

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
AUGUST 17, 2022
HANGAR 600, ROOM 100**

Call to Order

The meeting was called to order at 8:00 A.M. by Chair Kent Buer. Chair Buer confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst confirmed that the notice and packet were published and distributed Friday, August 12, 2022.

Attendance

Attendance was taken. Chair Buer, Directors Roberg (via GTM), Gunn, Carlin, and Eichelberger (via GTM) were present. Executive Director Tim Rogers (via GTM); Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Business and Communications Manager Kasey Windhorst; Administration Specialist Michelle Moon; and Attorney Greg Bengtson (via GTM) attended. Guests were Michael Bunn, based pilot and Kendrick Calfee, Salina Journal reporter.

Additions to the Agenda

Chair Buer asked if there were any additions to the agenda. Executive Director Rogers stated there were no additions to the agenda. Rogers rescheduled agenda item No. 9, Review of the SAA's 2023 capital budget projects and expenditures funding, to the August 31, 2022 meeting. Rogers provided an overview of the agenda.

Minutes

Chair Buer asked if the board members had additions or corrections to the minutes. Director Gunn moved to approve the minutes of the July 20, 2022 regular board meeting; Director Carlin seconded the motion. Motion carried 5-0.

Airport Activity

Executive Director Rogers reviewed the airport activity during the month of July 2022. The Salina air traffic control tower (ATCT) recorded 4,613 operations during July 2022 which was a 36% decrease as compared to the July 2021 total of 7,230. The decrease in aircraft operations is due to the closure on Runway 17/35 for resurfacing. July 2022 fuel flowage came in at 104,328 gallons which was 55% less than the July 2021 total of 233,652 gallons. The decrease is a result of the Runway 17/35 closure for construction. SkyWest enplaned 2,157 passengers during July 2022, which was a 9% decrease over the July 2021 total of 2,379 passengers. Total passenger count was 4,416 which was a 5% decrease over the July 2021 year-to-date total of 4,654. The decrease in passenger enplanement reflects the negative impact of the routing and scheduling tag with Hays, dropping below 2019. SkyWest continues to maintain daily service with the available pilots and crews.

Financial Reports

Director of Administration and Finance Swanson reviewed the financials ending July 31, 2022. Unrestricted cash in the bank is at \$1,934,560. Total year-to-date income came in \$230,718 over the same period in 2021 (14%) and is tracking 10% over the 2022 budget projections. Total operating expenses came in 1% over budget and is running 2.15% more than 2021 or \$35,869. Net operating income before depreciation equaled \$161,309 year-to-date at the end of July.

The SAA closed on the \$1,000,000, 2022-1 General Obligation Temporary Notes on July 7 which resulted in the increase of bond funds on deposit and long-term liabilities as compared to June 2022. Swanson reviewed significant capital expenditures for July and commented on disbursements from the 2021-1 and 2022-1 GO Temp note project funds.

On August 11, 2022, the SAA entered an 18-day lease for Hangars 509, 600, and 606 with the US Special Operations Command (USSOCOM) to conduct the multi-force military training exercise known as Jaded Thunder. Jaded Thunder 22.2 will be the seventh time USSOCOM has based this exercise at Salina over the last nine years. This short-term rental will generate approximately \$140,000 in hangar, equipment, and fuel flowage fees during the month of September.

Consideration of a lease agreement with Garmin International, Inc. for office and computer lab space at hangar H600, 2720 Arnold Ct.

Swanson noted that Garmin International, specializing in GPS technology for automotive, aviation, marine, outdoor and sport activities, had initially leased 1,131 SF of office/classroom space in hangar H600 to be close to the K-State Salina aerospace and unmanned systems programs. The transition from a month-to-month initial lease is a significant step toward growing Garmin's Salina operations. The lease term is for a period of one (1) year, beginning October 1, 2022, with an option to renew every year for the next four (4) additional years. The Basic rent is \$1,185 per month and the CPI adjustment will be every two (2) years.

Director Eichelberger moved to approve the proposed office/classroom lease with Garmin

International, Director Gunn seconded the motion. The motion carried unanimously.

Consideration of a lease agreement with Avflight Salina Corporation for space at building B207.

Swanson reported that since June 1, 2017, Avflight has leased 2,778 SF at B207 for use as a vehicle and equipment maintenance shop, servicing mobile aircraft refueling trucks and ground service equipment. The new lease will be effective September 1, 2022, for a five (5) year initial term. Avflight will have an option to renew the lease for one (1) additional term of five (5) years. The new rental rate will be \$700 per month, \$8,400 per year. The rental rate is subject to a CPI adjustment every two (2) years.

Director Gunn moved to approve the proposed B207 lease with Avflight Salina for vehicle and equipment maintenance shop space. Director Roberg seconded. The vote was 5-0 and the motion carried.

Calendar year 2023 airport improvement project priorities and available FAA grant funding.

Rogers provided an update on the priority projects and reviewed the summary of funding for Airport Capital Improvement projects and allocation of anticipated 2023 mill levy receipts for local match. Below are the 2023 priorities:

1. Design and construction of a new 202,000-gallon fuel farm. - Rogers anticipates that the grant funding will be offered in September. For the design and construction, the project's

estimated total is \$5,555,749. The grant will be for \$5,000,174 (90%) with local match of \$555,575 (10%). Construction may start during calendar year 2023.

2. Runway 12/30 rehabilitation design - The scope of work is approved. The design work will progress in calendar year 2023 with construction slated for calendar year 2024. Total estimated project cost is \$5,877,499. The federal share would be \$5,289,749 (90%) while the SAA local share would be \$587,750 (10%) of the total project cost.
3. Terminal building expansion design - When the project application is submitted this year, the grant request amount will be for \$10,573,200 (90%) of the total project cost and SAA matching funds required will be \$1,174,800 (10%). Total project cost is estimated to be \$11,748,000.

Rogers will be recommending at a future board meeting the approval of a 1 mill property tax to raise \$485,340 in matching funds for calendar year 2023 airport improvement projects.

Review of the changes in the scope of work for the design of Hangar 626 improvements.

Rogers stated that the prospective tenant for hangar H626 has decided to make other plans for aircraft paint operations due to the immediate demand by customers. Rogers noted that there is still a need to proceed with the rehabilitation of hangar H626. Remodeling the hangar will provide more opportunities for both short term and long-term leasing. Completing the core H626 improvements will enable the Airport Authority to offer a 45,000 SF hangar to prospective MRO companies, federal agencies, and the military. The cost of the rehabilitation of the core components of H626 will be less than converting the hangar to an aircraft paint hangar. An updated H626 site plan and floor plan were discussed.

The board approved Rogers renegotiating the scope of work and fee for the Hutton, H626 architectural design agreement. The renegotiated scope of work, design fee and estimated construction cost will be presented to the board for final approval.

Visitor's Questions and Comments

Director Buer asked if visitors had any questions or comments. Michael Bunn asked for an update on the T-Hangar construction. Rogers responded that construction is pending the results of the FEMA determination. SAA staff continue to provide FEMA with the required information. Rogers stated that the FEMA reports are public records and are available on the SAA website.

Staff Reports

Director of Facilities and Construction Cunningham stated that the Runway 17/35 paving would be completed this week. The subcontractor for the paint markings will follow and then the inspection will be completed prior to opening the runway.

Upon a motion duly made, the meeting adjourned at 9:05 A.M.

Minutes approved at the September 21, 2022, board meeting.

Alan Eichelberger, Secretary

(SEAL)