

**MINUTES OF THE REGULAR MEETING
OF THE SALINA AIRPORT AUTHORITY BOARD OF DIRECTORS
AUGUST 21, 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, August 16, 2024. A revised agenda was published and distributed the following Monday, August 19, 2024.

Attendance

Present were Directors Carlin, O'Brien, Roberg (via VTC), Commerford and Boos; Executive Director Pieter Miller; Director of Administration and Finance Shelli Swanson; Business and Communications Manager Kasey Windhorst; Airport Administration Specialist Michelle Moon; and Attorney Greg Bengtson. Guests at the meeting were Brandon Walker, Midwest ATC; Justin Owens, Kaw Valley Engineering; and Cody Heiman, First Bank Kansas.

Agenda

Executive Director Miller reviewed the agenda with the board.

Minutes

Director Boos moved to accept the minutes of the July 17, 2024 regular board meeting as presented. Director O'Brien seconded the motion. Motion passed 5 – 0.

Airport Activity

Miller reviewed the activity for July, 2024, stating that traffic for the month was down 24% from the same period in 2023 (5,110 operations during July 2024 compared to the July 2023 total of 6,791). For the year-to-date, a total of 38,780 operations occurred at SLN, 23% less than the 50,043 YTD count for July 2023. Fuel flowage, however, was up 36% for the month (187,920 gallons in July 2024; 137,604 gallons in July 2023), and 2% less year-to-date (1,147,584 gallons YTD 2024 compared to 1,177,215 gallons YTD 2023) primarily due to an increase in military flights. Traffic at SLN increased by 24.4% in July. SkyWest enplaned 1,939 passengers (July 2023 had 1,558 passenger enplanements). The July 2024 total passenger count (enplaned and deplaned) was 3,823, a 25% increase as compared to 3,037 total for July 2023. Total YTD passenger enplanements on SkyWest flights has reached 9,650 passengers, a 4% increase over the July 2023 YTD total of 9,250. Miller noted that the DEN flights are consistently selling at 90-95% load capacity.

Miller reported that the grant application to the Kansas Air Service Development Incentive Program (KASDI) was submitted. The first round of grants will be announced August 15, 2024. Funding, if received, would be for a new route for SkyWest, enhancing SLN's regional connectivity, and promoting Salina as an operational hub for SkyWest (as early as 2025).

Financial Review

Swanson presented July 2024 financial reports. Total assets are up year over year at \$7.6M, an 11% increase over July 2023. The profit and loss report notes operating revenue up 3% over 2023 year-to-date. Operating expenses are 1% over budget, 16% higher compared to July 2023 year-to-date. Net operating income is down \$3,895 for 2024 year to date, due to several first quarter expenditures. Income is anticipated to recover through new rent generated by the H626. Total Net Income is \$342,786 for July 2024 and \$1,009,926 total year to date.

Swanson reviewed the significant capital expenditures and grant fund activity, noting that the bond fund detail report was provided in the board packet. Chair Carlin directed the staff to file the financials for audit.

Quarterly Review of the STARS lines of effort

Miller updated the board on the STARS lines of efforts for quarter 3. Miller noted which projects were completed during the second quarter, and then discussed the projects added during the same period.

Review of SAA Resolution 24-08

Swanson presented Resolution 24-08, to levy an ad valorem tax for the purpose of paying the interest on and principle of general obligation based on the Board's actions the previous month stating its intent not to levy a tax above its Revenue Neutral Rate. Resolution 24-08 meets the final required step, establishing the SAA's 2024 mill levy for GO Bond debt service for the budget year 2025. Director Commerford moved to approve and authorize Chair Carlin to sign SAA Resolution No. 24-08 levying an ad valorem tax of an estimated 4.873 mills on all taxable tangible property within the City of Salina, Kansas for the purpose of paying the interest on and principal of general obligation bonds of the Salina Airport Authority pursuant to K.S.A. 27-323(a). Director Boos seconded the motion. The Board voted 5 – 0 in favor.

