



**Executive Committee  
Meeting Agenda  
3:00 PM, January 4, 2012**

Wichita Seminar Room, Wichita State University  
Mayor Kristey Williams, Chair

**1. Welcome:** *Mayor Kristey Williams*

**2. REAP 2011 4<sup>th</sup> Quarter Treasurer's Report:** *Mr. Joe Yager*

*The Executive Committee is charged to serve as the treasury for REAP, collect all REAP revenues, make disbursements in accord with the budget adopted by REAP, and conduct financial management of REAP assets in accord with REAP fiscal procedures. The REAP Treasurer will recommend making 4th Quarter payments in accord with REAP annual budgets.*

**Recommended Actions:** *Approve payments for the fourth quarter of 2011 to*

- 1) Wichita State University in the amount of \$19,959.25 for REAP staffing;*
- 2) Wichita State University in the amount of \$8,888.75 for Water Resources staffing;*
- 3) Hugo Wall School in the amount of \$9,512.68 for REAP Operating expenses; and*
- 4) Hugo Wall School in the amount of \$4,901.24 for Water Resources Operating expenses.*

**3. Kansas Affordable Airfares Program Update:** *Mayor Kristey Williams*

*The Executive Committee is charged to administer the Kansas Affordable Airfares Program and assure that all statutory requirements for programming, evaluation, accounting and auditing, financial management, and reporting are met. An update on the program will be provided.*

**Recommended Action:** *Review and take appropriate action.*

**4. HUD Sustainable Communities Grant Update and Discussion:** *Mr. Joe Yager*

*REAP has received notification that it has been chosen as a recipient for the Fiscal Year 2011 HUD Sustainable Community Planning Grant. The Board meeting on Monday, January 9, 2012 will focus on the purpose, process, and budget of the grant. The Committee will receive and update on the grant and is requested to provide feedback on potential discussion at the Board meeting.*

**Recommended Action:** *Review and provide feedback.*

**5. REAP Bylaws Taskforce Update:** *Mayor Kristey Williams*

*With REAP receiving the Sustainable Communities Grant it is expected that amendments to the REAP Bylaws may be necessary. The REAP Chair will provide an update on appointment of a Bylaws Taskforce.*

**Recommended Action:** *Provide feedback.*

**6. Other Business**

**7. Adjourn**

**Item**

REAP 2011 4<sup>th</sup> Quarter Treasurer's Report

**Background**

The Executive Committee is charged to serve as the treasury for REAP, collect all REAP revenues, make disbursements in accord with the budget adopted by REAP, and conduct financial management of REAP assets in accord with REAP fiscal procedures.

**REAP Budget for 4<sup>th</sup> Quarter, 2010**

***REAP Operating***

Under the agreement approved December 13, 2010 with the Center for Urban Studies, Hugo Wall School of Urban and Public Affairs, Wichita State University, staff support and assistance is provided to REAP in calendar year 2011.

This support includes, but is not limited to:

- Secretariat functions;
- Assistance and advice on financial management;
- Assistance and advice in administration of the Kansas Affordable Airfares Program;
- Consultation and technical assistance in addressing work plan priorities and conducting research in support of these priorities;
- Consultation and technical assistance for the Local Elected Officials Board; and
- Maintaining the website.

This agreement was amended

In addition, under the agreement approved April 11, 2011 with H. Edward Flentje, consultation and assistance is provided to REAP in the capacity of Senior Consultant in calendar year 2011.

In accordance with these agreements, REAP will make payments on a quarterly basis to Wichita State University and H. Edward Flentje for this support.

**REAP Operating 4<sup>th</sup> Quarter Payments**

WSU – Staffing	\$19,959.25
HWS – Operations	\$22,129.41
Total 4 <sup>th</sup> Quarter Expenditures	<u>\$42,088.66</u>

**REAP Water Resources**

In addition, under another agreement approved December 13, 2010 with the Center for Urban Studies, Hugo Wall School of Urban and Public Affairs, Wichita State University, staff support and assistance is provided to the REAP Water Resources Committee in calendar year 2011.

