

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - JANUARY 22, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT

Airport Commission: Present
 Craig MeyerThomen Sellers
 Winn

 Absent
 Nohe Viets

Staff: Metcalfe SmythLind Schaefer
 Fredrichs Howard Adams

Others: Commissioner Murray Nolte
 Connie Bye, Kansas City Star
 Jan Durrett, League of Women Voters
 John Boyette, Olathe Daily News
 John Holloway, Johnson County Sun
 Melvin Filkins, Airport Maintenance
 Fred Copson, Airport Maintenance
 Evon Williams, Budget Office
 Don Jarrett, Chief County Counsel

The meeting was called to order at 9:00 A.M. by Chairman Craig.

Mr. Metcalfe introduced Melvin Filkins and Fred Copson of the maintenance staff who were present to observe the meeting.

VII. NEW BUSINESS:

A. Consider approval of an addendum to the Crow-Spaulding No. 7 ground lease at Industrial Airport.

Don Jarrett was present to discuss his concerns about the addendum to the ground lease with Crow-Spaulding No. 7 which is necessary because of the refinancing sought by the lessee. Mr. Jarrett reported that the final documents have not been prepared because the terms have not been settled upon by the parties. There are two documents to consider. The first is a letter agreement under which Crow-Spaulding is exercising three of the lease options to extend. The extension of the options has already been granted under a previous letter agreement, but the new lender wants the extension reconfirmed. The other document is the Second Modification Agreement. He stated his concern about the second document was the provision allowing the lender to stay in possession of the premises if the landlord (County) went bankrupt.

The bankruptcy code would generally prevail over language in a lease document, however the lender is not inclined to include language in the lease document which would tie the situation to the code. Another concern was about the non-disturbance certificate which would be issued by the Airport Commission stating that the Airport Commission would not disturb a substitute tenant which the lender contracted individually with to occupy the building. The existing first modification to the lease already gives the lender the right to substitute a tenant without consent or approval by the Airport Commission if the current tenant defaults. Mr. Jarrett stated that the lender does not sign any of the documents regarding the lease of the property yet wants the control to substitute tenants. Mr. Jarrett stated he had requested the language be tied to the existing Airport Commission lease with the current tenant which requires the Airport Commission approve any sub-tenants. Mr. Metcalfe clarified the discussion with the concurrence of Mr. Jarrett that the right to substitute a tenant without Airport Commission consent already exists and that the new provision only says that the Airport Commission will not disturb the new tenant. Mr. Metcalfe stated that the facility is a build-to-suit warehouse for North Supply and that he has had conversations with North Supply officials and they have assured him that they would never allow anything to happen that would jeopardize their occupancy of the building. While this assurance is not binding, it should provide the Commission with additional comfort that the circumstances which cause Mr. Jarrett concern are extremely remote. **MOVED BY MR. WINN, SECONDED BY MR. SELLERS TO RECOMMEND APPROVAL TO THE BOCC THE LETTER OF AGREEMENT AND SECOND MODIFICATION TO THE LEASE WITH CROW-SPAULDING NO. 7 PARTNERSHIP AND TO AUTHORIZE STAFF TO COMPLETE THE DOCUMENTS AND AUTHORIZE THE CHAIRMAN TO SIGN THE DOCUMENTS.** Mr. Meyer questioned the provision stating that the lessee has the option to purchase on the same terms as other industrial tenants and how that may be similar to the "favored nations" clause the Airport Commission has agreed not to include in any future leases. Mr. Jarrett responded that that clause was not new. Commissioner Nolte questioned if the Airport Commission would become a non-governmental entity at some point how that would affect the outcome of the bankruptcy clause. Mr. Jarrett stated that the bankruptcy codes do change and the primary concern is that the extensions take the lease to 2033. Mr. Winn stated that we cannot anticipate all changes in all laws and that if something would change that would be radical there would be litigation which could change the outcome. Mr. Metcalfe stated that we may have some control over the substitution of tenants because currently the building is basically a warehouse shell and any improvements would need Airport Commission approval. **APPROVED UNANIMOUSLY (4-0).**

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Chairman Craig questioned Mr. Jarrett on various issues pending regarding the Airport Commission. Mr. Jarrett stated the wastewater capital charges for Industrial Airport tenants have been approved by the BoCC but have not been billed to the tenants.

He stated the billing statement drafts have been passed between legal and wastewater and he was not certain of the timing for the mailing of the statements but it should be soon. Mr. Jarrett reported that he had interviewed four environmental attorneys for the Parsonitt soil contamination situation and will be making a recommendation to the Airport Commission by the first of February.

Mr. Jarrett reported that the rehearings on the property tax exemption applications have been granted but are being held pending action by the legislature. He stated that the City of Wichita is submitting a property tax bill. He stated that Johnson County also needs language to correct the back tax situation and future taxes. Commissioner Nolte reported that the Johnson County legislators have been somewhat reluctant to clean up a problem they perceive we created through the leases, however the BoCC will pursue legislation. Mr. Jarrett stated the Paul Welcome, County Appraiser, has been briefed on the airport tax situation. He will review the applications when they are revised with the new property identification numbers and make a recommendation. Mr. Welcome is also considering whether to retain outside legal counsel.