Review of SAA Resolution 24-09

Swanson presented the resolution to the Board, noting that the notice published in the Salina Journal June 28, 2024, and July 7, 2024, informed the public of the intended use of the funds by the Airport Authority, and the citizen's opportunity to file a review petition. The 30-day period for

petition submittal expired on August 6, 2024. A petition was not filed following the last publication of the Airport Authority's notice of intent. Resolution 24-09 is the last step in the process of establishing the SAA's 2024 mill levy for matching federal or state grant funds for the budget year 2025.

Director O'Brien moved for approval of the resolution and to authorize Chair Carlin to sign SAA Resolution No. 24-09 levying an ad valorem tax of an estimated 1 mill on all taxable tangible property within the City of Salina, Kansas for the purpose of providing matching funds to qualify for federal or state grants relating to the development, improvement, operation, or maintenance of the Salina Regional Airport pursuant to K.S.A 27-322(b). Director Boos seconded the motion, which was carried by unanimous vote.

Terminal Water Line Bid Review and Consideration

Miller provided an overview of the scope of work to relocate the waterline from near the concourse so that the terminal building expansion may proceed. Bids were received August 6, 2024 from five companies. The work is not FAA eligible and must be funded entirely by the Airport Authority. Swanson presented options of a 20-year special benefit district assessment bond or a lump sum payment plan. Director Boos moved to approve the construction bid from Smoky Hill for relocation of the waterline at the M.J. Kennedy Air Terminal Building in the amount of \$179,368 and authorize the executive director to sign the contract documents. Director O'Brien seconded. The vote was 5 – 0.

M.J. Kennedy Terminal Building Agreements

Miller updated the board on the terminal building expansion project. This project will enhance

airport capacity, modernize infrastructure, and improve operational efficiency to meet current and future demands. Several key components need approval for the project to proceed, including the design and construction observation contract with Woolpert, acceptance of the FAA Bipartisan Infrastructure Law (BiL) Airport Terminal Program (ATP) grant offer, and the award of the construction contract to Icon Structures.

Director Boos made the motion to approve the Professional Services Agreement with Woolpert in an amount not to exceed \$1,363,983.18 for design and construction observation, approve the acceptance of the FAA BiL ATP grant offer Project No 3-20-0072-055-2023 in the amount of \$6,419,098, State of Kansas Build Back Kansas grant offer contingent on receipt, and approve the award of the construction contract to Icon Structures in the amount of \$7,423,000 (Schedules 1-4) contingent upon FAA concurrence, and authorize the Executive Director to sign all related agreements. Director Commerford seconded the motion. The motion was unanimously approved.

Terminal building parking lot reconstruction FAA MAP Grant Offer and engineer design agreement

Miller provided an overview of the FAA Military Airport Program (MAP) grant offer and presented the contract from Lochner Inc. to design and provide bidding services for Phase 2 of the parking lot reconstruction effort. Miller outlined the work to date, funding sources, and the scope of work. Director O'Brien moved to approve the acceptance of the FAA MAP grant offer Project No. 3-20-0072-54-2024 in the amount of \$272,016 contingent upon its receipt, Build Back Kansas grant offer contingent upon its receipt, and approve the award of the design services contract to Lochner, Inc, in the amount of \$275,000 contingent upon FAA concurrence, and authorize the Executive Director to sign all related agreements. Director Boos seconded the motion which

passed, 5 – 0.

Runway 12/30 Project

Miller provided an overview of the Runway 12/30 rehabilitation project which encompasses a series of infrastructure improvements aimed at enhancing safety and operational efficiency. The rehabilitation will include milling and replacing 3 inches of existing asphalt pavement, as well as addressing the runway safety areas at the intersections of Runways 4/22 and 18/36 by removing and backfilling existing concrete to meet current FAA safety standards. Additionally, improvements will include upgrading drainage systems and replacing aging electrical equipment for runway lighting and taxiway edge lighting. Miller submitted to the Board for consideration the contract with Woolpert for Engineering and Observation Professional Services. APAC Kansas was the only construction company submitting a bid for the project. The construction schedule is delayed until October 1 as the runway is in use (IAC) and is dependent on the weather conditions.

Director Roberg recused himself from the vote.