This support includes, but is not limited to:

- Secretariat functions;
- Consultation and technical assistance in addressing work plan priorities and conducting research in support of these priorities;
- Development and distribution of information pertaining to water related meetings, activities, and projects;
- Identification and monitoring of water related legislative issues;
- Development and coordination of educational forums;
- Identification of grant opportunities; and
- Attending and reporting on the meetings and activities of water related committees and agencies as necessary.

This agreement was amended

In addition, under the agreement approved April 11, 2011 with H. Edward Flentje, consultation and assistance is provided to REAP WRC in the capacity of Senior Consultant in calendar year 2011.

In accordance with this agreement, REAP will make payments on a quarterly basis to Wichita State University for this support.

**REAP WRC 4<sup>th</sup> Quarter Payments**

WSU – Staffing	\$8,888.75
HWS – Operations	<u>\$4,846.81</u>
Total 3 <sup>rd</sup> Quarter Expenditures	\$13,735.56

**Staff Recommendation**

That the REAP Executive Committee approve payments for the third quarter of 2011 to

- 1) Wichita State University in the amount of \$19,959.25 for REAP staffing;
- 2) Wichita State University in the amount of \$8,888.75 for Water Resources staffing;
- 3) Hugo Wall School in the amount of \$9,512.68 for REAP Operating expenses; and
- 4) Hugo Wall School in the amount of \$4,901.24 for Water Resources Operating expenses.



December 22, 2011

TO: Joe Yager  
FROM: Jo Turner  
RE: Estimated 4<sup>th</sup> quarter expenditures

Based on payments and estimated accounts payable, the following are estimates on what REAP and the REAP-WRC will owe the Hugo Wall School for the 4<sup>th</sup> quarter. Invoices will be issued after the first of the year.

**REAP:**

Office Expense	\$ 2,152.50
Operating-general	\$ 719.19
Consulting/Tech Assist.	\$ 5,000.00
Legislative Liaison	\$14,257.72
<b>TOTAL</b>	<b>\$22,129.41</b>

**REAP-WRC:**

Office Expense	\$1,607.50
Operating-general	\$1,487.95
Project Funds	\$1,751.36
<b>TOTAL</b>	<b>\$4,846.81</b>

**REAP Treasurer's Report**

**REAP Expenditures for 4th Quarter, 2011**

<b>Expenditures</b>	<b>Adopted</b>	<b>1st Quarter Jan-Mar</b>	<b>2nd Quarter Apr-Jun</b>	<b>3rd Quarter Jul-Sep</b>	<b>4th Quarter Oct-Dec</b>	<b>2010 Year End Totals</b>	<b>Percentage Expended</b>	<b>Description</b>
<b>Staffing</b>								
Executive Officer	\$71,917.00	\$17,979.25	\$17,979.25	\$17,979.25	\$17,979.25	\$71,917.00	100%	Compensation and benefits
Graduate assistant	\$15,951.00	\$3,987.75	\$3,987.75	\$3,987.75	\$3,987.75	\$15,951.00	100%	Compensation and benefits
<i>Staffing Subtotal</i>	\$87,868.00	\$21,967.00	\$21,967.00	\$21,967.00	\$21,967.00	\$87,868.00	100%	
Encumbered Funds*	(\$9,431.00)	(\$2,250.00)	(\$3,165.50)	(\$2,007.75)	(\$2,007.75)	(\$9,431.00)	100%	
<i>Staffing Contractual Requirement</i>	\$78,437.00	\$19,717.00	\$18,801.50	\$19,959.25	\$19,959.25	\$78,437.00	100%	
<b>Operating</b>								
Current office expense	\$8,610.00	\$2,152.50	\$2,152.50	\$2,152.50	\$2,152.50	\$8,610.00	100%	Computing, telephone, fax, equipment, etc.
Consultation and technical assistance**	\$10,000.00	\$1,250.00	\$1,250.00	\$0.00	\$5,000.00	\$7,500.00	75%	Additional assistance through WSU/other
Other operating—general	\$6,000.00	\$621.65	\$1,304.74	\$864.68	\$719.19	\$3,510.26	59%	Meeting expense, memberships, travel, etc.
Other operating—KAAP	\$2,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	Accounting, auditing, reporting, legal counsel
Legislative liaison	\$28,000.00	\$5,335.43	\$4,074.19	\$4,292.50	\$14,257.72	\$27,959.84	100%	Topeka-based representation, receptions, travel
Project funds	\$14,873.00	\$0.00	\$500.00	\$2,200.00	\$0.00	\$2,700.00	18%	
<i>Operating Subtotal</i>	\$69,983.00	\$9,359.58	\$9,281.43	\$9,509.68	\$22,129.41	\$50,280.10	72%	
<b>Total<sup>^</sup></b>	<b>\$148,420.00</b>	<b>\$29,076.58</b>	<b>\$28,082.93</b>	<b>\$29,468.93</b>	<b>\$42,088.66</b>	<b>\$128,717.10</b>	<b>87%</b>	

