

**MINUTES OF THE REGULAR MEETING  
OF THE SALINA AIRPORT AUTHORITY BOARD OF DIRECTORS  
DECEMBER 18, 2024  
HANGAR 600, ROOM 100**

**Call to Order**

Chair Carlin called the board meeting to order at 8:00 a.m. and confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst reported that the board meeting notice and agenda was published on Friday, December 13, 2024. The complete board packet was published and distributed on Monday, December 16, 2024.

**Attendance**

Present were Directors Carlin, Commerford, Roberg and O'Brien. Attending in person were 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; Lindsey Dreiling, Dreiling Aviation Services; Cody Heiman, First Bank Kansas; Bob Vidricksen, Saline County Commissioner; Brandon Walker, Midwest ATC; and Todd Trent, Lockton (via VTC).

**Agenda**

Executive Director Miller reviewed the agenda noting the addition of an Executive Session to discuss trade secrets, held prior to the scheduled Executive Session (agenda item no. 11).

**Minutes**

Director O'Brien moved to accept the minutes of the November 20, 2024 regular board meeting and the minutes of the December 4, 2024 special board meeting as presented; Director Roberg seconded. Motion passed 4 – 0.

### **Airport Activity**

Miller reported that the Salina air traffic control tower recorded 5,103 operations during November 2024, a decrease compared to the November 2023 total of 7,521 operations. The decrease is due in part to K-State students leaving campus for the holiday break. The November 2024 fuel flowage was 152,323 gallons, an increase compared to the November 2023 total of 142,909 gallons. For Passenger enplanements, Miller reported that SkyWest enplaned 1,910 passengers, representing a 67% increase over the November 2023 total of 1,140 passengers. The total passenger count for November 2024 was 2,108, a 77% increase compared to the November 2023 total of 1,195. Total YTD passenger enplanements on SkyWest flights reached 17,246, reflecting a 23% increase compared to the November 2023 YTD total of 13,981. Advanced bookings continue to be strong with flights leaving the terminal consistently at 60% - 90% capacity.

### **Financial Review**

Swanson reviewed the financial reports for the month of November 2024. Total equity was up 11%. Cash in bank is at \$5.25M, unrestricted being \$2,360,912; restricted bond funds \$1.46M, AIM Center remaining funds at \$7,026, and mill level funds at \$1.26M. Total assets are up 13% year over year. Year to date, net operating income is up 10% with airfield income exceeding budget projections. Swanson provided a list of expenses for the capital improvement projects and updated the board on the accounts receivable. Director Carlin instructed staff to file the financials for audit.

## **Consideration of an Airport Use Lease Agreement with Nex-Tech, LLC**

Swanson reviewed the lease history with Nex-Tech beginning in 2012 for space used at the communication tower. Nex-Tech provides LAN services from this site. The new lease agreement would maintain a three-year term with updated terms for access and responsibilities as listed below.

**Term:** January 1, 2025, through December 31, 2027

**Basic Rental:** \$400 per month

**Additional Rental:** Reimbursement of direct costs incurred by SAA due to Nex-Tech operations

**Tenant Responsibility:** Installation, maintenance, and operation of equipment; utilities; compliance with FCC/FAA regulations; prevention of interference; and remediation of damages caused by tenant activities

**SAA Responsibility:** Maintenance of power supply and ensuring no interference from SAA equipment

Director Roberg moved to approve entering into the new lease agreement with Nex-Tech, LLC, as outlined, to take effect upon the expiration of the current lease agreement and authorize the Salina Airport Authority Board Chair to sign. Director O'Brien seconded the motion. The vote passed 4 – 0.

## **Consideration of a Contract of Purchase of Ground Improvements from Central States**

## **Enterprises LLC**

Miller presented the history of hangar 125 (H125) currently owned by Roger Sanborn and Central States Enterprises. Miller stated that the GO Temp notes approved by the board with Resolution 24-11 included funding to purchase the hangar. Swanson reviewed the appraisal report of the property. Miller discussed the licensed underground fuel tank (Jet A) at the hangar and the possibility of needing to remove the tank in the future. Acquiring this hangar gives the Salina Airport Authority direct control over a critical piece of infrastructure, ensuring support to regional aviation needs and adaptability for future development opportunities. This strategic move aligns with the Authority's broader goals to enhance operational flexibility and attract future airport users and tenants. Director Roberg moved to approve the Contract of Purchase of Ground Lease Improvements between the Salina Airport Authority (buyer) and Central States Enterprises, LLC (Seller) for the acquisition of the hangar and associated improvements, and authorize Chair Carlin to sign the Purchase Contract, Bill of Sale, closing statement and other related documents necessary for the acquisition of said improvements. Director Commerford seconded the motion. The board approved the motion unanimously.

## **Consideration of Ground Lease Termination Agreement with Central States Enterprises, LLC.**

Miller provided the proposed Lease Termination Agreement between the Airport Authority and Central States Enterprises to vacate the land lease where the hangar is located and reviewed the terms.

<b>Effective Date:</b>	The lease is canceled effective midnight, January 31, 2025.
<b>Payments:</b>	CSE will settle all rental obligations through the termination date.
<b>Property Description:</b>	The ground lease covers 34,677.6 square feet on which the hangar and other improvements are located.

**Mutual Agreement:** Both parties mutually agree to terminate the lease and release each other from further obligations.

