



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

Board of Directors

**Metropolitan Topeka Airport Authority
 June 20, 2023**

Work Session – 2024 Budget Workshop.....2:30 PM

Draft #2 of the 2024 Budget was presented to the Board. Staff provided updates to the draft presented in May. The timeline was discussed and the likelihood of exceeding the Revenue Neutral Rate (RNR) of 1.596 as provided by the Shawnee County Clerk's office. The estimated assessed valuation as of July 1, 2023 of \$2,212,606,711 was provided.

Regular Monthly Meeting 3:30 PM

Chairwoman Lisa Stubbs brought the regular monthly meeting of the MTAA Board of Directors to order at 3:30 PM with the following Board members present: Brian Armstrong, Sam Sutton, Mike Munson and Joe Ledbetter. Also in attendance were:

- Sam Stallbaumer, WSP USA, Inc.
- Jennifer Kuchinski, WSP USA, Inc.
- Molly Howey, GO Topeka
- Mike Bell, Visit Topeka
- Paul Bossert, Premier Employment Solutions
- Mayor Mike Padilla, City of Topeka (via ZOOM)
- Rick Arnold, H&H Aircraft (via ZOOM)
- Amy Oesterrich, Heinen Bros Ag (via ZOOM)
- Don Loyd – MTAA (TOP Fuel Service)
- John Ross – MTAA (Police & Fire Department)
- Terry Poley – MTAA (Maintenance Department)
- Timothy Resner of Frieden & Forbes, LP – Legal Counsel to the Board

Other staff members present were Eric Johnson, Cheryl Trobough and Matt Narsh.

Item 1. Notice.

Chairwoman Stubbs 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 Regularly Scheduled Board Meeting of May 16, 2023; Special Board Meeting of May 23, 2023; Special Board Meeting of May 26, 2023; and Special Board Meeting of June 2, 2023.

Chairwoman Stubbs asked the Board to review the Minutes of the Regularly Scheduled Board Meeting of May 16, 2023; Special Board Meeting of May 23, 2023; Special Board Meeting of May 26, 2023; and Special Board Meeting of June 2, 2023. She inquired if there were any additions, corrections or comments to the Minutes.

Mr. Munson made the motion to approve the Minutes of the Regularly Scheduled Board Meeting of May 16, 2023; Special Board Meeting of May 23, 2023; Special Board Meeting of May 26, 2023; and Special Board Meeting of June 2, 2023 as presented. Mr. Sutton seconded the motion. Motion carried.

Item 3. Public Comment.

Chairwoman Stubbs inquired if there was anyone registered to speak during Public Comment. Mr. Johnson replied that there was not.

Item 4. Adopt the Agenda.

Chairwoman Stubbs inquired if there were any changes to the Agenda as presented. **Mr. Ledbetter made a motion to adopt the Agenda as amended. Mr. Armstrong seconded the motion. Motion carried.**

SUGGESTED ITEMS FOR BOARD DISCUSSION: - NO ACTION TAKEN

Item 5. Air Racing Association Site Selection Request.

Mr. Johnson introduced Mr. Mike Bell, Visit Topeka to discuss the Reno Air Races. After Fifty Years, they are searching for a new location. The air races typically attract participants and spectators from all over the country. Visit Topeka received the RFP which includes site and technical document. The question is, do we want to pursue this? It is a lease arrangement for a period of seven to ten day. He stated he did not have all details identified and would require a \$25,000 site selection fee for them to come to Topeka to tour the airport and surrounding area. This would be a fall event, typically held in September. The funding of the event is the biggest question as it typically costs in the neighborhood of \$500,000.00 to stage this race. Topeka Regional Airport is the type of airport they are interested in looking at as we do not have busy scheduled traffic. We have the room to accommodate their needs. Mr. Bell will continue to develop information on this and will come back to update the Board at some time in the future.

Item 6. MTAA Leasing Policy.

There was discussion regarding the MTAA leasing policy or lack thereof. Mr. Johnson provided examples of leases he has worked on over the years but typically does not rely on the Board to finalize those. Only in unusual circumstances are these leases brought to the Board's attention. Mr. Johnson cited some examples of leases that were completed through the normal course of business and others that were brought to the Board due to their complex nature. Mr. Munson asked if the MTAA could use a leasing policy currently used at other airports. Mr. Ledbetter questioned the practice of automatically exercising options identified in our leases as these should require Board approval. Mr. Ledbetter also brought up the practice of assigning leases without Board oversight. There was additional discussion regarding the level of Board involvement on day-to-day operations and the need for a Leasing Policy. Mr. Munson inquired if there was a set of statutes that supplements the By-Laws. Mr. Resner responded and noted that some other airport By Laws he has reviewed look similar to what is in place at the MTAA.

Item 7. Possible 2024 Budget Changes, Proposals and Deadlines for Approval.

There was discussion involving the 2024 budget process. Mr. Ledbetter inquired what the process is for proposing changes to the budget. The standard timeline for the 2024 budget process would not be used this year due to the MTAA 2024 budget exceeding the revenue neutral rate. Mr. Ledbetter stated that since we are exceeding the RNR, our deadline would be extended until August. Ms. Trobough reviewed the requirements to be followed if/when the RNR is exceeded. Mr. Ledbetter also mentioned the need for additional time to discuss equipment, maintenance and capital projects that need to be addressed. Mr. Munson suggested questions be provided in a timely manner to allow staff to provide answers. Ms. Stubbs suggested that a special meeting may be required to discuss the upcoming budget. It was suggested that questions be provided to counsel in advance of the Board meeting.