\* Due to estimates on the contract with Wichita State University there is a substantial carryover in the Fund balances for staffing. These funds have already been expended by REAP and per action taken by the REAP Executive Committee on December 7, 2010 are considered encumbered in 2011. The encumbered funds will be applied at a rate of \$2,707.75 per quarter to accurately reflect the contractual amount. However, it must be noted that a miscalculation on the initial encumbrance is corrected in the 2nd quarter payment. Additionally, due to due to changes to the benefit percentages calculated an amendment to the original amount of encumbered funds was made through Executive Committee action on August 4, 2011.

\*\* REAP entered into an independent contract for Senior Consultant assistance on 4-11-11.

<sup>^</sup> The total reflects the actual expenditures and does not include the encumbered funds.

## REAP Treasurer's Report

### Revenues to Date, 2011

Revenues	Projected	Received	Percentage	Description
Annual membership assessments	\$106,311	\$100,510	95%	Membership dues
Special assessments	\$0	\$0	n/a	Special assessments
Workforce oversight agreement	\$16,000	\$16,000	100%	CEOB oversight duties
Kansas Affordable Airfares Program	\$25,000	\$3,700	15%	KAAP administration
Other revenues received	\$2,200	\$4,273	n/a	Other revenues received
Carryover funds	\$8,340	\$4,245	51%	Prior-year carryover
<b>Total</b>	<b>\$157,851</b>	<b>\$128,727</b>	<b>82%</b>	

*Notes:*

*Other revenues received accounts for interest through 11/30/11.*

*Other revenues received also accounts for sponsorship from the Legislative Policy Summit on 12/8/11.*

*Workforce agreement runs on fiscal year, July 1 to June 30. Request for funds has been made as of 1/3/12 and payment is being processed.*

### 2011 REAP Available Funds

	Total Revenues	Total Expenditures	Total Encumbrances	Total Available Funds	Percentage Available
<b>2011 to Date (12/31/11)</b>	<b>\$128,727.33</b>	<b>\$138,148.10</b>	<b>(\$9,431.00)</b>	<b>\$10.23</b>	<b>0%</b>

### REAP Banking Account Balances

	Operating	KAAP	Water Resources
<b>2011 to Date (12/31/11)</b>	<b>\$19,900.70</b>	<b>\$38,230.88</b>	<b>\$94,456.12</b>

