



METROPOLITAN TOPEKA AIRPORT AUTHORITY
 TOPEKA REGIONAL AIRPORT & BUSINESS CENTER | BILLARD AIRPORT

Board of Directors

**Metropolitan Topeka Airport Authority
 December 19, 2023**

Work Session..... 2:30 PM
Regular Monthly Meeting 3:00 PM

Chairman Brian Armstrong brought the regular monthly meeting of the MTAA Board of Directors to order at 3:00 PM with the following Board members present: Mike Munson, Lisa Stubbs, Joe Ledbetter and Sam Sutton. Also in attendance were:

- Sam Stallbaumer, WSP USA, Inc.
- Scott Uhl, WSP USA, Inc.
- Molly Howey, GO Topeka
- Carol Marple, Topeka Citizen
- Amy Oesterrich, Heinen Bros Ag (Via ZOOM)
- Scott Gilchrist, Million Air Topeka (Via ZOOM)
- Don Loyd – MTAA (TOP Fuel Service)
- Col. John Ross – MTAA (Police & Fire Department)
- Maj. Chris Ortega – MTAA (Police & Fire Department)
- Terry Poley – MTAA (Maintenance Department)
- Eric Johnson – MTAA President
- Curtis Sneden – MTAA Director of Development
- Cheryl Trobough – MTAA Director of Administration & Finance
- Matt Narsh – MTAA (Administrative Office)
- Deana Prescott – MTAA (Administrative Office)
- Timothy Resner of Frieden & Forbes, LP – Legal Counsel to the Board

Item 1. Notice.

Chairman Armstrong inquired if everyone who requested notification had been notified of this meeting. **Ms. Trobough replied that notifications were sent.**

Item 2. Approve Minutes of the MTAA's Special Board Meeting of November 14, 2023 and the Regularly Scheduled Board Meeting of November 21, 2023.

Chairman Armstrong asked the Board to review the minutes of the Special Board Meeting of November 14, 2023 and the Regularly Scheduled Board Meeting of November 21, 2023. He inquired if there were any additions, corrections or comments to the Minutes.

Ms. Stubbs made the motion to approve the minutes of the Special Board Meeting of November 14, 2023 and the Regularly Scheduled Board Meeting of November 21, 2023 as presented. Mr. Sutton seconded the motion. Motion carried.

Item 3. Public Comment.

Chairman Armstrong inquired if there was anyone registered to speak during Public Comment. Ms. Trobough replied that there was not.

Item 4. Adopt the Agenda.

Chairman Armstrong inquired if there were any changes to the Agenda as presented. **Mr. Munson made a motion to adopt the Agenda as presented. Ms. Stubbs seconded the motion. Motion carried.**

Item 5. Presentation of 2022 Audit Report by Berberich Trahan & Co., P.A.

Chairman Armstrong acknowledged Berberich Trahan Co., P.A. (BT&Co.) representative, Stacey Hammond, who presented the 2022 Audit Report via ZOOM:

Ms. Hammond presented the bound materials for the 2022 MTAA audit titled: *Report to the Board of Directors December 12, 2023; Basic Financial Statements Year Ended December 31, 2022; and Passenger Facility Charge Program Audit Year Ended December 31, 2022.*

Ms. Hammond's report on the Financial Statements:

- Pages 1-3 of the report contain the Independent Auditors' Report. As stated on Page 1, it is their opinion that the financial statements present fairly, in all material respects, the financial position of the business-type activities of the Authority as of December 31, 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. She stated that this is known as a "clean opinion" and is the best opinion given.

Ms. Hammond reported on Finding 2022-001 which is considered to be a significant deficiency relating to MTAA's process to identify accounts payable at year end. There was a certain accounts payable item related to construction expenditures which MTAA failed to identify as accounts payable at the end of the year. Mr. Ledbetter raised a question on the amount of the expenditure that resulted in the significant deficiency. Ms. Trobough explained that it was a payment to the contractor for the TOP Terminal Building Project in the amount of \$328,523. This amount exceeded the limit to be considered immaterial which resulted in the significant deficiency.

Ms. Hammond reported on the required audit on Passenger Facility Charges:

- Pages 1-3 of the report contain the Independent Auditors' Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control Over Compliance; and Report on Schedule of Passenger Facility Charges Collected and Expensed. As stated on Page 1, it is their opinion that the MTAA complied, in all material respects, with the compliance requirements referred to within the report that could have a direct and material effect on its Passenger Facility Charge Program for the year ended December 31, 2022. She noted that this is also a "clean opinion" and is the best opinion given.

