

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
MAY 15, 2024
HANGAR 600, ROOM 100**

Call to Order

Chair Stephanie Carlin called the meeting to order at 8:00 A.M. and confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst reported that staff published and distributed the meeting notice and board packet on Friday, May 10, 2024.

Attendance

Present were Directors Carlin, O'Brien, Roberg, Commerford and Boos (VTC). 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 Anne Marie Yatsula, Clark, Mize and Linville; Eric Brown, Hutton; Brandon Walker, Midwest ATC Service, Inc.; Stephanie Flanagan, SkyWest; Bob Vidricksen, Saline County Commissioner; Lindsey Dreiling, Drieling Aviation Services; Mitch Robinson, Salina Community Economic Development Organization; and Cody Heiman, First Bank Kansas. Guests attending by remote access (VTC) were Mitch Walter, Gilmore & Bell; and David Arteberry, Stifel.

Agenda

Deputy Executive Director Miller provided a review of the agenda and stated that there were no additions to the agenda.

Minutes

Director O'Brien moved to accept as presented the minutes of the April 17, 2024 regular board meeting and the minutes of the April 24, 2024 special board meeting. The motion was seconded by Director Commerford. Motion passed 5 – 0.

Airport Activity

Rogers presented the airport activity report. Operations reported by the tower for April 2024 numbered 5,430 (down 29% compared to April 2023) reflecting the maintenance closure of runway 12/30 for two weeks in the period. Fuel delivered at the airport for April 2024 was 110,346 gallons, an increase over April 2023 of 14%. SkyWest had 1,352 passenger enplanements for April 2024. Advance bookings are trending upward following the tag elimination with Hays for the Denver flight. Rogers noted that the latest two-week period for the advanced bookings report had an average load factor of 79%. Rogers discussed the economic impact SkyWest flights have on the Salina community. 1 Vision is receiving C Checks (heavy) from SKW, prompting 1 Vision to hire 30 new technicians.

Financial Review

Swanson provided the highlights of the April 2024 financial reports. Total assets are up 29% year over year. Cash in bank is \$12.8M inclusive of bond deposits, AIM Center activity, Mill Levy funds, and GA Hangar project FEMA money. Unrestricted operating funds are \$1.8M. Year-to-date operating income is stable (\$1.1M). Operating expenses are slightly under budget but higher consultant fees, salaries, insurance premiums, and airfield maintenance increased the line item by 13% over the 2023 budget. Net income before depreciation is \$755,415 year-to-date. The Profit and Loss statement has a new line item for the RON capital contribution activity. Chair Carlin

directed the staff to file the financials for audit.

Consent Agenda

Director Carlin called for a motion regarding the following items presented under the consent agenda.

Lessee: **Kansas Highway Patrol**
Lease term: Five (5) years effective June 1, 2024
Premises: 22,500 SF of land
Option to Renew: Two (2) additional terms of five (5) years each
Basic Rent: \$260 per month, \$3,120 per year, \$.14/SF/year
Rate Adjustments: Option Period 1: \$300/Month Option Period 2: \$340/month
Lease Type: Modified Gross; tenant responsible for utilities, taxes, insurance, and maintenance to the site improvements (ARMAG). SAA is responsible for maintaining the airport perimeter fencing.
Authorization: Chair Carlin to sign the agreement.

Lessee: **Kansas State University, Kansas**
Lease term: One (1) year effective June 1, 2024
Premises: 9,435 SF Office, 20,040 SF Hangar, 29,475 total SF
Option to Renew: N/A
Basic Rent: \$15,621.75 per month, \$187,461 per year, \$6.36/SF/year
Lease Type: Modified Gross; tenant responsible for pro-rata share of utilities and janitorial. SAA is responsible for building insurance, repairs, and maintenance.
Authorization: Executive Director Rogers to sign the agreement.

Lessee: **RMA Engineering, LLC, Unit E, Salina Development Center**
Lease term: One (1) year effective May 1, 2024
Premises: 1,126 SF Office, 1,764 SF Warehouse, 2,890 SF total
Basic Rent: \$1,600 per month, \$19,200 per year, \$6.40/SF/year
Lease Type: Modified Gross; tenant responsible for pro-rata share of utilities and janitorial. SAA is responsible for building insurance, repairs, and maintenance.
Authorization: Executive Director Rogers to sign the agreement.