*\* Balances include interest through 11/30/11.*

## REAP Treasurers Report

### Assessments of REAP Members for Calendar-Year 2011 (as of 12/31/11)

Jurisdiction	Population	Assessment	Paid Assessment
Andover	10,578	\$3,688	\$3,688
Arkansas City	10,977	\$3,714	\$0
Augusta	8,743	\$1,568	\$1,568
Bel Aire	6,873	\$1,447	\$1,447
Bentley	526	\$234	\$234
Benton	808	\$253	\$253
Butler County	64,084	\$4,602	\$4,602
Cheney	2,084	\$335	\$335
Clearwater	2,437	\$358	\$358
Colwich	1,429	\$293	\$293
Conway Springs	1,186	\$277	\$277
Derby	22,923	\$4,490	\$4,490
El Dorado	12,643	\$3,822	\$3,822
Garden Plain	868	\$256	\$256
Goddard	4,048	\$1,263	\$1,263
Halstead	1,917	\$325	\$325
Harvey County	34,247	\$2,356	\$2,356
Haysville	10,496	\$3,682	\$3,682
Hesston	3,829	\$1,249	\$1,249
Hutchinson	40,795	\$5,652	\$5,652
Kechi	1,796	\$317	\$317
Kingman County	7,571	\$1,689	\$1,689
Maize	3,346	\$1,217	\$1,217
McPherson County	28,866	\$2,222	\$2,222
Mount Hope	872	\$257	\$257
Mulvane	5,913	\$1,384	\$1,384
Newton	18,437	\$4,198	\$4,198
Park City	8,029	\$1,522	\$1,522
Reno County	63,357	\$4,584	\$4,584
Rose Hill	4,091	\$1,266	\$1,266
Sedgwick	1,694	\$310	\$310
Sedgwick County	490,864	\$15,272	\$15,272
Sumner County	23,488	\$2,087	\$0
Valley Center	6,638	\$1,431	\$1,431
Wellington	7,677	\$1,499	\$1,499
Wichita	372,186	\$27,192	\$27,192
<b>Total</b>		<b>\$106,311</b>	<b>\$100,510</b>

**REAP Treasurer's Report**

**Water Resources Expenditures for 4th Quarter, 2011**

<b>Expenditures</b>	<b>Adopted</b>	<b>1st Quarter Jan-Mar</b>	<b>2nd Quarter Apr-Jun</b>	<b>3rd Quarter Jul-Sep</b>	<b>4th Quarter Oct-Dec</b>	<b>2011 Year End Totals</b>	<b>Percentage Expended Description</b>
<b>Staffing</b>							
Executive Officer	\$48,384.00	\$12,096.00	\$12,096.00	\$12,096.00	\$12,096.00	\$48,384.00	100% Compensation and benefits
Graduate assistant	\$15,951.00	\$3,987.75	\$3,987.75	\$3,987.75	\$3,987.75	\$15,951.00	100% Compensation and benefits
<i>Staffing Subtotal</i>	<i>\$64,335.00</i>	<i>\$16,083.75</i>	<i>\$16,083.75</i>	<i>\$16,083.75</i>	<i>\$16,083.75</i>	<i>\$64,335.00</i>	100%
Encumbered Funds*	(\$31,390.00)	(\$8,500.00)	(\$8,500.00)	(\$7,195.00)	(\$7,195.00)	(\$31,390.00)	100%
<i>Staffing Contractual Requirement</i>	<i>\$32,945.00</i>	<i>\$7,583.75</i>	<i>\$7,583.75</i>	<i>\$8,888.75</i>	<i>\$8,888.75</i>	<i>\$32,945.00</i>	100%
<b>Operating</b>							
Current office expense	\$6,430.00	\$1,815.00	\$1,607.50	\$1,607.50	\$1,607.50	\$6,637.50	103% Computing, telephone, fax, equipment, etc.
Consultation and technical assistance**	\$5,000.00	\$1,250.00	\$1,250.00	\$0.00	\$0.00	\$2,500.00	50% Additional assistance through WSU/other
Other operating—general	\$7,000.00	\$191.20	\$663.90	\$1,031.95	\$1,487.95	\$3,375.00	48% Meeting expense, memberships, travel, etc.
Legislative liaison	\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	n/a Topeka representation, receptions, travel
Project funds	\$15,000.00	\$1,825.00	\$1,587.78	\$2,261.78	\$1,751.36	\$7,425.92	50%
<i>Operating Subtotal</i>	<i>\$38,430.00</i>	<i>\$5,081.20</i>	<i>\$5,109.18</i>	<i>\$4,901.23</i>	<i>\$4,846.81</i>	<i>\$19,938.42</i>	52%
<b>Total^</b>	<b>\$71,375.00</b>	<b>\$12,664.95</b>	<b>\$12,692.93</b>	<b>\$13,789.98</b>	<b>\$13,735.56</b>	<b>\$52,883.42</b>	<b>74%</b>

\* Due to estimates on the contract with Wichita State University there is a substantial carryover in the Fund balances for staffing. These funds have already been expended by REAP and per action taken by the REAP Executive Committee on December 7, 2010 are considered encumbered in 2011. The encumbered funds will be applied at a rate of \$2,707.75 per quarter to accurately reflect the contractual amount. However, it must be noted that a miscalculation on the initial encumbrance is corrected in the 2nd quarter payment. Additionally, due to changes to the benefit percentages calculated an amendment to the original amount of encumbered funds was made through Executive Committee action on August 4, 2011.