Director Ryan moved to approve the FAA BIL AIG Grant offer (Project No. 3-20-0072-053-2024) for \$1,850,319 and the anticipated FAA AIP Grant offer (Project No. 3-20-0072-052-2024) for \$3,411,906, contingent upon its receipt, and State of Kansas Build Back Kansas grant upon its receipt. Additionally, approve the construction observation services contract with Woolpert in the amount of \$306,698.32, and the award of the construction contract to APAC Kansas, pending FAA concurrence and authorize the Executive Director to sign all related agreements. Director Boos seconded and the motion passed, 4 – 0.

Review and Approval of Agricultural Lease Addendum – David Persigehl

Swanson reviewed the lease history of tenant farmer David Persigehl. The key changes include:

1. Removal of Tract 1A: Effective November 1, 2024, Tract 1A (76.17 acres) will be removed from the leased premises to accommodate the construction of an interior road and utility network for industrial development at the Salina Regional Airport.
2. Remaining Leasehold: The lease will continue with approximately 39.57 acres located at the Salina Regional Airport as depicted on Exhibit A attached to the Addendum.

Director Boos moved to approve the Lease Addendum with David Persigehl and authorize Chair Carlin to sign. Director O'Brien seconded, and the motion was carried unanimously.

Salina Airport Authority Board of Directors Training

Counselor Bengtson, in compliance with Resolution 17-7463, provided training on the topic of Conflict of Interest, ensuring that board members are fully aware of their ethical obligations in service, transparency and decision-making. By participating in this training, board members commit to upholding the highest standards of ethical conduct in their duties.

Directors' Forum

Miller presented Kasey Windhorst with Resolution 24-10, recognizing her 20 years of service to the Salina Airport Authority.

Miller reviewed the storm damage from the July 31, 2024 event, recording a maximum windspeed of 83 MPH at the Salina Regional Airport. Staff estimated approximately \$150K in structural damage. Swanson reviewed insurance claim deductible values. If Saline County is declared a national disaster area, FEMA funding may be available.

Executive Session

At 9:50 A.M., Director Carlin moved that the Salina Airport Authority board of directors recess into executive session for ten (10) minutes pursuant to K.S.A. 75-4319(b)(2) to discuss with legal counsel the subject of legal considerations and points of negotiation relating to the sale of real estate based upon the need for consultation with an attorney for the public body which would be deemed privileged in the attorney-client relationship. The open meeting will resume in this room at 10:05 A.M.

Second by Director Commerford. The motion passed unanimously.

The open meeting resumed at 10:05 A.M.

At 10:06 A.M., Director Carlin moved that the Salina Airport Authority board of directors extend the executive session for an additional five (5) minutes pursuant to K.S.A. 75-4319(b)(2) to discuss with legal counsel the subject of legal considerations and points of negotiation relating to the sale of real estate based upon the need for consultation with an attorney for the public body which would be deemed privileged in the attorney-client relationship. The open meeting will resume in this room at 10:11 A.M.

Second by Director O'Brien. The motion passed unanimously.

The open meeting resumed at 10:11 A.M.

At 10:12 A.M., Director Carlin moved that the Salina Airport Authority board of directors extend the executive session for an additional ten (10) minutes pursuant to K.S.A. 75-4319(b)(2) to discuss with legal counsel the subject of legal considerations and points of negotiation relating to the sale of real estate based upon the need for consultation with an attorney for the public body which would be deemed privileged in the attorney-client relationship. The open meeting will resume in this room at 10:22 A.M.

Second by Director Boos. The motion passed unanimously.

The open meeting resumed at 10:22 A.M.

At 10:25 A.M., Director Carlin moved that the Salina Airport Authority board of directors extend the executive session for an additional five (5) minutes pursuant to K.S.A. 75-4319(b)(2) to discuss with legal counsel the subject of legal considerations and points of negotiation relating to the sale of real estate based upon the need for consultation with an attorney for the public body which would be deemed privileged in the attorney-client relationship. The open meeting will resume in this room at 10:30 A.M.

Second by Director Boos. The motion passed unanimously.

The open meeting resumed at 10:30 A.M.

There was no board action following the executive session.

Director Commerford moved to adjourn the meeting, seconded by Director Boos. The meeting adjourned at 10:30 A.M. following the unanimous vote.

Minutes approved at the September 18, 2024 board meeting.

Kasey L. Windhorst, Board Clerk

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