Item 8. Snow Removal Equipment (SRE) Building Project.

Mr. Johnson provided an update of funding issues with the FAA. Due to the debt ceiling and FAA Reauthorization, the FAA Central Region has temporarily stopped issuing new Grants. The MTAA has a master grant for the CARES Act which is the source of subsequent grants for the various projects the Board previously authorized staff to pursue. The need for the Snow Removal Equipment Building was also discussed. Equipment was previously stored in an unused hangar but with recent interest in that hangar, all equipment is now parked outdoors. Ms. Trobough provided a list of all MTAA vehicles and equipment and identified which were acquired through the FAA Airport Improvement Program. Mr. Ledbetter inquired to the number of pieces of equipment purchased through the FAA AIP and if those could fit in a smaller building. Additional questions were asked and answered regarding the need to house the equipment. Mr. Armstrong asked whether the MTAA had already awarded the contract for the Fuel Farm. Eric Johnson

responded that the contract was awarded. Mr. Johnson stated he had contacted Ed Hyatt, FAA Central Region, and that while he could make no promises, he is hopeful that grant writing would resume writing grants in the next week or two. Mr. Munson asked if there were legal implications since the contractor began mobilizing. Mr. Resner responded that the MTAA has a grant in place and that another method may be considered to drawdown on those funds. Mr. Sutton offered information on a building he priced that would be similar in size but a fraction of the cost of the SRE Building. There are significant FAA requirements for the SRE Building that are beyond the MTAA's control. Mr. Ledbetter inquired why Hangar 603 is not available for the storage of our snow removal equipment. It was explained that the hangar was designed for aeronautical use and now that a prospective tenant has expressed an interest, it was no longer available to the MTAA to use for equipment storage. Alternate methods to construct a storage building were discussed if federal funding is withdrawn. Mr. Armstrong noted that over time, WSP has typically held to ten percent design costs, but due to redesign and change of scope, cost increases were justified on the SRE design engineering fees.

Item 9. Possible Dates for an Additional Meeting for 2024 Budget Proposals.

There was discussion regarding the need for an additional meeting for the 2024 budget proposals. It was decided to delay any decision on the need until the July Board meeting.

Information Only Items:

Item 10. Monthly Reports

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

Mr. Johnson provided the following report:

- The terminal building at Billard Airport is beginning to take shape. The structural steel is up, roof decking is in place and they are installing the wall studs.
- Staff is meeting with the FAA and their siting contractor on June 28th to identify where to put the new air traffic control tower. This process will identify 3 alternate sites for consideration. Mr. Johnson believes the best location will likely be in the same general area it is located now.
- FAA has notified that there are some entitlement funds at Philip Billard Airport that are due to expire and contacted Mr. Johnson about transferring these funds to Augusta Municipal Airport (Augusta, KS) for a FY23 airport project. In speaking with the FAA planner in the central region about this, Mr. Johnson requested the funds be transferred to Topeka Regional Airport for the Taxiway A/D projects. This process was completed today.
- The T-Hangar roofing project began this week. Staff will get pictures for the Board as work progresses. Staff also identified a TIPS eligible painting contractor to freshen up the exterior paint. FBO employees are coordinating with the contractor to move aircraft during the roof application process.
- The storm damage at the Topeka Regional Airport terminal building has been repaired. HTK completed a punch list for the contractor to address. Overall, it looks good but most importantly, the roof and wall system is dry.
- Renovations on the hangar at 6930 SE Ross St. are nearing completion. The MTAA Maintenance Department completed all the demo in advance of JB Turner installing the siding and insulation. Turner should be finished in 2-3 weeks as long as weather cooperates. The lease has been forwarded to the prospective tenant for final review.

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

Mr. Johnson provided the following report:

- The prospective tenant for 501 SE Axton Section D has a redline copy of the lease for review. This building is a little over 20,000sf of useable space with an annual lease of \$56,160.00. Everything should be acceptable to them for the lease to be in place by July 1.
- Greenbush is the tenant at 6832 SE Ross St. They've been in the building for 6-7 years and have requested another 2-year lease with a 2-year option. The building is 14,480sf with an annual lease of \$135,070.00. This has been a good lease for both the MTAA and the tenant. MTAA made a number of improvements to the building several years ago with the tenant making a substantial investment as well including 1st floor restroom buildout and fire sprinkler system. A lease draft will be available for them by the end of this week.
- Heinen currently leases 3 small offices in the terminal building at Billard. The lease is up so they will vacate by the end of this month. It is recommended that these offices are not leased again.

Item 9. Executive Session

Chairwoman Stubbs stated there was a need for an Executive Session.

Mr. Armstrong made a motion to be recessed for the purpose of an Executive Session, pursuant to the Kansas Open Meeting Laws, for the purpose of discussing the position of Director of Development, with the justification being to discuss personnel matters of nonelected personnel, for a period of thirty (30) minutes, with the meeting to resume in open session at 5:36 PM. The Executive Session is to include Eric Johnson, Tim Resner and Paul Bossert. Mr. Munson seconded the motion. Motion carried.

Chairwoman Stubbs reconvened the Open Session meeting at 5:36 PM stating that there was no action as a result of the Executive Session.

Adjournment

Chairwoman Stubbs inquired if there was any further business to discuss, hearing none, she asked for a motion to adjourn. **Mr. Ledbetter made a motion to adjourn. Mr. Munson seconded the motion and the meeting was adjourned at 5:36 PM.**

These official minutes were approved by the Board of Directors on July 18, 2023.



Samuel W. Sutton, Secretary