\*\* REAP entered into an independent contract for Senior Consultant assistance on 4-11-11.

^ The total reflects the actual expenditures and does not include the encumbered funds.



## REAP Treasurer's Report

### Water Resources Revenues to Date, 2011

Revenues	Projected	Received	Percentage Description
Annual membership assessments	\$84,400	\$79,056	94% Membership dues
Special assessments	\$0	\$0	n/a Special assessments
Other revenues received	\$2,200	\$3,921	178% Other revenues received
Carryover funds	\$42,520	\$43,596	103% Prior-year carryover
<b>Total</b>	<b>\$129,120</b>	<b>\$126,573</b>	<b>98%</b>

*Notes:*

*The other revenues denotes interest earned on the account through 8/31/11.*

*Other revenues also reflects \$3,525 in registrations and sponsorships for the annual conference.*

### 2011 REAP Water Resources Available Funds

	Total Revenues	Total Expenditures	Total Encumbrances	Total Available Funds	Percentage Available
<b>2011 to Date (9/29/11)</b>	<b>\$126,572.51</b>	<b>\$84,273.42</b>	<b>(\$31,390.00)</b>	<b>\$73,689.09</b>	<b>58%</b>

## REAP Treasurers Report

### Assessments of Water Resources Committee for Calendar-Year 2011

(as of 12/31/11)

Jurisdiction	Population	Assessment	Paid Assessment
Andover	10,581	\$3,794	\$3,794
Arkansas City	10,977	\$3,823	\$0
Augusta*	8,743	\$828	\$828
Bel Aire	6,873	\$1,515	\$1,515
Benton	808	\$361	\$361
Butler County	64,084	\$800	\$800
Clearwater	2,437	\$483	\$483
Derby	22,923	\$5,719	\$5,719
El Dorado	12,643	\$3,948	\$3,948
Goddard	4,048	\$1,304	\$1,304
Harvey County	34,247	\$800	\$800
Hesston	3,829	\$1,287	\$1,287
Hutchinson	40,795	\$7,060	\$7,060
Kechi	1,796	\$435	\$435
Kingman County	7,571	\$800	\$800
Maize	3,346	\$1,251	\$1,251
McPherson	13,323	\$3,999	\$3,999
McPherson County	28,866	\$800	\$800
Mount Hope	872	\$365	\$365
Newton	18,437	\$4,383	\$4,383
Park City	8,029	\$1,602	\$1,602
Rose Hill	4,091	\$1,307	\$1,307
Sedgwick	1,694	\$427	\$427
Sedgwick County	490,864	\$800	\$800
Sumner County	23,488	\$800	\$0
Valley Center	6,638	\$1,498	\$1,498
Wellington	7,677	\$1,576	\$1,576
Wichita	372,186	\$31,914	\$31,914
<b>Total</b>		<b>\$83,678</b>	<b>\$79,056</b>

\* The City of Augusta became a member after July 1, 2011 and was assessed at a half year, assessment for 2012 will be full year membership.

**Item**

Kansas Affordable Airfares Program Update

**Background**

The Executive Committee is charged to administer the Kansas Affordable Airfares Program and assure that all statutory requirements for programming, evaluation, accounting and auditing, financial management, and reporting are met.

***Kansas Affordable Airfares Program Fund***

In accordance with the REAP Kansas Affordable Airfares Program, REAP Fiscal Procedures, and Executive Committee action, an independent bank account was established on July 21, 2006, in the name of REAP/Kansas Affordable Airfares Program. The following information details the financial records of the program for the current fiscal year 2012 (July 1, 2011 – June 30, 2012).