**Integration with Purchase:** The lease termination is connected to SAA's separate agreement to purchase the property improvements owned by CSE for \$450,000.

Director O'Brien moved to approve the Termination Agreement between the Salina Airport Authority and Central States Enterprises, LLC, canceling the February 18, 2021, Lease Agreement effective January 31, 2025, and authorize Chair Carlin to sign the Termination Agreement. Director Roberg seconded the motion. The vote passed unanimously.

### **Review of the 2025 SAA Property/Liability insurance Renewals**

Miller reviewed the property/liability insurance renewal activity which remains under negotiation. The Airport Authority is working diligently with Lockton to secure a renewal that aligns with budgetary expectations despite a difficult property insurance market. Until negotiations conclude and an agreement is reached, a month-to-month property insurance policy may be activated through Lockton.

Swanson noted that the total premium for 2025-2026, including fees across all other coverage lines (excluding property) is \$106,813, representing a 3.67% increase from the expiring premium of \$103,034. General Liability increased (7%) adding \$424 to the premium, Inland Marine decreased by \$48 (1%), Auto decreased by \$2,813 (6%) due to improved rates, Cyber Insurance reduced \$187 (3%), and Workers' Compensation declined by \$213 (2%). Increases are seen in the Executive Risk/Public Officials Liability by \$3,289 (62%), due to rate adjustments for employees/public officials, Underground Storage Tanks premiums rose by 20%, contributing an additional \$384, and the Above Ground Storage Tanks premium was incurred (\$2,522) with the

addition of the new above ground fuel facility. Swanson noted that Lockton's broker fee decreased by 5%, saving \$1,000, and the carrier fees declined by 21%, reducing costs by \$200.

Todd Trent, Lockton, reviewed the data provided to the board and commented on the property/liability insurance renewal premiums. The property insurance renewal is ongoing due to extreme market pressures. Record-breaking claims in recent years have led to significant premium increases across the industry. SAA continues to collaborate with Lockton to negotiate favorable terms within the allocated budget.

### **Consideration and approval of 2025 SAA Budget**

Swanson presented the key highlights of the 2025 budget proposal for the Salina Airport Authority, emphasizing that there were no changes to the budget summary previously shared at the November board meeting. However, adjustments may be required to account for the pending 2025 property insurance premium.

Director Commerford moved that the board approve the proposed 2025 operating plan and budget for the Salina Airport Authority. Seconded by Director Roberg. Motion passed unanimously.

### **Staff Reports:**

Miller and Cunningham updated the board on the progress of Project 80. Ebert Construction has begun the dirt work and is on schedule. Phase 2 for the site is already generating development inquiries.

Miller provided an update on the fuel farm. American Environmental has completed their work and Avflight is using the new facility. Cunningham reviewed the process for the removal of the underground tanks.

### **Director's Forum**

Directors discussed the AIM Center graduation and program status.

### **Announcements**

Windhorst provided the upcoming dates and times for the first quarter board meetings scheduled for 2025.

### **Executive Session**

At 9:26 a.m., Director Carlin moved that the Airport Authority board of directors' recess into an executive session for ten (10) minutes to discuss the subject of stamped plans, designs, and drawings prepared by a person other than an employee of a public agency and that are the property of a private entity based upon the need to discuss data relating to the financial affairs or trade secrets of corporations, partnerships, trust and individual proprietorships pursuant to K.S.A. 75-4319(b)(4). The open meeting will resume in this room at 9:36 a.m.

Second by Director Commerford. The vote passed 4 – 0.

The Open Meeting resumed at 9:36 a.m.

Director Carlin moved that the Site Plans presented to the Board pursuant to Section 1(b)(iii) of the Purchase and Sale Contract between the Salina Airport Authority and AMS 2024 BTS – Salina KS, LLC dated effective September 19, 2024, be approved as submitted and that the Executive Director advise representatives of AMS 2024 BTS – Salian KS, LLC, of the Board’s approval. Director O’Brien seconded the motion. The vote passed 4 - 0.

At 9:37 a.m., Director Carlin moved that the Salina Airport Authority board of directors’ recess into executive session for twenty (20) minutes to discuss the subject of final phase of the Executive Director’s performance evaluation and matters affecting the privacy interests of other individual employees based upon the need to discuss personnel matters of non-elected personnel pursuant to K.S.A. 75-4319(b)(1). The open meeting will resume in this room at 9:57 a.m.

Second by Director Commerford. Motion carried 4 – 0.

The Open Meeting resumed at 9:57 a.m.

Director Carlin motioned to extend the executive session for ten (10) minutes to discuss the subject of final phase of the Executive Director’s performance evaluation and matters affecting the privacy interests of other individual employees based upon the need to discuss personnel matters of non-elected personnel pursuant to K.S.A. 75-4319(b)(1). The open meeting will resume in this room at 10:07 a.m.

Motion seconded by Director Roberg. Motion carried 4 – 0.



The Open Meeting resumed at 10:07 a.m.

Director Carlin moved to approve the Executive Director's 2025 wage adjustment to reflect an increase and a performance bonus payable in the current year. The motion also authorized Chair Carlin to sign the wage and salary adjustment form. Director Commerford seconded, and the vote passed unanimously.

Director O'Brien moved to adjourn the meeting, seconded by Director Roberg. The meeting adjourned at 10:24 a.m. following a unanimous vote.

Minutes approved at the January 15, 2025 board meeting.

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Kasey L. Windhorst, Board Clerk

(SEAL)