

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
FEBRUARY 17, 2021
VIA GOTO MEETING VIDEO AND AUDIO LINK**

Call to Order

The meeting was called to order at 8:00 AM by Chairman Alan Eichelberger. Business and Communications Manager Kasey Windhorst completed roll call and confirmed that a quorum was present. Windhorst noted the board meeting notice was published and distributed on Friday, February 12, 2021. The board packet was published and distributed on Tuesday, February 16, 2021.

Meeting Procedures

Executive Director Rogers reviewed the following meeting procedures (K.A.R. 16-20-1 concerning open meetings during an emergency declaration).

- a. Mute all participant microphones, phones, or other electronic devices.
- b. SAA board members, staff and presenters are required to state the individual's name each time the individual begins to speak or vote.
- c. The **Visitor's Forum** that follows the **Directors' Forum** is the time for public comment.
- d. Each board motion will be clearly stated before a board vote and the results of the vote will be announced.
- e. All motions will identify the SAA board officer and/or staff member authorized to sign a legally binding document for the Airport Authority.
- f. The meeting will be recorded (video and audio) and posted to the Airport Authority's website.

- g. Executive session procedures will be as follows:
- i. Visitors and nonessential attendees will be asked to leave the VTC.
 - ii. After visitors and nonessential staff have been dismissed, access to the VTC will be locked.
 - iii. At the end of the executive session and when the open meeting resumes, the VTC will be unlocked and visitors will be able to again login to the meeting.

Attendance

Roll call attendance was taken. Chairman Eichelberger, Directors Buer, Gunn, Vancil and Weisel attended via video conference. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Business and Communications Manager Kasey Windhorst and Attorney Greg Bengtson attended via video conference. Roger Sanborn, Central States Enterprises; Greg Nichols, Salina Area Technical College; Renee Duxler, Salina Area Chamber of Commerce; Mitch Robinson, Salina Community Economic Development Organization and Julie Yager-Zucker, Avflight Salina were guests via video conference.

Additions to the Agenda

Chairman Eichelberger asked if there were any additions to the agenda. Executive Director Rogers stated there were no additions.

Minutes

Chairman Eichelberger asked if the board members had additions or corrections to the minutes of

the January 20, 2021 regular board meeting. Director Gunn moved, seconded by Director Vancil, to approve the minutes of the January 20, 2021 regular board meeting.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye, Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reported that the Salina Air Traffic Control Tower (ATCT) recorded 3,996 operations during January 2021, which was a 28% increase compared to the January 2020 total of 3,109. The increase in ATCT operations is due to increased K-State Poly professional flight training. January fuel flowage came in at 118,268 gallons which was a slight decrease compared to January 2020 total of 118,337 gallons. United/SkyWest flights enplaned 338 passengers, which was a 68% decrease as compared to the January 2020 total of 1,232 enplaned passengers. The airline's total passenger count was 863 which was a 65% decrease as compared to the January 2020 total of 2,497.

Director of Administration and Finance, Shelli Swanson reported on the following highlights from the January 2021 financials.

- There were no distributions from bond proceeds during January 2021.
- Unrestricted cash in bank at \$1,279,197.
- Total income came within \$250 of budget projections and beat YOY by 7%.
- Total operating expenses came in 1% over budget and 3.5% more than 2020.

- Net operating income before depreciation equaled \$1,768.

Swanson commented on the audit process and noted the on-site field work is scheduled for Tuesday, March 9, 2021. Chairman Eichelberger directed staff to file the financials for audit.

Kansas Department of Health and Environment Amended Consent Agreement and Final Order

Executive Director Rogers reviewed the amended Consent and Final Order (CAFO) with the Kansas Department of Health and Environment (KDHE). The agreement was negotiated by the SPE's environmental attorney Andy Davis with input from the Schilling Project's Executive Group. The agreement amends the November 2012 KDHE CAFO that provided for the successful completion of the Schilling Project Remedial Investigation (RI), Feasibility Study (FS) and Corrective Action Decision (CAD) phases of work. Bengtson commented on Paragraph 8 of the amended CAFO applies specifically to the Airport Authority. Paragraph 8 provides for the application of land-use controls "if deemed necessary to protect human health and the environment." The use of land-use controls is a RA alternative outlined in the 2019 CAD. The CAD specified the use of land-use controls for Plume J (Landfill #1) located within OU3 which comprises the west side of the Salina Airport. Plume J (Landfill #1) inside the airport's perimeter fencing, will never be used for an airport building, aircraft parking apron, taxiway or runway and is not accessible by the public. Director Gunn moved to approve the proposed Kansas Department of Health and Environment amended Consent and Final Order providing for Remedial Design and Remedial Action work at the Former Schilling AFB site and authorize executive director Rogers to sign the agreement. Seconded by Director Weisel.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye, Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

Salina Area Technical College Campus Development Overview

Executive Director Rogers introduced Greg Nichols, Salina Area Technical College (SATC) president. Nichols presented an overview of the educational programs, service area, campus development and review of new program options for SATC including nursing, fire services, industrial maintenance, early childhood education and dental hygiene. Nichols commented on the college's need for additional property to meet campus growth. Rogers noted SAA staff will develop options for the board to consider at the March board meeting.

Central States Enterprises, LLC Land Lease

Rogers introduced Roger Sanborn, Central States Enterprises and provided an overview of the current Salina Aircraft Services (SAS) agreement to the board. Doug Bradley, owner of Salina Aircraft Services, notified the Authority of his intention to sell his aircraft and the SAS hangar located on the Salina Regional Airport. SAS and Central States Enterprises have entered into a contract for the purchase of the SAS hangar and improvements with a desire to close on the hangar transfer on or before March 6, 2021. Swanson reviewed the proposed lease terms as follows:

Term:	Primary Term of 20 years with one 20-year option
Effective date:	March 1, 2021
Premises:	.796 acres of land
Rental:	\$250 / month with biennial CPI adjustments Taxes and Fuel Flowage Fee of \$.0815/Gallon

Director Weisel moved to approve the Termination of the 1993 Lease Agreement between the

Authority and Bradley and approval of the Lease to Central States Enterprises, LLC for .796 acres of land and authorize chair Eichelberger to sign the Central States lease agreement.