***Fiscal Year 2012 (July 1, 2011 – June 30, 2012)***

		<b>Amount</b>
<b>Actual Deposits</b>		
	FY11 Carryover	\$38,192
	FY12 Program Operator Match	\$1,583,333
	FY12 State Funding	\$4,750,000
	2011 Interest Earned (as of 11/30/11)	\$1,186
	2012 Interest Earned	\$0
<i>Total Program Revenues to Date</i>		<i>\$6,372,711</i>
<b>Program Payments</b>		
	FY12 Payment 1 – July 22, 2011	\$1,583,333
	FY12 Payment 2 – November 10, 2011	\$1,583,333
	FY12 Payment 3 – <b>January 5, 2012</b>	<b>\$1,583,333</b>
	FY12 Payment 4 –	\$0
<i>Total Program Payments to Date</i>		<i>\$4,479,999</i>
<b>REAP Administrative Payment (2010-11)</b>		<b>\$0</b>
<b>Total Remaining Funds to Date</b>		<b>\$1,622,712</b>

***Fiscal Year 2012 Program Updates***

At its regular monthly meeting of July 11, 2011, REAP took action to award a \$4,750,000 grant to Sedgwick County to assure and enhance affordable airfares in Kansas. In accord with state law the grant required a local match of 25 percent, which was received. REAP has made the appropriate transfers of funding to date per previous actions.

In addition, a second proposal was awarded to Garden City in the amount of \$250,000, contingent upon the following:

- 1) Approval by US Department of Transportation on the use of these funds for the purpose of contracting with American Eagle service;
- 2) Approval of the US Department of Transportation to utilize the City of Dodge City EAS funding under the “Alternate Air Service Pilot Program”; and
- 3) Receipt of the local match.

REAP also reserved the right to re-allocate any of these funds prior to June 30, 2012 if any of the required contingencies are not met.

Attached is a report from Garden City which provides an update on several of the contingencies and it is requested that the Executive Committee review and provide direction.

### ***Reporting Requirements Update***

Under Kansas law (House Substitute for Senate Bill 475 and the omnibus appropriation bill, Senate Bill 2968, enacted in the 2006 Kansas Legislature) REAP is assigned authority for administering the Kansas Affordable Airfares Program (KAAP). REAP is required to provide an annual report on activities and progress attained toward achievement of the statutory purposes of KAAP. Those purposes are: “more air flight options, more competition for air travel and affordable air fares for Kansas.” For the past five years, REAP has provided annual reports to the Kansas Department of Commerce as required.

In fiscal year 2011 legislators requested the Legislative Division of Post Audit to conduct a performance audit on the Affordable Airfares program. On February 8, 2011, the legislative post audit report was released and found the following: “*Overall, the program appears to have had the desired effect. Since Wichita’s original affordable airfare program (FairFares) began in 2002, fares have decreased, while the number of passengers and the number of available flights have increased.*”

The audit also included several suggestions to enhance program performance and financial reporting, which were reflected in the latest report. In addition, the Kansas Department of Commerce requested additional reporting by REAP in response to these findings.

A small group of REAP officials were invited to discuss these requirements with the Secretary of Commerce on January 3, 2012 and an update from this meeting will be shared.

### **Staff Recommendation**

That the REAP Executive Committee review the reports and provide direction.



December 22, 2011

Mr. Joseph S. Yager  
Chief Executive Officer  
Regional Economic Area Partnership  
1845 Fairmount St  
Wichita KS 67260-0155

Dear Mr. Yager,

The City of Garden City is providing an update in regards to the Kansas Affordable Airfares Program recommendation provided by REAP to the State. The update follows the recommendations provided by the Executive Committee. The recommendations are as follows:

The proposal from Garden City is to be awarded \$250,000 contingent upon the following:

