

Overnight Flight Agreement

Current Salina schedule

Connecting domestic flights based on January 18, 2024 schedule, as of January 15, 2024

Departure from	Departure time	Arrival at	Arrival time	Connections to/from	Connections start	Connections end	Number of connecting flights
ORD (Stops at HYS)	11:13	SLN	14:10	From West	07:13	10:38	98
SLN	15:43	ORD	17:42	To East, West, Omni	18:17	21:42	84
DEN	07:45	SLN	10:20	From West/Omni	03:45	07:15	24
SLN (Stops at HYS)	10:55	DEN	12:45	To East/Omni, West/Omni	13:15	16:45	93

Consideration and approval of an architectural and engineering contract with Architect One

For the design of Room 111 improvements at Hangar H626 for AIM Center Training

Pieter Miller, C.M.

Maynard Cunningham

- ★ Safety
- ★ Trust
- ★ Adaptability
- ★ **Rooted in Community**
- ★ Success

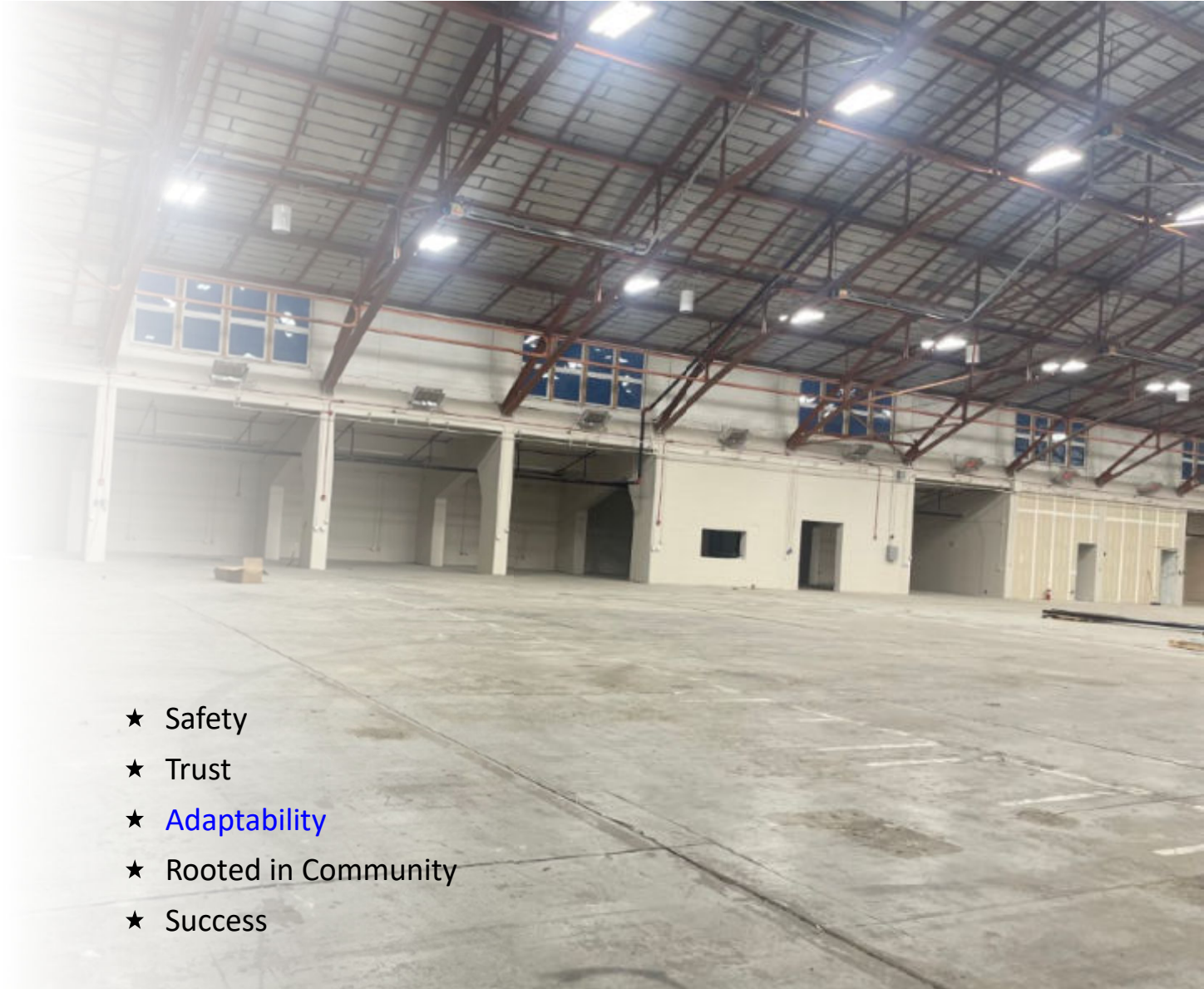


Consideration and approval of a change order with Hutton Corporation

*For the installation of a
clean agent fire
suppression system at
Hangar H626*

Pieter Miller, C.M.
Maynard Cunningham

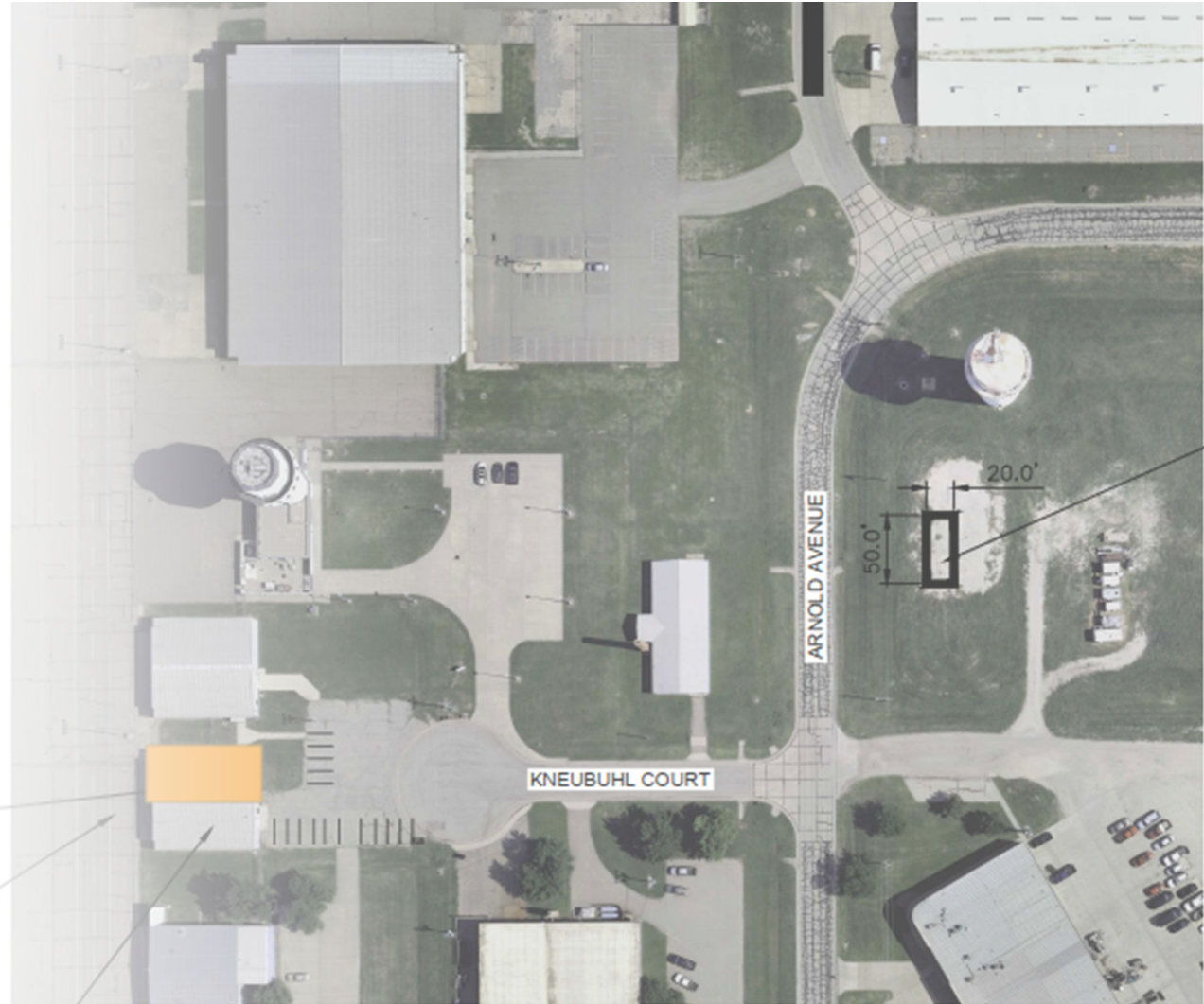
- ★ Safety
- ★ Trust
- ★ [Adaptability](#)
- ★ Rooted in Community
- ★ Success



Consideration and approval of a lease termination agreement with Miller Pipeline, LLC for Hangar H506-1

Shelli Swanson, C.M.

