

**MINUTES OF THE REGULAR MEETING
OF THE SALINA AIRPORT AUTHORITY BOARD OF DIRECTORS
JULY 17, 2024
HANGAR 600, ROOM 100**

Call to Order

Chair Stephanie Carlin called the meeting to order at 8:00 A.M. and confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst reported that staff published and distributed the meeting notice and board packet on Friday, July 12, 2024.

Attendance

Present were Directors Carlin, O'Brien, Roberg, Commerford and Boos; Executive Director Pieter Miller; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Business and Communications Manager Kasey Windhorst; Airport Administration Specialist Michelle Moon; and Attorney Greg Bengtson. Guests at the meeting were Mitch Robinson, Salina Community Economic Development Organization; Justin Owens, Kaw Valley Engineering; Brandon Walker, Midwest ACT; and Cody Heiman, First Bank Kansas.

Agenda

Executive Director Miller reviewed the agenda noting no additions to the agenda.

Minutes

Director Boos moved to accept the minutes of the June 26, 2024 regular board meeting as presented. The motion was seconded by Director Commerford. Motion passed 5 – 0.

Airport Activity

Miller reviewed the activity for June, 2024. Air Traffic was down by 20% from June of 2023 with 5,403 flights, and 33% below June 2023 year-to-date (50,043) at 33,670 for 2024 to date. Fuel flowage is trending upward over the same period last year by 67%. The year-to-date figure of 959,664 gallons is 19% below 2023 (1,177,215 gallons) and is due primarily to the runway 17/35 closure period. SkyWest had 1,767 passenger enplanements for June 2024, up from June 2023 by 13% (1,558 passengers). Scheduled air service has improved by 19% year-over-year, for Salina to Denver flights. This is a direct effect of dropping the Hays tag. Passenger capacity for June had most flights at 80 – 90% full. Miller discussed possible opportunities if grant funding is received from the Kansas Air Service Development Incentive Program (KASDI) for a new route for SkyWest (as early as 2025), enhancing SLN's regional connectivity, and making Salina an operational hub for SkyWest. The first round of grants will be announced August 15, 2024.

Swanson concluded the activity report with a review of the FOL calendar for the second half of 2024, which will continue to increase the fuel quantities delivered by Avflight.

Financial Review

Swanson provided the highlights of the June 2024 financial reports. Unrestricted cash in bank has balance of \$2,420,883. Current bond funds (\$4.6MM), AIM Center funds (\$806,639) and Mill Levy deposits (\$3.2MM) round out total cash in bank at \$11.1MM. Operating income for 2024 year-to-date remains comparable to the same period a year ago at \$1.7MM. Expenses so far this year are just below budget by 2% but are 13% higher than 2023 due to increased costs in 2024 for consultant fees, salaries, medical insurance premiums and airfield maintenance.

Net operating income reached \$78,365 for June 2024, bringing the year-to-date to the positive value of

\$21,834 NOIBD. Swanson stated that the upcoming runway closure should not be a financial concern as air traffic will be maintained around the construction. Swanson reviewed the significant capital expenditures and grant fund activity. Chair Carlin directed the staff to file the financials for audit.

Consideration of a lease addendum with L & R Farms

Miller stated that due to the land sales to Superior and to Geoprobe, the lease to L & R should be amended. Swanson presented the lease history for the board. The addendum reduces the agricultural lease by 16.04 Acres. Director Boos moved to approve the addendum and Director O'Brien seconded the motion. The vote was unanimously in favor.

Review of the Salina Airport Authority's 2025 GO Bond Debt Schedule and Resulting Mill Levy Requirements for GO Debt Service

Swanson provided a review of the debt service schedule and mill levy requirements. The SAA requires 4.873 mill to generate \$2.5M net, covering commitments through calendar year 2025.

Consideration of the Salina Airport Authority's 2024 Revenue Neutral Rate Intent

Swanson presented the 2024 mill levy analysis demonstrating that the revenue neutral rate meets the 2025 commitments. The drafted declaration of intent signifies that the Airport Authority does not intend to exceed the RNR rate with the 2024 levy. The Notice of Intent is required by Kansas law. Bengtson stated that the debt service schedule meets the legal requirement for the budget. Director Commerford moved to approve the Notice of Revenue Neutral Intent declaring the Authority's intent to not exceed the Revenue Neutral Rate for the 2024 mill levy and authorize Chair Carlin to sign the notice. Director O'Brien seconded the motion. Vote carried 5 – 0.

M.J. Kennedy Air Terminal Expansion Update

Cunningham stated that the advertisement for bids was issued July 2, 2024. Prebid meeting was well attended. There are twelve (12) plan holders, indicating a good interest in the project. Bids are due July 24, 2024 and the FAA grant application is due July 31, 2024. The FAA requires a 90-day hold on the bids.

Miller stated that the ATP grant funds will not cover all of the planned expansion work. Phases of constructions will be based on priority. Additional grant funding will be pursued to complete the final phases.

Project 80 Plot Development Update

Miller stated that Project 80 is progressing on target. The City of Salina Planning and Zoning Commission meeting held on July 12, 2024 went well. Miller provided an update of the construction phases and stated that Wilson and Company have plans 90% complete.

Directors' Forum

Miller was pleased to announce that the AIM Center classroom 111 is 60% complete and that the paint booth materials are here for installation by contractors. The fourth cohort began July 8, 2024 with 3 students, including the first Skill Bridge (TAPS program) student. Swanson said that the Steering Committee would be asked at the July 22, 2024 meeting to consider revising the schedule to a single session per quarter to avoid instructor burn-out. The class schedule may be revisited when student numbers and available instructors increase.

Cunningham provided the fuel farm update, noting that concrete corrections have delayed the work

but are necessary for a satisfactory conclusion.

Visitors' Comments

Brandon Walker provided additional information regarding the TAPS program which assists military members transitioning out of service and into civilian careers. Guests and board members further commented on the AIM Center's marketing campaign effort with 1 Vision.

The meeting was adjourned at 9:15 A.M.

Minutes approved at the August 21, 2024 board meeting.

Kasey L. Windhorst, Board Clerk

(SEAL)