I. APPROVAL OF MINUTES:

MOVED BY MRS. THOMEN, SECONDED BY MR. MEYER TO APPROVE THE MINUTES OF THE DECEMBER 18, 1991 MEETING. APPROVED UNANIMOUSLY (4-0).

III. REPORT OF THE TREASURER:

A. Disbursements for December 1991.

The voucher list was discussed. Mr. Schaefer explained the disbursement to the City of Olathe was for the payment of a special assessment for a water line at Executive Airport. We had attempted to pay the assessment previously, but were prevented from doing so because the ad valorem portion of the tax bill was being protested. After considerable discussions between all involved parties, it was determined the amount could be paid directly to the City of Olathe and removed from the remainder of the tax bill by the County Clerk. The amount pays the assessment in full. The purchase of safety boots is a county policy which states that the county will provide safety apparel when necessary.

MOVED BY MR. MEYER, SECONDED BY MR. WINN TO RATIFY THE DISBURSEMENTS FOR DECEMBER AS PRESENTED. APPROVED UNANIMOUSLY (4-0).

B. Receivables Report.

The accounts receivable list was reviewed and it was noted the only receivable was for American Geotek who has filed bankruptcy. (NOTE: it has since been learned that American Geotek has not formally filed for bankruptcy, but has declared itself insolvent. The Legal Dept. is reviewing options.) Chairman Craig commended staff for the hard work in reducing the receivables. Staff is researching the procedure for writing off the debt.

C. 1991 actuals vs. budget report.

D. End of Year Projections.

The reports were reviewed and discussed. Mr. Schaefer reported that there will be one more report which will capture all the end of the year financial activity, but staff does not anticipate any major changes in the numbers presented. Chairman Craig commended the management staff for the responsible budget handling during 1991.

IV. COMMITTEE REPORTS:

A. Administrative Committee

There having been no meeting in the interim, there was no report. Mrs. Thomen stated she would like to pursue hosting tours with other entities when the weather gets better. Mr. Metcalfe requested that the Administrative Committee meet in February to discuss the process for his performance review.

B. Industrial Committee

1. Discuss addendum to Crow-Spaulding land lease at Industrial Airport.

This item was handled at the beginning of the meeting.

2. Review water source proposals.

Mr. Metcalfe stated that staff has met with A. C. Kirkwood Associates (who has recently merged with Shafer Kline and Warren) to discuss the water source proposals. Our project engineer has left the firm and the new engineer, Dave Larson, requested additional time to review the proposals. An Industrial Committee meeting will be scheduled to further discuss the proposals. Mr. Winn emphasized his concern that continuity of water service should be the primary consideration for selection of the water source.

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3. Discuss proposed lease of property at Hwy 56 and Moonlight Road for a Hardees Restaurant.

Mr. Metcalfe reported that staff met with Tim Harris, the proposed lessee, and requested additional information which is being prepared at this time. Mr. Metcalfe also reported that he discussed the concept with Hammer Siler George Associates (HSGA) and they thought it was a good idea but have some concerns about access problems in relation to the proposed 21st Century Parkway. Additional information will be presented to the Industrial Committee when it is received. Chairman Craig stated he feels personally that the Airport Commission should do anything possible to accommodate the parkway. Mr. Winn agreed, but stated it may be possible to accommodate both goals to support the parkway and encourage a retail establishment on that corner.

4. Discuss Grindsted expansion proposal.

Mr. Metcalfe stated that staff is continuing work on the Grindsted request for qualifications for the proposed expansion of their facility at Industrial Airport based on the input from the Industrial Committee meeting.

5. Budget discussion.

Mr. Metcalfe reported that the BoCC has met and reviewed the recommendations submitted by the county's management team. The final decision has been deferred until all the advisory boards have approved the budget reductions recommended by their staff. He reported that the cuts are not terribly painful, however due to the fact that our capital needs are great, any budget cuts set us back. The Airport Commission should be able to contribute the 4.3% with unbudgeted revenues and cash carryover. Staff has also identified line items which could be reduced if necessary. Mr. Schaefer reported that the budget office has agreed to the plan and has reduced our cuts with consideration for our extensive capital needs. Commissioner Nolte reported that the BoCC will make a decision at their business session tomorrow. He stated he concurs with the management team's recommendation which is an alternative to salary increase freeze. He stated that he feels the management team is a group of professionals hired to make those types of recommendations and even though he voted against the 1992 budget because of the salary increases proposed, he feels once it is given it is not appropriate to take it back. He stated there has been some discussion about a combination of budget and salary reductions. The Mental Health and Mental Retardation boards have approved the budget reductions and the Library Board has not. **MOVED BY MR. MEYER, SECONDED BY MRS. THOMEN TO APPROVED THE BUDGET REDUCTIONS REQUESTED BY THE BOCC AND AS RECOMMENDED BY**

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STAFF. APPROVED UNANIMOUSLY (4-0).

V. STAFF REPORTS:

A. Report of the Director, Aviation:

Mr. Metcalfe reported that operations were back to normal for December.