1. Approval of the US Department of Transportation on the use of these funds for the purpose of contracting with American Eagle
  - a. Status –
    - i. The US Department of Transportation finalized Order 20011-10-24 on November 14, 2011. The Order selects American Eagle Airlines to provide essential air service at Garden City Regional Airport and recognizes the \$250,000 contribution.
  - b. Projections/expectations –
    - i. The air service will begin on April 3, 2012.
  - c. Performance report of projections/expectations –
    - i. Until regional jet service begins on April 3, 2012, there is no measurement by which to evaluate, in detail, the performance of the investment. Once service begins, we will regularly provide reports to REAP. However, on an aggregate level, the Kansas Affordable Airfares Program funds provided by REAP were a complete success in establishing regional jet service in western Kansas as anticipated by the enabling legislation.
2. Approval of the US Department of Transportation to utilize the City of Dodge City EAS funding under the “Alternative Air Service Pilot Program”
  - a. Status –
    - i. The use of the “Alternative Air Service Pilot Program” was not required. The US Department of Transportation approved utilization of City of Dodge City EAS funding in the amount \$589,528.
  - b. Projections/expectations –
    - i. The utilization of the Dodge City funding will provide more flight options in Western Kansas (Dallas vs. and Denver), provide more

completion between airlines (American Eagle and Great Lakes) and provide affordable airfare for western Kansas.

- c. Performance report of projections/expectations
3. The US Department of Transportation finalized Order 20011-10-24 on November 14, 2011. The Order selects American Eagle Airlines to provide essential air service at Garden City Regional Airport and recognizes the \$250,000 contribution. The approval of the air service order fulfills this expectation and a copy of the order is attached to fulfill the reporting requirement. Receipt of the local match
  - a. Status –
    - i. The City of Garden City has the local match, and will provide it to REAP in March 2012 unless notified otherwise.
  - b. Projections/expectations –
    - i. The City of Garden City anticipates providing the local match in March 2012.
  - c. Performance report of projections/expectations
    - i. This expectation will be fulfilled upon REAP's receipt of the funds.

The REAP Executive Committee noted in their award of KAAP funds to Garden City Regional Airport a concern that the Garden City proposal does not clearly meet two of the statutory requirements: more competition and more affordable airfares for Kansas. Those are desired outputs from the initial service. In addition, it was noted that the proposal does clearly address the “western Kansas clause,” which has not been addressed in previous KAAP awards and was noted in the recent post audit report.

We appreciate REAPs foresight to work with Garden City and our partners as we create the western Kansas regional commercial airport anticipated in the statutes. We feel the Garden City proposal addresses the statutory criteria, including 1) more flight options by virtue of the first western Kansas regional jet service contract set to begin April 3, 2012, 2) the establishment of a regional airport in Western Kansas, 3) provides a market analysis, and 4) provides for the local match of at least 25%.

The City of Garden City desires to continue with the Kansas Affordable Airfares Program and is appreciative of our partnership which has helped bring regional commercial jet service to western Kansas. When American Eagle begins service in April 2012, committed KAAP funds will begin being used and Garden City Regional Airport staff will provide REAP monthly performance reports.

Sincerely,

Rachelle Powell  
Director of Aviation

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**2225 South Air Service Road, Suite 112, Garden City, Kansas 67846**  
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Order: 2011-11-14  
Served: November 14, 2010

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.



Issued by the Department of Transportation  
on the 14<sup>th</sup> of November, 2011

Essential Air Service at

**DODGE CITY, KANSAS**  
**GARDEN CITY, KANSAS**  
**GREAT BEND, KANSAS**  
**HAYS, KANSAS**  
**LIBERAL, KANSAS**

**Docket OST-1998-3502**  
**Docket OST 1998-3503**  
**Docket OST 1998-3496**  
**Docket OST 1998-3497**  
**Docket OST 1998-3498**

Under 49 U.S.C. 41731 *et seq.*

**ORDER**

By Order 2011-10-24, October 31, the Department directed the parties to show cause by November 10, why we should not select American Eagle Airlines to provide essential air service at Garden City, as described in Appendix C, and Great Lakes Aviation, Ltd., to provide essential air service at Dodge City, Great Bend, Hays, and Liberal, Kansas, as described in Appendix C of that order. The order delegated authority to the Director, Office of Aviation Analysis, to make the order final.

The ten days have expired, and no objections have been filed, and we hereby make Order 2011-10-24 final.

**TODD M. HOMAN**  
Director  
Office of Aviation Analysis

(SEAL)

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