Lessee: **RMA Engineering, LLC, Unit E, Salina Development Center**
Addendum: Hangar H506-2 lease that approves a sublease to FAR Part 135 charter operator AirResource Group
Authorization: Chair Carlin to sign the Amendment.

Agreement: Federal Aviation Administration (FAA) grant offer and agreement for the purchase of airport snow removal equipment.

Terms: \$1,279,802: FAA 90% of the total cost of the equipment in the form of two FAA grant programs, AIP Supplemental Grant funding 22 and BIL-AIG grant 2024 for a combined grant allocation in the amount of \$1,599,592 from the FAA.

Authorization: Chair Carlin and Attorney Greg Bengston to sign.

Director O'Brien moved to approve the consent agenda items, Director Roberg seconded the motion. Motion carried 5-0.

Approval of Construction Bids for AIM Center of Excellence classroom and shop space at Hangar 626

Miller reviewed the bid process and bids received for the project. Three (3) bids were received. Miller presented the bid tabs, options for the alternate construction items, and budget review. Completion date is scheduled for September 10, 2024. Director Roberg moved to approve the base bid of \$842,000 as stated in the submittal from Hutton Construction and authorize the executive director to sign the contract. Seconded by Director O'Brien, the motion passed unanimously.

Review and discussion of plans to develop the Airport Authority's 80-acre plot

Miller reviewed the plan to develop the area in two phases and the efforts of the City of Salina, Wilson & Company, and airport staff in this priority project's progress. Current timeline goals are to complete the first phase of the development including all utilities by October, 2025. The board discussed marketing the new development in larger lots, starting with 15 acres, rather than three (3) lots of five (5) acres, each. No action was warranted.

Consideration of SAA Resolution 24-05 General Obligation Bond Temporary Notes

Swanson presented a review of the three capital improvement projects for funding. Development of the 80-acre area project, as well as the waterline at the terminal building, are tax exempt projects, whereas the North MRO hangar project is taxable.

SAA Resolution 24-05 General Obligation Bond Temporary Notes

Swanson distributed the revised resolution and discussed the update. The authority's financial rating should not be affected by the bond based on projected growth plans. Arteberry noted that the temporary notes would not be part of the authority's long-term debt or need additional mill levy dollars to address. Director Commerford moved to approve Resolution 24-05 and authorize Chair Carlin to sign, Director Roberg seconded. The motion passed 5-0.

Consideration of Engineering Agreement with Wilson & Co for design of Project 80

Miller recapped the project to date and the background for the supplemental design agreement with Wilson & Co. The supplemental agreement is an addition to the board approved contract for the initial plat design, zoning, and annexation of the 80-acre development approved in February 2024. The Supplemental Agreement is \$478,130 and covers preliminary and final design for roadways, drainage, as well as services related to bidding and construction. Cunningham provided clarification on items E and F of the proposal from Wilson.

Director O'Brien moved to approve the Supplemental Agreement from Wilson & Co. in the amount of \$478,130 and authorize the executive director to sign the contract. Director Boos seconded. With three board members voting in favor of the motion, Director Commerford and Director Roberg voting against the motion, the motion passed.

Terminal Building Expansion Update

Miller updated the board on the terminal building expansion project. Plans are 75% designed and submitted. Miller introduced the newest design element: public art. Brad Anderson, the Director of Arts & Humanities for the City of Salina, joined a recent design meeting to discuss ideas and opportunities for integrating public art into the terminal. Miller identified for the board locations in the new terminal that would be ideal for murals or other artistic installations. Miller requested further input at the June board meeting for ideas on the message or story that the artwork should convey and the format for the artwork.

STAR Award

Director Carlin presented the STAR Award to Stephanie Flanagan, SkyWest Airlines station manager. Flanagan was recognized for Star Recognition – Adaptability, for exemplary service during the RON conversion and for continued daily customer support.

Announcements

Windhorst announced Tim's retirement reception on June 27, 2024 at Hangar 600. The reception is scheduled from 3:00p.m – 6:00p.m.

Director Roberg moved to adjourn the meeting, seconded by Director Commerford. The meeting adjourned at 10:04 A.M. following the unanimous vote.

Minutes approved at the June 26, 2024 board meeting.

Kasey L. Windhorst, Board Clerk

(SEAL)