B. Report of the Director, Fire/Rescue Services:

1. Report on discussions between Fire District No. 1 and City of Gardner.

Mr. Adams reported that the discussions between the Fire District and the City of Gardner have reached an impasse and the next step will probably be to bring the matter before the BoCC for a ruling.

Mr. Adams has suggested an outside consultant be hired to review the situation and make a recommendation.

2. Status of ambulance bids.

Mr. Adams reported that the Purchasing Department has rejected all the bids and the specific recommendation from the Airport Commission. Staff will redo the specifications (for the third time) and resubmit them to Purchasing who claim they will expedite the procedure. Purchasing has indicated they will go out for bid by the end of February. (NOTE: staff has put this on hold as there have been indications from the city of Gardner that they may not renew the ambulance contract in 1993. If Gardner pulls out, we should give serious consideration to getting out of the ambulance business.)

C. Report of the Director, Planning & Administration:

1. Update on t-hangar bond refinancing.

Mr. Schaefer reported that the t-hangar bonds are scheduled for sale March 1. He stated that the most recent interest rate for the bonds has been estimated at 5.28%. The engineer is developing plans and specifications for the project. We are hoping to begin construction in June.

D. Report of the Director, Property Management:

1. Introduce "Extra Mile" award.

Mr. Howard introduced Fred Copson who is the first recipient of the "Extra Mile" award. He explained the "Extra Mile" award

recognizes a maintenance department employee who performs well beyond normal expectations. Mr. Copson has recently completed several projects at the maintenance shop which he performed well beyond normal expectations. He has also been involved in projects which have in turn motivated other employees. Mr. Copson is responsible for Administration Building maintenance including repair of the HVAC system in which he often encounters undesirable working conditions and completes those duties without complaints.

F. Report of the Executive Director:

1. Status of Industrial Park Master Plan.

Mr. Metcalfe reported that he travelled to Denver, Colorado last week to meet with the master plan consultants and review their progress. They are still completing work on the economic portion of the plan. A draft for Airport Commission review is planned for completion in three weeks with the final plan to be presented three weeks after that to both the Airport Commission and the BoCC.

VI. UNFINISHED BUSINESS:

A. Consider approval of a one cent increase in the fuel flowage fee for Industrial and Executive Airports.

Following the Airport Commission approval of the increase in the Industrial Airport air traffic control contract, staff researched the increase in the fuel flowage fees as had been previously discussed and budgeted for as a means offset the contract increase. Staff believes after talking with the FBO's and since fuel prices are unstable, that it will not significantly impact the FBO's or the consumers and are recommending approval of the increase. **MOVED BY MR. MEYER, SECONDED MR. SELLERS TO APPROVE THE ONE CENT INCREASE IN THE FUEL FLOWAGE FEE FOR INDUSTRIAL AND EXECUTIVE AIRPORTS EFFECTIVE FEBRUARY 1, 1992. APPROVED UNANIMOUSLY (4-0).**

Commissioner Nolte discussed the 21st Century Parkway. He met recently with the Kansas Department of Transportation regarding funding from the new Federal Transportation Act which will double the amount of dollars that will come to Kansas. There will be new uses of those funds including preservation of routes which may affect the construction of the 21st Century Parkway. He reported that the BoCC will make a final decision about the construction of

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the parkway in the spring. The key to construction will be to obtain federal and state funding. At this time there are only 5-10 residences affected for the entire 36 mile route, not including the mobile home park. He also stated that the parkway is not meant to be another College Boulevard but is being considered a traffic moving corridor that will replace 135th Street which no longer moves traffic adequately. Mr. Metcalfe stated that HSGA sees the parkway as critical to the development of Industrial Airport.

Mr. Metcalfe reported that the airport-area zoning group will meet this afternoon to give final approval of the land use maps, compatibility plans and the zoning regulations. It will then be officially conveyed to the governing boards for their formal review and approval process.

MOVED BY MRS. THOMEN, SECONDED BY MR. WINN TO ADJOURN. APPROVED UNANIMOUSLY (4-0).

The meeting was adjourned at 10:26 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - FEBRUARY 26, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT

Airport Commission: Present
 Craig MeyerThomen Sellers
 Winn Nohe Viets

Staff: Metcalfe SmythLind Schaefer
 Fredrichs Howard Adams

Others: Commissioner Murray Nolte
 Connie Bye, Kansas City Star
 Tracy Chalpin, Olathe Daily News
 John Holloway, Johnson County Sun
 Evon Williams, Budget Office
 Bryce Ballard, Gardner Lake Association
 Dorothy Ballard, Gardner Lake Association
 Marge Leitner, Gardner Lake Association
 Larry Franke, American Aviation Consulting
 Dave Larson, A. C. Kirkwood Associates
 Chester Bender, A. C. Kirkwood Associates

The meeting was called to order at 9:00 A.M. by Chairman Craig.

I. APPROVAL OF MINUTES:

MOVED BY MRS. THOMEN, SECONDED BY MR. SELLERS TO APPROVE THE MINUTES OF THE JANUARY 22, 1992 MEETING. APPROVED UNANIMOUSLY (6-0).

II. REPORT OF THE CHAIRMAN:

Chairman Craig stated that there will be discussion later in the meeting on the percentage allocations for accountabilities for the Executive Director's performance evaluation.