Ms. Stubbs made a motion to accept and file the Audit Report for the Year Ended December 31, 2022 as presented. Mr. Sifton seconded the motion. Motion carried.

Item 6. Consider Proposal for GASB-87 and GASB-96 Compliance Assistance Program from DebtBook.

Ms. Trobough explained that in preparation for the 2022 Audit, the MTAA subscribed to a lease recording software (DebtBook), at a cost of \$9,775, for the implementation and annual fee to produce the required reporting for compliance with GASB-87, a new standard set forth by Governmental Accounting Standards Board (GASB). With the large number of leases, the process was very time consuming, but all of the kinks were worked out for the reporting to be included in the audit. With further training, this software should be functional to not only produce the reporting required for the audit report, but also be a very useful tool for the Director of Development and the Leasing Administrative Assistant as a lease tracking program.

GASB-96 is another new audit standard effective for the 2023 audit relating to the disclosure of IT Subscriptions. The MTAA's exposure under GASB-96 is not as massive as GASB-87 because there aren't nearly as many IT subscriptions as there are leases.

Mr. Johnson explained that the 2023 renewal has been signed at a discounted renewal cost of \$9,975. This rate was provided because DebtBook has been awarded the bid for Information Technology, Equipment, Software, and Services from The Interlocal Purchasing System (TIPS), a government purchasing cooperative which the MTAA is a member. DebtBook also provided an

extension for two additional contract years at the rates of \$12,000 for November 2024 renewal and \$14,300 for November 2025 renewal.

Mr. Johnson requested approval of the proposal provided by DebtBook for two additional contract years for a total not to exceed \$26,300.

Ms. Stubbs made a motion to approve the two-year extension of the current contract with DebtBook not to exceed Twenty-six Thousand Three Hundred (\$26,300.00) as presented. Mr. Munson seconded the motion. Motion carried.

Item 7. Consider Bids Received on the 2023-2024 Pavement Maintenance Project.

Mr. Johnson reported the 2023 Street Pavement Maintenance Program focused on SE Forbes Avenue, between SE Airport East Drive and Gary Ormsby Drive with the design in 2023 and construction in 2024. In addition to the pavement repair, we will also address storm water runoff. The project was advertised for bid as required and we held a public bid opening on November 16, 2023 at 2:00 p.m. at the MTA administration office.

Upon review of the bids offered by both contractors, staff determined Bettis Asphalt and Construction Inc., the overall low bidder, provided the best value for the project and falls within the budgeted amount.

Mr. Ledbetter asked if the entire parking lot was ever used. Mr. Johnson stated the parking lot is used when we have large charter operations. Mr. Ledbetter asked when we advertised the project for bid. Mr. Johnson stated the project was advertised in October. Mr. Ledbetter responded that following his conversation with an individual at Bettis, that was the best time to seek bids. Mr. Sutton asked if the parking lot would still be segmented after the project is complete. Mr. Johnson replied that we can look into removing some of the small islands.

Mr. Ledbetter made a motion to accept the bid offered Bettis Asphalt and Construction Inc. for the SE Forbes Avenue project along with Bid Alternates #1 and #3 at a cost not to exceed One Million Seventy-seven Thousand Eight Hundred Thirty-seven Dollars (\$1,077,837.00). Mr. Sutton seconded the motion. Motion carried.

Discussion Items:

Item 8. Maintenance Report.

The Maintenance Report for work completed by the MTA Maintenance Department on the grounds, airfield, vehicles and buildings from November 20, 2023 to December 14, 2023 was presented to the Board for their information and review.

Item 9. TOP Fuel Service Fuel Sales Report.

The TOP Fuel Sales by Product Summary Report for the month of November 2023, along with the sales from January through November were presented to the Board for their information and review.

Information Only Items:

Item 10. Monthly Reports

10.a. Aviation-Related Issues & Air Service – Mr. Johnson

Mr. Johnson provided the following report:

- AIR SERVICE – No change with the status regarding air service. The airline we've been talking to is in a holding pattern for the time being. It is still the goal to attract a less-than-daily carrier to provide service to vacation destinations. The TSA can move forward when they have a letter of intent from the airline.
- AJUA Update – We are just now beginning the process to update the Airport Joint Use Agreement with the 190th. This is a rather lengthy task but will be completed prior to the existing agreement expiring in September 2024. The current AJUA was set for a period of 10 years.
- Met with the incoming Base Civil Engineer for the 190th. As you may be aware, the 190th partners with us on certain airfield projects. This will continue with the Taxiway Alpha-Delta project and in the coming years with the remainder of Taxiway Alpha. The design aircraft for the 190th will be the new KC46 refueler in

anticipation of it coming here. This is a significant upgrade from ADG3 to ADG5. Also, the 190th wants to look at a couple other projects that are outside of their property such as an improved firearms range and new perimeter fence.