Seconded by Director Gunn.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye, Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

State of Kansas – B394 First Amendment to Lease Agreement

Swanson reviewed the current lease agreement with the Kansas Department of Revenue (KDOR) for Bldg. 394 located at the northeast corner of Schilling and Centennial Rd. along with a tract of ground on the north ramp. The leased property is for the office of the Salina DMV and CDL course for testing and training. The proposed First Amendment to Lease between the Authority and KDOR that provides for the following key terms and conditions:

Term: Five years (This lease does have the typical State of Kansas lease form “*Termination for Fiscal Necessity*” clause which provides for the early termination of the lease if the Legislature fails to appropriate funds for the lease.)

Effective date: March 1, 2021

Premises: **Tract 1-** Bldg. 394 – 3,951.29 sq. ft. of office, located on Lot 9, Block 1, Schilling Subdivision No. 5 containing 1.27 acres of land. (*DMV Office Bldg.*)

Tract 2 – Lot 8, Block 1, Schilling Subdivision No. 5 containing 36,944 sq. ft. or .85 acres of land. (*Employee and CDL written test parking*)

Tract 3- A port of Lot 6, Block 1, Schilling Subdivision No. 4 containing 25,000 sq. ft. or .57 acres of land. (*CDL training and testing*)

Rental: **Tract 1** - \$1,766.62/month - \$5.365/sq. ft./year

Tract 2 - \$249/month - \$.0809/sq. ft./year
Tract 3 - \$581.31/month - \$.279/sq. ft./year
Combined All Tracts - **\$2,596.94/month**

CPI: 3.545% fixed increase in Years 3 and 5

Type: **Modified Gross** – Tenant responsible for utilities and janitorial
Authority responsible for all maintenance and insurance

Improvements: The Authority would construct a sidewalk from Lot 8 to Lot 9 and would provide additional security to the IT room in Bldg. 394 by closing off the exterior door providing interior access.

Systems 4 (Sidewalk)	\$ 5,146
Hutton (Secure IT Room)	\$11,317

The Authority would construct a 3” mill and asphalt paving inlay on Tract 3.

APAC \$67,388

Director Weisel moved to approve the First Amendment to the Lease Agreement with the Kansas Department of Revenue for their September 10, 2020 Lease and authorization for improvements in an amount not to exceed \$84,000 to construct the sidewalk, IT room security and rehabilitate the CDL course for the Salina Division of Motor Vehicle Office and driver training and testing course and authorize chair Eichelberger to sign the addendum. Seconded by Director Gunn.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye,
Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

Hangar H724 Restroom Remodel

Bieker reviewed the proposed improvements to Hangar H724 located at 1910 Beechcraft Rd. Proposals were received to bring the restrooms back into service which includes a new water service line and replacing all fixtures for both men’s and women’s facilities. The lowest

responsive proposal was received from Systems 4 in an amount of \$18,935.

Director Gunn moved to approve the proposal from Systems 4 in the amount of \$18,935.

Seconded by Director Weisel.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye, Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

Staff Reports

Runway 17/35 Grant Funding Update

Rogers mentioned the FAA Central Region Airports Division has requested that the Airport Authority complete the Runway 17/35 rehabilitation design and obtain construction bids by April 30, 2021. With construction bids in hand, the SAA will submit a project application by May 1, 2021 in anticipation of a grant award by June/July 2021. An AIP grant issued in FY 2021 also has the benefit of 100% FAA grant funding. This means that the \$4.32M project can be completed without a SAA 10% match of \$480,000. The construction work will be scheduled for Spring/Summer 2022.

COVID19 Financial Relief and Assistance

Rogers reviewed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). CRRSAA grant funding is in addition to previous CARES Act funding. CRRSAA

financial aid is available for two separate and distinct uses. The SAA was awarded \$1,005,444 to fund airport operating and equipment expenses. The second use is available for concession relief in the amount of \$3,432.

Aircraft Storage Hangar Construction

Bieker stated Hutton has completed 60% of the design for a new five-unit, aircraft storage hangar and the design of a T-hangar area public restroom building. Bieker reviewed the location, scope of work and electrical improvements.

Hertz Update

Rogers stated Lewis Automotive Group (LAG) and Hertz has reached an agreement to purchase the assets and lease for the Hertz Salina location. The Lewis agreement with Hertz includes acquisition of Hertz corporate locations in Lawrence, Manhattan, and Hays. Lewis already operates Hertz locations in Dodge City, Garden City and Liberal. The closing is scheduled for mid-March. Lewis Automotive will reopen the Salina Airport location immediately after the closing and significantly improve rental car options at the M.J. Kennedy Air Terminal.

SAA Resolution 21-01

Rogers presented SAA Resolution 21-01, recognizing Troy Vancil for serving a total of nine years as a member of the SAA board of directors. Director Gunn moved to approved SAA Resolution 21-01 expressing gratitude and appreciation to Troy Vancil for his service rendered to the City of Salina and its citizens and authorize chair Eichelberger and vice-chair Gunn to sign the resolution. Seconded by Director Weisel, to approve Resolution 21-01.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye,
Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

A motion was made to adjourn the meeting.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye,
Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

The meeting adjourned at 9:46 A.M.

Minutes approved at the March 17, 2021 Board Meeting.

Secretary

(SEAL)