III. REPORT OF THE TREASURER:

A. Disbursements for January 1992.

The voucher list was discussed. The fuel tank testing was for the maintenance shop tank and the results were favorable. The railroad track repair was an emergency repair. Allenbrand-Drews prepared a map showing the leased tracts at Industrial Airport.

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The map will be used by BRW Engineers as the base map for the industrial park master plan and also by the appraiser in assigning new parcel identification numbers. **MOVED BY MR. NOHE, SECONDED BY MRS. THOMEN TO RATIFY THE DISBURSEMENTS FOR JANUARY AS PRESENTED. APPROVED UNANIMOUSLY (6-0).**

B. Receivables Report.

The accounts receivable list was reviewed. Other than the American Geotek account, staff does not anticipate any problems with collection.

C. 1992 actuals vs. budget report.

The report was reviewed and discussed. Mr. Schaefer stated that most of the annual supply and service contracts are encumbered for the year in January, including the air traffic control contract and fuel, which distorts the year-to-date percentages early in the year.

D. 1991 End of Year report.

Mr. Schaefer reported that the enclosed report is the final for 1991. We ended the year as expected. A total carryover of \$163,085 is estimated and will be finalized when the finance and budget offices complete their accountings for the year. The budget office commented that staff's estimated carryover is conservative and will probably be closer to \$180,000.

IV. COMMITTEE REPORTS:

A. Administrative Committee

1. Discuss 1993 budget process.
 - A. 1992 budget republication.

Mr. Schaefer reported that there are three issues impacting the 1992 operating budget which will require a budget republication. First, the carryover from 1991 for several capital purchases delayed by the BoCC; second, the budget reduction (approx. \$100,000) mandated by the BoCC to cover anticipated revenue shortfalls in the county general fund; and third, projected unbudgeted revenues amounting to \$80,000 - \$100,000 to be used for deferred capital items. The budget office has indicated the republication would be completed in June after the budget office completes their first quarter analysis. Mrs. Williams stated that the salary reduction in the 1992 budget per BoCC action will be adjusted immediately. The remainder of the reduction (approx.

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\$99,000) will not be adjusted until deemed necessary by the BoCC.

Mr. Viets questioned the availability of those excess funds to demolish Building 45. The gross revenue over budget for 1992 will be approximately \$250,000. Mr. Schaefer stated that the demolition of Building 45 and Hangar 43 was "approved" by the BoCC in 1991 and identified for funding in the 1993 capital improvement plan. Mr. Schaefer commented that if the BoCC authorized funding at a lower level, the Airport Commission could use those funds to supplement the project.

B. 1993 operating budget.

Staff will present a proposed budget to the Administrative Committee at a March meeting. Mr. Metcalfe stated that it will probably be a flat budget for 1993.

C. 1993 capital improvements plan.

The proposed capital improvements plan will be presented with the 1993 operating budget at the Administrative Committee meeting.

Mr. Nohe suggested making the pool area of Building 45 a temporary skateboard facility which could be justified as a revenue source for the eventual demolition of the facility. Chairman Craig stated that the Airport Commission has been approached many times about various uses for the building and compatibility of use has been the problem. Staff will discuss the possibility with the Parks and Recreation District.

2. Review of recommended t-hangar policy.

MOVED BY MRS. THOMEN, SECONDED BY MR. SELLERS TO APPROVED THE T-HANGAR POLICY AS RECOMMENDED BY STAFF. Mr. Metcalfe stated that staff hopes the new policy will help control the illegal (under terms of the leases) sublease of hangars that we know now occurs but find difficult to control. **APPROVED UNANIMOUSLY (6-0).**

3. Discuss procedure for Executive Director's annual performance evaluation.

A preliminary evaluation will be held later in the meeting in executive session. After the executive session the weightings of accountabilities will be discussed. Mr. Nohe questioned if the county personnel office had averaged weightings for other county executives. Commissioner Nolte commented that the county administrator's evaluation there are suggested weightings, however each commissioner completes the weightings as he perceives the importance. Mr. Metcalfe reported that in the county's personnel classification structure, he is grouped with the other executives

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with governing boards. All of them complete the evaluations with the preference of their own boards but under guidelines from the personnel office. He stated that he does not have a problem with individual weightings.

4. Discuss schedule for developing rules and procedures.

Staff will begin work on the rules and procedures when the 1993 operating budget and the industrial park master plan are complete.

Mssrs. Metcalfe and Lind reported a third lawsuit just filed by Van Den Bergh Foods contests the capital projects finance plan and the BoCC's authority to implement the plan. The first lawsuit, filed in late 1988, contested the formation of the sewer sub-district, and the second, filed in late 1989, contested that oil and grease limitations and increased O & M charges imposed by the Wastewater District. Chairman Craig stated that there have been many attempts to negotiate a settlement, but to no avail. Mr. Metcalfe reported that all Industrial Airport tenants are paying the operating and maintenance and capital projects plan amounts except Van Den Bergh Foods. Van Den Bergh is, however, paying the amount originally assessed by the Airport Commission when they first became a tenant.

B. Industrial Committee

A meeting will be scheduled in March.