- T-Hangar Maintenance: Rubber seals for the t-hangars have been ordered; Terry is working on the electrical upgrades in the T-Hangars. This is slow going with him being the only person qualified to perform the work but it is being completed. Lighting upgrades have been completed in 16 hangars.
- Advertised and Interviewed for Cheryl Trobough's replacement upon her retirement. About a half dozen resumes' have been received with a couple of promising applicants.
- Sourcewell paint machine – The equipment we budgeted for in 2024 is available through Sourcewell bidding process. We will bring this to the Board in January for consideration.
- Hazardous Device Unit – With the retirement of Capt. Rezac we have no qualified technicians – Transfer of federal equipment to TPD. There may be some interest in our HDU response vehicle. Another law enforcement agency in Kansas has expressed an interest in the vehicle. The MTAA can transfer it to them or dispose of it through public auction.
- The MTAA is hosting the 2024 annual conference for the Kansas Association of Airports.
- Status of Billard Fence Project – Kansas Fencing ordered everything for the remainder of the fence project but the manufacturer sent the wrong fabric. The correct fabric is being delivered by the end of the month. Kansas Fencing plans to have their crews on site during the first week of January.
- Self Fueling System at Billard – Quote projected
- Quotes were received for the electrical service at Billard Airport to be placed underground. The is the power pole near Hangar 10 that was snagged in early November. Staff is working with the contractor to complete this work in the very near future.
- Project Updates:

MRO SITE DESIGN

- Reassessing based on estimated costs
- Reviewing two locations – Coffman drafted sketches of proposed locations
- South of terminal area (preferred option)
- North east of runway 13

SRE BUILDING - CONSTRUCTION

- Reviewing submittals
- Subgrade placed
- Digging foundations/mechanical/trench drains to prepare for concrete pours
- Trying to get concrete done before weather gets bad
- Prepared with blankets and heaters if required
- 240 calendar day contract
- Complete 5-3-2023

TOP TERMINAL - CONSTRUCTION

- Wrapping up punch list
- Fixing HVAC in FBO due to noise
- Turning utilities over to MTAA on 12-22-23
- One outstanding MEP item then city may issue CO (and skip TCO)

FUEL FARM - CONSTRUCTION

- All removal of the first existing tank area is completed

- All concrete is placed
- Site clean-up and civil work on-going
- Fabricating tanks and materials on site
- Tank delivery in early-mid January

FOE PASSENGER BOARDING BRIDGE - CONSTRUCTION

- Planned installation of bridge mid-January

TWY A-D - DESIGN

- Finalizing design and FAA comments
- Plans to advertise January 2024
- Construction to begin spring/summer 2024

MISCELLANEOUS

- Preparation of ACIP data
- Entering ACIP data in early January

10.b. Economic Development & Leasing Activity – Mr. Sneden

Mr. Sneden provided the following report:

- Discussed status of the MRO/NIAR project. Owing to the high preparation costs inherent in the initial proposed MRO site, the team has been exploring alternatives. The MTAA has requested a state appropriation of \$3.35 million to support alternative site design, master plan amendments, an environmental assessment and possible land acquisition. This shift to an alternative site should not negatively impact Topeka's ability to meet the overall NIAR timeline.
- The MTAA has been fielding inquiries from other firms interested in relocating some portion of their operations to Topeka. He noted the long runway at Topeka regional is a key asset, as is the workforce availability within the 190th. He anticipates a site-visit from a company CEO in early 2024. MTAA is working closely with GO Topeka and Kansas Department of Commerce in this regard.
- Discussed a variety of policies being developed to encourage development of MTAA properties. These will clarify MTAA's approach to development and provide a clear, predictable roadmap for potential developers. The policies include general developer guidelines, possible design and construction standards, standards of maintenance and upkeep, minimum standards for aeronautical activities and a leasing policy.
- Noted the necessity of developing a layout plan for the Topeka Regional Business Center. A zoned approach would inform MTAA's decisions on infrastructure build and also help convey a coherent narrative to prospective developers.
- Discussed MTAA's approach to long-term leasing and land leases. The FAA requires airports to be financially self-sustainable. Land leases are a good tool to incentivize development. After a period of multiple decades, the favorable land lease rents generally come to an end and any continued leasing relationship is regarded as a conventional building lease.
- Discussed the new T-Hanger lease which has been developed for Phillip Billard airport. The lease will provide uniform standards for use, maintenance, insurance and related issues for T-Hanger tenants. The lease had been discussed at a Townhall meeting at Billard on October 19 and a number of changes were made in response to input received at that time. The new T-Hanger lease is being rolled-out as new T-Hanger tenants apply and as existing tenants renew their occupancy.
- Discussed farm leases at Billard airport. MTAA owns a number of parcels in the vicinity of Billard which are currently cultivated by local farmers. In response to an FAA advisory circular, the existing farmer has been asked to shift to a non-seedbearing crop so as not to attract wildlife which is dangerous to aircraft.

