

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
DECEMBER 20, 2023
HANGAR 600, ROOM 100**

Call to Order

Chair Tod Roberg called the meeting to order at 8:00 A.M. and confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst confirmed that staff published and distributed the board packet on Friday, December 15, 2023.

Attendance

Present were Directors Roberg, Carlin (VTC), Gunn, Boos and O'Brien. Executive Director Tim Rogers; Deputy 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 Julie Yager-Zuker, Avflight Salina; Lindsey Dreiling, Dreiling Aviation Services; Mitch Walter, Gillmore & Bell; Cody Heiman, First Bank Kansas; Dr. Randy Hassler, pilot; Bob Vidricksen, Saline County Commissioner (VTC); and Trent Davis, City Commissioner (VTC).

Agenda

Executive Director Rogers provided an overview of the agenda. There were no additions to the agenda.

Minutes

Director Gunn moved to approve the minutes of the November 15, 2023 regular board meeting

as presented. Director Boos seconded the motion. Motion carried 5-0.

Airport Activity

Rogers reviewed air traffic, fuel flowage and enplanements for the month of November. The Salina air traffic control tower (ATCT) recorded 7,521 operations for November 2023, reflecting a 27% increase from the same period last year. November 2023 fuel flowage came in at 142,909 gallons, which was a 37% decrease compared to 2022. The decrease in fuel is due to a higher number of FOL events scheduled in 2022. SkyWest enplaned 1,181 passengers during the month which was a 10% decrease compared to November 2022. The decrease in travel at SLN is attributed to the tag with Hays.

Financial Review

Swanson presented the financial report for the period ending November 30, 2023. Cash in bank is \$9.6M. Total assets are up 14%, total liabilities are up \$7.5M, and total equity is up 2% over November 2022. Total income is \$213,900 over budget year-to-date, with Swanson noting that fuel flowage fees this period reflected a rate increase. Administrative expenses were slightly over budget (3%, \$54,281) year-to-date, and maintenance expenses were under budget (5%, \$54,945). Net operating income before depreciation year to date is \$244,464. Swanson presented and discussed the 10-year trend analysis report with the board. Swanson reviewed significant capital expenditures and provided a report of the disbursements from the bond proceeds project fund accounts for the month of November. Chair Roberg directed staff to file the financials for audit.

Scheduled air service and SkyWest Airlines

Rogers discussed the incentive agreement between the Airport Authority and SkyWest Airlines.

The Saline County Commission approved \$400,000 disbursement from their ARPA funds toward the program. The City will discuss their portion of the incentive (\$400,000) at their next meeting. Rogers asked the board to consider contributing the remaining \$100,000. Rogers reviewed the work done by Gary Foss with SkyWest to restructure the schedule, bringing non-stop flights back to Salina. Rogers asked the board to approve the incentive agreement between the Airport Authority and SkyWest Airlines and authorize the executive director to sign the agreement. Director Gunn made the motion to approve the agreement as drafted, Director Boos seconded. The motion carried 5 – 0.

Consideration of a ground lease with the Kansas Board of Regents and Resolution 23-18

Rogers provided an overview of the K-AIRES project. PI Labs anticipate construction of the K-AIRES Center to begin in August 2025. Mitch Walter reviewed the lease revenue bond process and the property lease structure. The Airport Authority will transfer the ground to the Kansas Board of Regents with a lease purchase agreement if the bonds are issued. The lease term is 40 years, the ground lease is a zero rental, with no specials or taxes associated with the property. The Airport Authority will lease the K-AIRES Center back to KBOR and K-State. KBOR approved authorizing the ground lease at a previous meeting. Director Boos moved to approve the ground lease agreement between the Kansas Board of Regents and the Salina Airport Authority, as well as approval of SAA Resolution No. 23-18 approving a ground lease for the acquisition, construction and equipping the K-AIRES Center, and authorizing Chair Roberg to sign the ground lease and to sign the resolution. Director O'Brien seconded. The motion carried 5 – 0.

Consideration of a new Lease Agreement with Universal Forest Product's UFP

Harrisonville, LLC for Building B620

Swanson provided a history of the tenant relationship with Universal Forest Products (UFP). The new agreement is to accommodate the company's expanding needs. The proposed terms are:

Facility: Bldg. 620 (30,000 SF)
Term: Three Years with Two 3-year Options to Renew
Effective: May 1, 2024
Rental Rate: \$11,700/month - \$140,400/year
Rate Adj. CPI every 2-years
Type: Modified Net – Tenant responsible for utilities, taxes, ins., and routine maintenance.

The lease agreement includes UFP requested improvements to the property. Director O'Brien moved to approve the lease agreement with UFP Harrisonville, LLC and authorize Chair Roberg to sign the lease, Director Gunn seconded the motion. Motion carried unanimously.

Consideration of a Cheney Construction proposal for building B620

Cunningham reviewed the proposed improvements at Building B620 for Universal Forest Products. Improvements include concrete slab expansion and new fencing to increase storage yard capacity. The construction project includes expansion of concrete in two areas totaling 18,380 sq. ft. north of Building 620 along with relocation and addition of new fencing totaling approximately 600 ft. northeast of Building 620. Director Boos moved to approve the Cheney Construction Inc. contract in the amount of \$166,800 for the construction project including two concrete areas and new fencing located at 1940 Arnold Ave, building B620, leased by Universal Forest Products. Director Gunn seconded. Motion passed 5 – 0.

AIM Center Update

Miller updated the board on the status of the AIM Center. All instructors position has been filled and Chad Robb will be the lead instructor. Architect One (A|O) has been selected to design the

AIM Center training room at Hangar H626. Miller reviewed the concept plans.

Lindsey Dreiling discussed micro credentialing through K-State and the curriculum. The AIM Center website, aimcenter.aero, will launch by the end of the year, with a link for registration and course schedule. Miller discussed sponsorship opportunities.

Resolution 23-19 Reappointing Jim Maes to the Salina Community Economic Development

Organization (SCEDO) Board of Directors

Rogers provided an overview of the SCEDO board and the SAA responsibility as a founding member. Director Gunn moved to approve SAA Resolution No. 23-19 reappointing Jim Maes to the SCEDO board of directors for a three-year term starting on February 1, 2024. Director O'Brien seconded. Motion carried 4 – 0.

2024 Operating Plan and Budget Review

Rogers stated that the 2024 operating plan and budget is tracking with the STARS goals and objectives. Swanson discussed budget highlights including significant items and operating revenues. Director Gunn moved to approve the Salina Airport Authority Operating Plan and Budget for 2024, Director Boos seconded. The motion passed 4 – 0.

Staff Reports

Swanson presented Andrew Hodge, ARFF/Operations Specialist, to the board and recognized Hodge with a STAR Core Values award.

Executive Session

At 9:36 A.M., Director O'Brien made the following motion:

I move that the Salina Airport Authority board of directors' recess into executive session for fifteen (15) minutes to discuss the subjects of the Executive Director's annual 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 9:51 A.M.

Director Gunn seconded the motion. The motion passed unanimously.

The open meeting resumed at 9:51 A.M.

At 9:51 A.M., Director Gunn made the following motion:

I move that the Salina Airport Authority board of directors' extend the executive session for ten (10) minutes to discuss the subjects of the Executive Director's annual 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 10:01 A.M.

Director O'Brien seconded the motion. The motion passed unanimously.

The open meeting resumed at 10:01 A.M.

There was no board action following the executive session.

Upon a motion duly made, the meeting adjourned at 10:01 A.M.

Minutes approved at the January 17, 2024 board meeting.

Kasey L. Windhorst, Board Clerk

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