V. STAFF REPORTS:

B. Report of the Director, Fire/Rescue Services:

1. Status of situation between Fire District No. 1 and City of Gardner.

Mr. Adams reported that the city of Gardner has petitioned the BoCC to settle the dispute over the annexed area in the Fire District. Mr. Metcalfe reported that the BoCC has agreed to retain a consultant to study the objective aspects of the situation. A hearing will be held in 30-60 days. Chairman Craig commended Mr. Adams and his involvement in the issue and his attempts at resolution.

C. Report of the Director, Planning & Administration:

1. Report on sale of t-hangar revenue bonds.

Mr. Schaefer reported that the t-hangar bonds were sold at an

interest rate of 5.85%. Construction is anticipated to begin in June. The annual debt service payment for t-hangar bonds will be reduced by the refinancing. After 1994, when the 1979 and 1980 t-hangar debt is retired, there will be a significant reduction in the debt service payments. Chairman Craig emphasized the point that even though there are many construction projects at Executive Airport, the airport is not expanding and the improvements will not allow bigger aircraft to use the airport. Chairman Craig stated that the revenue bonds debt service payment will be made from self-generated sources.

2. Report on World War II Commemorative events.

Mr. Schaefer reported that the planned activities for the World War II Commemoration are almost finalized. The Confederate Air Force will sponsor a static aircraft display which will include approximately 20 fully restored World War II aircraft. The Save the Connie, Inc. Super Constellation will also participate in the show. The display will be held June 11 - 14 from 9:00 a.m. - 7:00 p.m. A USO-type show, sponsored by the Friends of the Johnson County Museum, will be held Saturday June 13 in the Army hangar. A dinner will be served and entertainment will be provided by the Tommy Dorsey Orchestra. The Johnson County Museum is hosting an exhibit "Through My Eyes - A Child's View of World War II." A discovery book, which is a companion to the exhibit, has been written by museum staff and printed by the VFW and will be distributed to all school districts in Johnson County. The Old Olathe Naval Air Station Museum group will have the museum dedication and a reunion on June 27.

E. Report of Legal Counsel:

1. Status of property tax legislation.

Mr. Lind reported that Senate Bill 629 has been introduced as a technical correction bill for last year's property tax bill (HB2194) to include forgiving taxes prior to 1983. Commissioner Nolte stated the BoCC does not anticipate any problems getting the bill passed.

VII. NEW BUSINESS:

B. Discuss proposal from American Aviation Consulting, Inc. to investigate the "air cargo" market for Industrial Airport.

Mr. Metcalfe stated that in a strategic planning session in February of 1990 the Airport Commission identified air cargo as a high priority for Industrial Airport. Hammer Siler George Associates will be recommending to target that industry. He

reported that Larry Franke, who has been in the aviation industry for many years and is available to devote the time and resources to explore the market, has proposed to conduct the investigation.

Mr. Metcalfe stated that there are funds available in the 1992 budget for the proposed service. Mr. Franke discussed his proposal as a three part process. First, to define the market by identifying the potential users, the providers of service, and the facility requirements. Second, the investigation phase includes identifying strengths and weaknesses of Industrial Airport and comprehensive interviews with key individuals. The third phase would consist of an analysis of the information gathered and a summary of the investigation. Chairman Craig questioned the impact of the Kansas City Aviation Department's recent activities targeting the same market on the success of our study. Mr. Franke explained that it definitely impacts the airport's position in the market because of the advantages of the Kansas City, MO airports, however, he feels there is a market for the advantages the Industrial Airport has to offer and now is the time to become aggressive in pursuing the market. Mr. Franke stated he would be investigating other airports of comparable size and function. He proposes to phone interview all potential users then personally interview 10-20% of those which would be approximately 20-30 visits. Mr. Metcalfe explained that the investigation proposed by Mr. Franke would augment HSGA's identification of the air cargo market. Mr. Metcalfe recommended contracting with American Aviation Consulting, Inc. for an amount up to \$10,000. Mr. Franke anticipated completion within 90 days. **MOVED BY MR. NOHE, SECONDED BY MR. MEYER TO AUTHORIZE STAFF TO PREPARE A CONTRACT WITH AMERICAN AVIATION CONSULTING, INC. OF UP TO \$10,000 TO INVESTIGATE THE AIR CARGO MARKET FOR INDUSTRIAL AIRPORT AND AUTHORIZE THE CHAIRMAN TO SIGN THE CONTRACT SUBJECT TO APPROVAL OF LEGAL COUNSEL AND THE CHAIRMAN.** Staff was instructed to fax the proposed contract to Airport Commissioners for review prior to execution. **APPROVED UNANIMOUSLY (6-0).**

C. Presentation by Dave Larson, A.C. Kirkwood Associates, on water source proposals.

Dave Larson and Chester Bender from A.C. Kirkwood Associates were present to discuss the water source proposals and selection criteria for decision purposes. Mr. Metcalfe stated his objective was to have the board come to a conclusion today on who to conduct negotiations with, and the direction for the negotiation process.

Mr. Larson discussed changes to the table to make the capital costs as comparable (apples to apples) as possible. They used what they felt was a fair method to equally compare the proposals.

