

**BOARD OF DIRECTORS SPECIAL CALLED MEETING AGENDA  
NOVEMBER 29<sup>TH</sup> AT 12:00 PM**

- 1. CALL TO ORDER AND ROLL CALL @ 12:00 PM**
  - (1.1) Confirmation of Meeting Notice
  - (1.2) Public Comments
  
- 2. SALINA'S ESSENTIAL AIR SERVICE (EAS) CONTRACT WITH SKYWEST**
  - (2.1) Presentation by Tim Rogers, SAA Executive Director
  
- 3. ACTION ITEMS**
  
- 4. ADJOURNMENT**

**DATE:** November 15, 2023  
**TO:** Jim Maes and Mitch Robinson  
**FROM:** Timothy F. Rogers, A.A.E.  
**SUBJECT: SkyWest Airlines Air Service**

Thank you for considering the possibility of using City, County and Airport Authority funds to provide SkyWest Airlines with an incentive to restore scheduled air service from SLN to DEN and ORD to pre-pandemic levels. SCEDO's support will lead to the resumption of an overnight DEN flight that is needed to best accommodate personal and business travel to/from Salina, Saline County and North Central Kansas. SCEDO's support is also needed to provide the USDOT community comments regarding the selection of SkyWest Airlines for a new multi-year EAS contract.

**SkyWest Airlines Selection for a SLN EAS Contract**

On November 14 SkyWest submitted a SLN EAS contract proposal for a three-year contract to provide United Express, 50-seat regional jet flights, nonstop to/from Denver (DEN) and Chicago (ORD). The new contract would be effective January 1, 2024. SkyWest has confirmed that with a new three-year contract the current HYS tag will be discontinued. A SCEDO letter supporting the selection of SkyWest Airlines will be helpful.

**SkyWest Airlines Overnight Flight Incentive**

The selection of SkyWest for a multiyear EAS contract enables us to work on the return of an overnight DEN flight. (the industry term is "remain overnight" or RON). A DEN RON flight results in an early morning departure to DEN and an evening return from DEN. The ORD flight would remain a mid-day flight. Gary is preparing a connect analysis that documents the increase in DEN connections. A draft overnight schedule SkyWest forwarded that is under evaluation is as follows.

**6:41 AM – Depart SLN**  
**7:05 AM – Arrive DEN**  
**4:35 PM – Depart DEN**  
**6:52 PM – Arrive SLN**

Based on this draft overnight DEN flight schedule Salina area travelers will have access to more than 32 new roundtrip connections at DEN versus the current schedule.

We need to offer SkyWest a financial incentive to restore the DEN overnight flight. A financial incentive as described below enables SkyWest management to obtain corporate approval for an SLN overnight schedule. As you may recall the City, County and Airport Authority were prepared to offer SkyWest a \$900K incentive to set up a SkyWest Charter overnight maintenance base at SLN. The SkyWest Charter project is on indefinite hold. The City (\$400K), County(\$400K) and Airport Authority (\$100K) incentive funds can be used to offset SkyWest expenses to again schedule a DEN overnight flight. The estimated RON flight startup expenses are:

- Three (3) additional SkyWest SLN station employees (\$40,500)
- 260 hours for SLN employee RON training (\$7,500)
- 2,700 room nights per year and per diem (\$145 per crew member) for overnight crew hotel rooms for 2.5 crews (captain, first officer and flight attendant) (\$391,500)
- Overnight maintenance contingency for one (1) CRJ-200 jet. (\$300,000)
- Two and ½ additional crew sets of captains, first officers and flight attendants (\$2,250,000)
  - *Note: Standard industry requirements for a single route are 5 crew sets – captain, first officer and flight attendant. The overnight flight requested will consume ½ plane daily given an industry standard 10 hours of daily flight usage. Hence the need for two and a half crew sets.*

The estimated 12-month cost to startup a SLN RON flight exceeds \$2,982,075. This startup cost is not included in the SLN EAS contract subsidy. A \$900K City, County and Airport Authority one time incentive would enable a SLN overnight flight to return (restoring the SLN DEN schedule to pre-pandemic status) and provide Salina and Saline County residents improved domestic and international connections at DEN. The incentive also supports local airline, hospitality industry, and aviation maintenance jobs. We will move forward with the incentive after SkyWest is awarded a multiyear contract for SLN EAS service.

The Airport Authority's air service consultant Gary Foss and his staff are preparing a benefit cost analysis for the proposed incentive.

With a DEN overnight flight in place, we can resume discussion with SkyWest about a SLN to/from IAH flight.

The Airport Authority will be updating the county commission and city commission to reaffirm previous commitment to provide partial funding for a \$900,000 (\$400,000 city, \$400,000 county, and \$100,000 airport authority) air service development incentive. A SCEDO recommendation supporting a local cash incentive will be appreciated.

Thank you,

Tim

***“There are few greater contributors to economic development than quality air service.”***



### Salina Air Service Objectives

- Maintain 50-seat regional jet service
- Maintain DEN and ORD flights
- End the SLN and HYS tag
- Maintain the United Airlines affiliation and code share
- Continued national and international connecting flights
- Increase passenger enplanements
- Retain EAS Program eligibility
- Return of an overnight DEN flight
- Add nonstop service to/from IAH