10.c. Directors' Comments

Mr. Ledbetter asked about the aircraft parked on the apron in front of Hangar 612. These aircraft belong to the American Flight Museum (AFM). Mr. Ledbetter stated he was informed these aircraft would be gone in a week. Mr. Johnson clarified that the information provided was that they anticipated a sale agreement would be completed in a week. Mr. Johnson stated he would continue the effort to contact AFM. Mr. Ledbetter stated it may be time to contact AFM in writing to provide them with an end date to remove the aircraft. Mr. Ledbetter also commented on the number of old cars at Building 140 and that it needs to be cleaned up.

Mr. Sutton commented that the Experimental Aircraft Association invited him to their meeting. He noted that the comments from their members were very positive regarding the direction the airport is going.

Mr. Munson asked if the cars at Building 140 were under a lease. Mr. Johnson replied that the building is leased on a month-to-month basis. The tenant operates a vehicle restoration business. They cars are not the real concern, rather it is the part and pieces along with all the tires that create the issue. We will continue to press for the tenant to clean up his area and reduce the inventory.

Mr. Munson referred to Mr. Johnson's earlier comment regarding Ms. Trobough's retirement. It is important that we allow for significant overlap with her replacement to provide the opportunity for training.

Mr. Armstrong stated he had a very good meeting with the mayor. He continues to be very interested in the airport and wants to stay in the loop. Mr. Armstrong offered to meet with the mayor and a representative from the County Commission on a monthly basis in an effort to keep them up to date. Mr. Armstrong asked how we are measuring our progress, What are we trying to do and how do we measure that. Q1 2024 will focus on By-Laws, policies, etc. Q2 2024, schedule workshops, strategic planning to help us evaluate path forward and what we are planning to accomplish.

Ms. Stubbs noted that the first part of the 2nd Quarter will be the one-year anniversary of the MTAA's strategic planning session. It might be a good time to report out to those involved what we have been working on and what we plan to address next.

Mr. Ledbetter suggest the Board consider a retreat for just the Board members to get on the same page with various MTAA activities.

Item 15. Executive Session

Chairman Armstrong stated there was a need for an Executive Session.

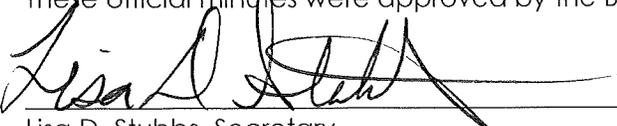
Mr. Ledbetter made a motion that the meeting be recessed for the purpose of an Executive Session, pursuant to the Kansas Open Meeting Laws. The justification for this Executive Session is the need to preserve attorney-client confidentiality in the discussion of pending contract negotiations. Mr. Ledbetter stated that the Executive Session will be for a period not to exceed thirty (30) minutes beginning at 4:35 p.m. and this meeting shall reconvene at 5:05 p.m. The Executive Session is to also include Eric Johnson and Curtis Sneden. Mr. Munson seconded the motion. Motion carried.

Chairman Armstrong reconvened the Open Session meeting at 5:05 PM and stated that there was no action as a result of the Executive Session.

Adjournment

Chairman Armstrong inquired if there was any further business to discuss, hearing none, she asked for a motion to adjourn. **Ms. Stubbs made a motion to adjourn. Mr. Sutton seconded the motion and the meeting was adjourned at 5:05 PM.**

These official minutes were approved by the Board of Directors on January 16, 2024.



Lisa D. Stubbs, Secretary