The other item was an adjustment because the proposer could not get water to the airport in time and so the assumption was to

continue to receive water from Gardner. Additional adjustments were made to the Four Corners proposal because the costs provided were for raw water and not treated water. Mr. Larson stated that most of the rates were not adjusted. The rates were submitted as part of the proposal but are probably subject to negotiation. There was no inflation factor added to the rates. The Four Corners proposal made their projection based on the Airport Commission owning and operating the treatment plant. They also based their rates on average day demands and not peak demands. Four Corners also proposed improvements that Kirkwood did not feel were realistic so they changed the proposal to a more realistic improvement schedule and adjusted the rates to meet that schedule.

Mr. Larson stated that in his opinion there are only three suppliers to consider further, Water District #1, and the Cities of Olathe and Gardner. Water District #1 is not available for four or five years so the immediate suppliers are the other two. The Gardner proposal was conditional upon the Airport Commission donating the triangle park property, the water treatment plant and the water rights in Gardner Lake, so Kirkwood assigned a value, which was the adjustment made to the capital costs. The water rights were valued at 9¢ per 1,000 gallons. Mr. Metcalfe stated it was assumed that if Gardner could not use the airport's water from Gardner Lake it would have to come from Hillsdale Reservoir at a cost of 9¢ per 1,000 gallon. Mr. Metcalfe reported that there were no "lost opportunity costs" included in the calculations. Mr. Larson reported that assumptions were made that water would be supplied by Gardner in the interim until Water District #1 could serve the airport. He suggested that two suppliers should be considered. Mr. Larson stated he feels there is significant room for negotiation in the commodity costs, particularly in the City of Olathe rates. Mr. Larson reported that according to the engineers who prepared Gardner's proposal, they can supply the necessary water to the airport until Water District #1 is available. Commissioner Nolte questioned the reliability of the Hillsdale source from which Gardner ultimately proposes to receive water. Mr. Larson stated that he cannot speculate on that issue, but that is why he would recommend two independent sources. He explained that the refunding potential selection criteria is where an entity would allow for the user who initially covered the capital costs to extend a water line, to recover a portion of the capital costs when other users connect. The City of Gardner is the only one who addressed that issue. They proposed that if they sold connections to the line that we would build, the airport would get an override on the water sales to that connection, however, it would probably not be a good idea to allow for too much additional usage of the line, because it may not allow for the necessary usage for the airport. Mr. Metcalfe stated that it may be possible to negotiate with Gardner the construction of a larger line so connections could be sold and the airport's capital costs could be recovered. Mr. Larson stated

that the selection criteria of credibility of supplier could include weighing the potential of proposers to raise capital funds. The proposals are presented as the proposer being the sole supplier and the rates and capital costs could be higher or lower if two sources are utilized. Mr. Metcalfe said the conclusion he has come to is to connect to two sources if financially feasible, and then connecting to Water #1 long-term. Water District #1 rates do not show an increase for future development like the other proposers, however, their costs are shared throughout the entire Water District #1 system which may not impact the rates like a small entity such as Gardner. Mr. Nohe argued that it is difficult to compare proposals when Water #1 has not identified a long term rate structure to accommodate capital improvements like the other proposers. Mr. Larson suggested that that could be negotiated with the supplier. Mr. Metcalfe reported that Water District #1 has a system development charge that they have not quantified. Mr. Viets asked if there is any way to track the historical improvement costs and judge if the escalation matches their history. Mr. Larson responded that it may be possible, however the cost may depend on the area of the system that you are in. Mr. Metcalfe recommend action from the Airport Commission to allow staff to enter into negotiations with the Cities of Olathe and Gardner as water suppliers for the short to mid-term. The Airport Commission was in consensus to get Water District #1 involved as the ultimate long-term solution. Chairman Craig discussed that Olathe has recently been considering the possible need to cut water usage, so we need to keep that in mind during negotiations. They are also buying water from Water District #1 and any improvements would apparently come from that source. There will still be the need for elevated storage. It was agreed, with the concurrence of Commissioner Nolte, that the Airport Commission has authority to investigate and recommend a water source supplier to the BoCC who would have the ultimate approval of the contract. **MOVED BY MR. WINN, SECONDED BY MR. NOHE TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO DISCUSSIONS WITH THE CITIES OF GARDNER AND OLATHE FOR SHORT TO INTERMEDIATE SOLUTIONS FOR A WATER SUPPLY TO INDUSTRIAL AIRPORT AND TO INCLUDE WATER DISTRICT NO. 1 IN THE DISCUSSIONS AS THE ULTIMATE LONG-TERM SUPPLIER.** Mrs. Marge Leitner, 15485 Lake Road 4, Gardner Lake Association, expressed deep concern about the low level of the Gardner Lake. She reported that the south end of the lake is mud and the north cove is dry. Several of the homes along the lake roads have dry docks in front of their houses. In the deepest part of the lake, the shore line is 10-12 feet of rocks. She also reported that there is 90,000,000 gallons of silt in the lake. Mr. Metcalfe reported that the lake is at capacity. George Butler Associates, in their recent study, reported that the lake will reach its capacity to supply both Gardner and the airport in 1995. The City of Gardner has recently connected to Rural Water

District #7 to augment their supply. The level of silt, the dry winter and the consumption level are all reasons for the low water level in the lake. Mrs. Dorothy Ballard, property owner at Gardner Lake, stated that for the 50 years they have owned the property at the lake, this is the lowest the water has been and she questioned the city of Gardner's ability to commit to supplying water to the airport. **APPROVED UNANIMOUSLY (6-0).**

V. STAFF REPORTS:

F. Report of the Executive Director:

1. Status of Industrial Park Master Plan.

Mr. Metcalfe reported that the master plan consultants are hoping to make a presentation at the March meeting. They will be presenting two primary versions of the concept of the future industrial park with choices for each.

