

**MINUTES OF THE REGULAR MEETING
OF THE SALINA AIRPORT AUTHORITY BOARD OF DIRECTORS
NOVEMBER 20, 2024
HANGAR 600, ROOM 100**

Call to Order

The board meeting was called to order at 8:00 A.M. by Acting Chair Director Boos, and it was confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst reported that staff published and distributed the meeting notice and agenda Friday, November 15, 2024.

Attendance

Present were Directors Carlin, Commerford, Boos, Roberg and O'Brien. Attending in person were 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 Yeager Zuker, Avflight; Mitch Robinson, Salina Community Economic Development Organization; Greg Lenkiewicz, City Commissioner; Lindsey Dreiling, Dreiling Aviation Services; and Cory Heiman, First Bank Kansas.

Agenda

Executive Director Miller reviewed the agenda noting no additions or deletions.

Minutes

Director O'Brien moved to accept the minutes of the October 16, 2024 regular board meeting as presented; Director Roberg seconded. Motion passed 4 – 0, director Carlin unavailable.

Director O'Brien moved to accept the minutes of the October 30, 2024 special board meeting as presented; Director Carlin seconded. Motion passed 5 – 0.

Airport Activity

Miller reported that the Salina air traffic control tower (ATCT) recorded 6,822 operations during October 2024, a 4% decrease compared to the October 2023 total of 7,112 operations; October 2024 year-to-date is 56,531 operations, 19% less than the October 2023 YTD total of 69,901 operations. Fuel Flowage is down slightly for October 2024 at 188,094 gallons, compared to October 2023 at 228,702 gallons. However, for the year-to-date, a total of 1,817,048 gallons have been delivered at the airport, which is a slight increase compared to the October 2023 YTD total of 1,799,058 gallons. For Passenger enplanements, Miller reported that during October 2024, SkyWest had 2,056 passengers, representing a 75% increase over the October 2023 total of 1,174 passengers. The total passenger count for October 2024 was 4,160, a 79% increase compared to the October 2023 total of 2,326. Total YTD passenger enplanements on SkyWest flights reached 15,278, reflecting a 19% increase compared to the October 2023 YTD total of 12,800. Of special note was the report that SLN is ranked 8th in the top 10 SkyWest enplanements for the month. Miller reported that 1Vision began the overnight maintenance for SkyWest during the prior month. The contract between 1Vision and SkyWest will expand to service 3 overnight aircraft by spring 2025.

Financial Review

Swanson reviewed the October 2024 financials. Total cash in bank is \$5.09 MM, unrestricted

balance is \$2,189,447. AIM Center expenses decreased the ALOFT grant funds to \$14,319.00. The construction on Room 111 at Hangar 626 is complete.

Swanson noted that fixed assets were up 14% compared to October 2023. Operating income is up 11% year over year due to airfield revenue, exceeding the budget by \$164,191. Total Expenses are also up slightly at \$6,502 over budget. Net operating income for year-to-date is \$233,800.

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

Consideration and Approval of FAA Air Traffic Control Tower (ATCT) land lease with the Salina Airport Authority

Miller provided an overview of the lease noting that the Salina Airport Authority provides use of the land at Salina Regional Airport and the Federal Aviation Administration provides construction, operations and air traffic control services. Miller noted that the current lease expires September 2025 but due to the processing time, the FAA is requesting the document. Swanson reviewed the proposed lease terms.

Term:	October 1, 2025, through September 30, 2045
Basic Rental:	No monetary rent; consideration is the provision of air traffic control services by the FAA
Additional Rental:	None

- Tenant Responsibility:** Installation, operation, and maintenance of FAA's facilities; hazardous substance remediation caused by FAA operations
- SAA Responsibility:** Vegetation control, snow and ice removal, structural maintenance, and remediation of hazardous substances not caused by FAA operations

Director Commerford moved to approve entering into a no-cost agreement with the FAA for air traffic control services at the Salina Regional Airport once final agreement is submitted to the Salina Airport Authority before expiration of current lease agreement and authorize the Salina Airport Authority Board Chair to sign. Director O'Brien seconded. The motion carried 5 – 0.

