

**MINUTES OF THE SPECIAL MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
AUGUST 31, 2022
HANGAR 600, ROOM 100**

Call to Order

The meeting was called to order at 4:00 P.M. by Chair Kent Buer. Chair Buer confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst stated that the meeting notice was published Friday, August 26, 2022. Distribution of the full board packet was published on Monday, August 29, 2022.

Attendance

Attendance was taken. Chair Buer (via GTM), Directors Roberg, Gunn (via GTM), Carlin, and Eichelberger (via GTM) were present. Executive Director Tim Rogers; 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 attended. Guests were David Arteberry, Financial Advisor, Stiefel, Michael Bunn, based pilot, and community member Jennifer Briggs.

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 did propose, however, that the board consider rescheduling the September 7, 2022 special board meeting regarding the RNR public hearing, offering September 14, 2022 as the new date. Rogers completed an overview of the agenda.

Public Hearing

The Public Hearing was opened by Chair Buer. Rogers explained the process of the public hearing, stating that preliminary 2023 budget information would be presented followed by public comments.

Director of Administration and Finance Swanson reviewed the 2023 preliminary budget. The summary indicated an anticipated 3% increase in airfield revenue with the total operating revenue of \$3,003,110 (an increase of 3.2% over 2022). The report has a slight decrease in operating expenses. The NIBD is \$33,755. Rogers stated that the report did not project any new leases; Swanson remarked that 2023 also will not include NASA or Jaded Thunder special events.

Rogers reviewed the Salina Airport Authority bond issues and processes. Director Eichelberger requested a quick identification of the projects funded by the outstanding temporary notes listed on page 1 of the Stifel report provided to the board. Swanson reviewed the construction projects funded by each Salina Airport Authority bond issue.

David Arteberry, financial advisor, Stiefel, commented on the debt service schedule. Arteberry explained the assumptions noted on the Bond Issue Overview and the Bond and Interest Fund Mill Levy Projection reports. Rogers noted that the operating revenue projection for 2024 – 2043 is anticipated to be applied to reduce the debt service payments. Arteberry further presented the Estimated Debt Service Schedule report but confirmed that the board may consider other approaches to this projection.

Rogers presented the Summary of Funding for Airport Capital Improvement Projects and Allocation of Anticipated 2023 Mill Levy Receipts for Local Match. Rogers stated that the 5% increase from 4.838 mill levy (calendar year 2022) to 5.901 (calendar year 2023) is equal to the required local match value (4.901 GO Bond Debt Service, 1.00 Grant Match) for the three current projects: Fuel Farm Construction (MAP Grant); 12/30 Runway Rehabilitation (BIL and Entitlement Grant); and Terminal Building Expansion (BIL Grant).

Chair Buer opened the meeting to Public Comments.

Ms. Briggs asked a series of questions regarding how the Airport Authority analyzed the need for remodeling Hangar 606. Rogers explained that the airport has a federal obligation to return former aviation hangars to airport use. Ms. Briggs stated that she was opposed to the increase at this time due to the economic recession.

Following Ms. Briggs' questions, Director Buer requested a report updating the board on the number of buildings leased and the current vacancy rate. Rogers stated that the vacancy rate improved from 42% in April of 2018 to 18% as of December 2021. Airport staff will provide a scorecard update at the next board meeting.

Mr. Bunn questioned the coupons on the existing bonds. Arteberry responded with the Bond interest rates on all SAA bonds and stated that the assumed rate for the 2023-A series would be approximately 5% based on today's market.

Bunn asked about the status of the GA hangar construction project. Rogers responded that the GA hangar is a priority to be funded by cash reserves and the pending FEMA storm damage mitigation settlement. Bunn asked for an estimated occupation ready time frame. Rogers expects FEMA to issue a notice of determination by the end of 2022 and further details to be provided as available.

No further question or comments were directed to the board.

Director Eichelberger's online connection was lost at approximately 5:00 p.m.

Director Rogers stated that the board packet contained a copy of Resolution 22-08 for review. Since the Revenue Neutral rate process is new for the Airport Authority, Rogers recommended that the Public Hearing be continued. Chair Buer asked if there was a motion to continue.

Director Roberg moved that the Salina Airport Authority's Revenue Neutral Rate public hearing be continued to 4:00 P.M. on Wednesday, September 14, 2022 at the Salina Regional Airport's airport fire station training room, 2040 Beechcraft Rd., and that the notice of continued hearing be published in the Salina Journal and on the SAA website. Director Carlin second the motion. Motion carried 4-0.

Consideration of a lease agreement with 1 Vision Aviation Salina for Hangar H606

Rogers presented the proposed lease agreement with 1 Vision Aviation Salina for Hangar 606, effective November 1, 2022. The long-term agreement allows 1 Vision Aviation Salina to operate a second aircraft maintenance and repair (MRO) hangar, facilitating their growing business. The

hangar H606 lease terms are:

- 49,222 SF
- Initial Term: twenty (20) months effective November 1, 2022, with options for three (3) additional terms of five (5) years each
- Biennial CPI adjustments
- \$23,170 per month
- **\$278,040 per year**
- \$5.65 per SF per year

Director Gunn moved to approve the proposed lease with 1 Vision Aviation Salina for hangar H606 and authorize Chair Buer to sign the Lease Agreement, Director Carlin seconded. Motion carried 4-0.

Consideration of a lease agreement with 1 Vision Aviation Salina for Warehouse B595-B

Rogers presented the proposed lease agreement with 1 Vision Aviation Salina for Building B595, Unit. 1 Vision Aviation Salina will use the space as an aircraft parts warehouse and interiors shop facility. The B595-B lease terms are:

- 10,790 SF
- Ten-years effective October 1, 2022, with options for three (3) additional terms of five (5) years each
- Biennial CPI adjustments
- \$3,690 per month
- **\$44,280 per year**
- \$4.10 per SF per year

Director Roberg moved that the board approve the proposed lease with 1 Vision Aviation Salina for warehouse B595-B and authorize Chair Buer to sign the Lease Agreement. Director Gunn seconded the motion. The motion carried on a 4-0 vote.

Announcements

Executive Director Rogers stated that staff will issue a cancelation of the September 7, 2022

Special Board Meeting and issue the notice for the September 14, 2022 Special Board Meeting continuing the Public Hearing. Council confirmed that the continuation was properly announced. Business and Communications Manager Windhorst confirmed that the Regular Board Meeting on September 21, 2022 will be held at the airport fire Station; the announcement will provide directions as well as remote access instructions.

Upon a motion duly made by Director Gunn and seconded by Director Roberg, the meeting adjourned at 5:23 P.M.

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

Alan Eichelberger, Secretary

(SEAL)