2. Status of airport-area zoning.

Mr. Metcalfe report that the interlocal agreement to implement the zoning agreements will be presented to the BoCC at the Thursday meeting. Commissioner Nolte reported that he will request that the BoCC move as quickly as possible. Chairman Craig thanked Commissioner Nolte for his assistance in the airport-area zoning.

(**NOTE:** staff secured a draft of the proposed interlocal agreement [copy enclosed] after it was presented to the BoCC. There are several aspects which cause us concern, one of which is a totally new bureaucratic level proposed by the Legal Dept., but never discussed by the Study Group. The Study Group is meeting on March 4 to discuss the proposal.)

3. Status of retention of environmental attorney.

Mr. Metcalfe reported that Don Jarrett, Chief County Counsel has confirmed retention of David Tripp, of Stinson Mag & Fizzell, who specializes in environmental issues and is a former regional counsel for EPA. Mr. Tripp is presently reviewing the information regarding the soil contamination issue at Parsonitt and will be making a recommendation on how to proceed. He also has a good relationship with the Kansas Department of Health and Environment and has offered to work with them on negotiating the remediation plan.

4. Report on meeting with county appraiser.

Mr. Metcalfe reported that he met with the county appraiser to

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discuss the property tax issue at Industrial and Executive Airport. The property tax exemption applications (1985, 1989, 1990) contained conflicting information and therefore the BOTA rulings were conflicting. It was decided to start all over and to redefine all the property and renumber the parcels. Mr. Winn commented that this confusion is a prime example of why the airport should be platted, so that the property will be defined and the use will be obvious.

5. Report on proposals for golf course.

Mr. Metcalfe reported that Byram and Associates, whom we agreed to let research the viability of a golf course and commercial development at Industrial Airport, has presented one of four proposals they have received for the development. Mr. Metcalfe stated that he is in the process of reviewing the proposal and has sent copies to Gary Haller, Parks and Rec Director, the master plan consultants and Marty Nohe, for review and comment.

VII. NEW BUSINESS:

A. Consider approval of Authorization No. 6 for Professional Services with HNTB for the design, preparation of construction documents and construction monitoring for the west t-hangars and apron rehabilitation at Executive Airport.

Mr. Lind reported that the Airport Improvement Plan (AIP) project number is not included on the form. Mr. Metcalfe reported that the number has not been assigned because the FAA has not yet approved the project and funds have not yet been allocated. The number will be added when it is assigned by the FAA. He stated that the intent is to submit the design work completed by HNTB to the FAA for grant funding. FAA has indicated that a portion of the ramp rehab may be eligible for funding and that they may work the project into an existing project that may have excess funds available. Mr. Metcalfe stated that \$8,000 for the design phase of the project is somewhat at risk because the project has not been approved for funding. FAA will not, however, consider a grant application until some preliminary engineering is completed.

Even if the funding is not available at this time, the design work will be finished so when funding becomes available we will be ready to begin the project. The funds for the project would come from a consolidation of work in the bid process and favorable bidding because of that consolidation. Mr. Nohe questioned if we should consider other engineering firms to complete this work. Mr. Metcalfe stated that HNTB is under a retainer agreement and the authorization being considered is the mechanism to initiate increments of work under that agreement. FAA has a carefully defined process to hire an engineer for grant-funded projects. HNTB was awarded the retainer agreement after a lengthy bidding process 18 months ago. It is possible to retain another engineer for this project, however HNTB is already working on the other related projects and it would be easier and more cost-effective for them to design this work and include it in the bid package with the other projects. This project was listed in the retainer agreement with HNTB. The retainer agreement is in increments of one year for a three year period. The fees are bid in a schedule

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with the original agreement. The rates are according to a defined FAA rate schedule. Mr. Schaefer commented that the contracts always list not-to-exceed amounts and suggested that staff follow-up with the Airport Commission on each project's final engineering costs. **MOVED BY MRS. THOMEN, SECONDED BY MR. MEYER TO APPROVE AUTHORIZATION NO. 6 FOR PROFESSIONAL SERVICES WITH HNTB FOR THE DESIGN, PREPARATION OF CONSTRUCTION DOCUMENTS AND CONSTRUCTION MONITORING FOR THE WEST T-HANGARS AND APRON REHABILITATION AT EXECUTIVE AIRPORT. APPROVED UNANIMOUSLY (6-0).**

VIII. EXECUTIVE SESSION:

MOVED BY MR. MEYER, SECONDED BY MRS. THOMEN TO ADJOURN TO EXECUTIVE SESSION TO DISCUSS THE EXECUTIVE DIRECTOR'S ANNUAL PERFORMANCE AT 11:50 A.M. UNTIL 12:00 P.M. APPROVED UNANIMOUSLY (6-0).