Consideration and approval of the AvFlight Lease Amendment #2

Miller reviewed the current lease and amendment #1. Amendment #2 removes the underground tanks from the lease and adds the above ground tanks at the new facility to the lease agreement. Swanson provided amendment #2 terms and discussed the agreements used at similar airports around the state. Cunningham provided a status update for removing the underground tank.

The proposed amendment to the AvFlight lease agreement, effective on or about December 1, 2024, would revise the Original Lease and First Amendment both dated December 18, 2013, as follows:

1. Premises Modification:

- Replacement of existing Pumphouse No. 305 underground fuel storage tanks with a

new above-ground fuel storage facility having a total capacity of 152,000 gallons known as Fuel Facility No. 300.

2. **Rental Adjustments:**

- **Building No. 700:** \$5,201 per month (unchanged and subject to biennial CPI increases).
- **Hangar No. 409:** \$7,042 per month (unchanged and subject to biennial CPI increases).
- **Fuel Facility No. 300:** \$6,500 per month or \$78,000 annually, with biennial CPI increases starting January 1, 2026.
- Fuel flowage fee of \$0.0953 per gallon with biennial CPI adjustments. (Per the Authority's Rates and Charges Schedule.)

3. **Responsibilities at Fuel Facility No. 300:**

- **Lessee:** Responsible for utilities, routine consumables, real estate taxes (if applicable), and ensuring compliance with environmental standards. Immediate cleanup of hazardous substance spills caused during Lessee's occupancy is required.
- **Authority:** Responsible for structural maintenance, mechanical systems, and commercial property insurance for Fuel Facility No. 300.
- Both parties share responsibilities for environmental remediation tied to their respective periods of occupancy.

4. **Additional Requirements:**

- Lessee agrees to an additional \$6,500 security deposit

Effective Date and Lease Terms: The Second Amendment will become effective on December 1, 2024, with all other lease terms and renewal options remaining as established in the original December 18, 2013 agreements. This includes the current lease term ending on November 30,

2033, with two additional ten-year renewal options available.

Director Boos moved to approve the terms of the Second Amendment to the Lease Agreement between the Salina Airport Authority (Authority) and Avflight Salina Corporation (Lessee) and authorization for the Executive Director to sign. Director O'Brien seconded. Motion carried.

Consideration of participation with City of Salina/KSU-Salina on custom graphics on the Schilling Water Tower

Miller reported to the board that the City of Salina will be repainting water towers including the water tower at Centennial and Arnold. The airport may have an opportunity to add the SLN logo to the tower. Bengston reported that the City pulled the tower project from the 11/19/2024 City Board meeting agenda to work out further regulations prior to presentation.

Director O'Brien made a motion to authorize the Executive Director to explore specific costs associated with custom graphics on Schilling Water Tower. Director Boos seconded the motion. Motion carried.

Staff Reports:

Miller updated the board on Project 80 following the preconstruction meeting with Ebert Construction. Notice to proceed was given and utility marking prep work is started. Completion is scheduled for May 2025.

For the terminal building project, Miller updated the board on the preconstruction meeting with the contractors, TSA, SkyWest and SAA. Construction will begin February 1, 2025. Notice to

proceed has been issued with 460 days to complete. Miller discussed funding for the canopy portion of the work. Cunningham stated that the design for the parking lot is on schedule and should be set for bids in the spring.

Miller discussed the progress of the Schilling project. Plume B excavation continues for the environmental clean-up work. KDHE has approved the design at 30%.

Windhorst reminded the board of the special meeting to be held December 4, 2024.

Executive Session

At 8:50 a.m., Director Carlin moved that the Airport Authority board of directors' recess into an executive session for fifteen (15) minutes to discuss the subject 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 9:05 a.m. Director Boos seconded motion. The motion passed unanimously.

Open meeting resumed at 9:05 a.m.

Director Boos moved to adjourn the meeting, seconded by Director O'Brien. The meeting adjourned at 9:06 a.m. following a unanimous vote.

Minutes approved at the December 18, 2024 board meeting.

DRAFT