- Safety
- Trust
- **Adaptability**
- Rooted in Community
- Success



A 200A Breaker Panel serves the building electrical needs. Any wiring needed for tenant equipment shall be

SITE MAP
Scale: 1" = 100'

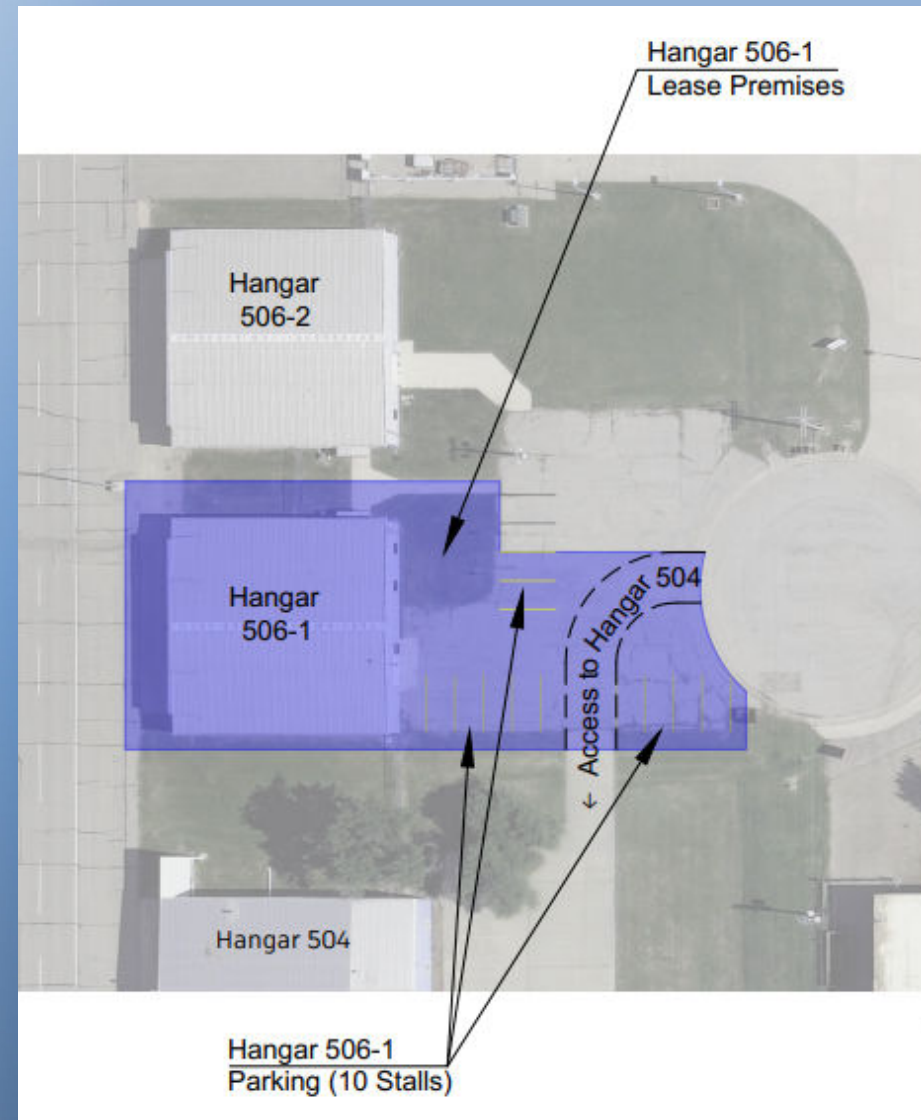
Drc

(785

Consideration and approval of a lease with Safari, Inc. (Terry Belcher) for Hangar H506-1

Shelli Swanson, C.M.

- Safety
- Trust
- **Adaptability**
- Rooted in Community
- Success



Staff Reports

Tim Rogers, A.A.E.



SAFETY



TRUST



ADAPTABILITY



ROOTED IN
COMMUNITY



SUCCESS

Director's Forum

Tod Roberg



SAFETY



TRUST



ADAPTABILITY



ROOTED IN
COMMUNITY



SUCCESS

Visitor's Questions and Comments

- Tod Roberg



SAFETY



TRUST



ADAPTABILITY



ROOTED IN
COMMUNITY



SUCCESS

Announcements

Kasey Windhorst

Regular Board Meetings:

- **Wednesday, February 21, 2024, 8:00 a.m.**
- **Wednesday, March 20, 2024, 8:00 a.m.**
- **Wednesday, April 17, 2024, 8:00 a.m.**



Signatures: Chair



SAFETY



TRUST



ADAPTABILITY



ROOTED IN
COMMUNITY



SUCCESS



Adjournment

Tod Roberg, Chair