The meeting was reconvened at 12:00 p.m.

Chairman Craig requested that the Airport Commissioners return the performance appraisal forms to him by March 4 so he can average and scores and meet with Mr. Metcalfe. There was consensus to continue with the same process as in the past and have each Airport Commissioner weight the accountabilities individually.

Chairman Craig announced that the Senate Assessment and Taxation Committee will hold a hearing on the property tax bill on Thursday, March 5 at 11:00 a.m.

The Airport Commissioners will tour Building 45 at the March meeting.

MOVED BY MRS. THOMEN, SECONDED BY MR. WINN TO ADJOURN. APPROVED UNANIMOUSLY (4-0).

The meeting was adjourned at 12:06 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - MARCH 25, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT

Airport Commission: Present

Craig MeyerThomen Sellers
Winn Nohe Viets

Staff:

Metcalfe SmythLind Schaefer
Fredrichs Adams

Others:

Connie Bye, Kansas City Star
John Boyette, Olathe Daily News
John Holloway, Johnson County Sun
Evon Williams, Budget Office

The meeting was called to order at 9:00 A.M. by Chairman Craig.

I. APPROVAL OF MINUTES:

MOVED BY MR. NOHE, SECONDED BY MR. VIETS TO APPROVE THE MINUTES OF THE FEBRUARY 25, 1992 MEETING. APPROVED UNANIMOUSLY (6-0).

III. REPORT OF THE TREASURER:

A. Disbursements for February 1992.

The voucher list was discussed. Mr. Adams explained that the software purchase for the fire department was a data base program to maintain training records, inventories, etc. and a mini computer-aided drawing program that will be used to chart roads and building layouts. He expected the project to be completed by mid-summer. He also explained that the immunization bill was to meet new OSHA regulations requiring special immunizations for emergency workers. Ten employees have received the first of three inoculations to be given over a six month period. There will be additional costs associated with blood work that must be completed after the series of immunizations is complete. There was comment about the high cost for the immunizations. Mr. Adams reported that we are required to use the vendor selected by the county purchasing department. The immunizations are not covered by regular health insurance because this is preventative medication.

The payment to Hammer Siler George Associates is the second progress payment. There is approximately \$80,000 remaining to be paid on the contract. The Linscott Haylett architectural bill was for the design of specifications for moving, demolishing and cleanup of an existing farmhouse and outbuildings on the site at

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Executive Airport recently acquired through the land buy project. Mr. Fredrichs reported that the buildings contained no asbestos. **MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO RATIFY THE DISBURSEMENTS FOR FEBRUARY AS PRESENTED. APPROVED UNANIMOUSLY (6-0).**

B. Receivables Report.

The accounts receivable list was reviewed. Staff is still pursuing the collection of the American Geotek account.

C. 1992 actuals vs. budget report.

The report was reviewed and discussed. Mr. Schaefer reported that the first payment has been made on the locomotive. Delivery is expected by the first of April. Mr. Schaefer also reported that the expenditure report has been changed to segregate the water expenses.

IV. COMMITTEE REPORTS:

A. Administrative Committee

The Administrative Committee meeting was canceled due to scheduling conflicts.

B. Industrial Committee

1. Discuss environmental audit.

Mr. Viets reviewed the minutes from the meeting.

2. Status of Dave Tripp review of Parsonitt situation.

Mr. Viets reviewed the minutes from the meeting.

3. Update on SB629.

Mr. Metcalfe reported that the bill passed the Senate on Wednesday, March 11. It is now with the House Assessment and Taxation Committee waiting for a hearing to be set. The Chair of the committee has indicated it is not a high priority with her, primarily because of the amendments attached in the Senate which included language for exemptions in Wichita and Salina. Mr. Metcalfe explained that if the bill doesn't pass, the 1981 and 1982 back taxes will still be owed. It will be difficult to determine the value of the property back that far and Mr. Metcalfe believes the amount which would be owed is minimal. The legislation from 1991 also causes a problem for the Gardner School

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District and Fire District #1, because it states that any lease in place as of April, 1991 will be exempt from ad valorem property taxes throughout the term of the lease. However, most of the leases already include payment in lieu of tax clauses. Most of the leases that don't have the clause, have impositions language under which we may be able to impose the payments in lieu of taxes.

4. Review contract with American Aviation Consulting, Inc. for investigation of the air cargo market.

Mr. Viets reviewed the minutes from the meeting.

5. Discuss golf course proposal.

Mr. Viets reviewed the minutes from the meeting.

V. STAFF REPORTS:

A. Report of the Director, Aviation:

1. Status of quick response vehicle (crash truck).

Mr. Fredrichs reported that bids for the QRV will be opened on March 27. The truck will replace the 1958 truck currently in service and a 1954 truck that was retired last year.

2. Status of t-hangar construction.

3. Status of west FBO ramp relocation and t-hangar apron rehabilitation.

Request for bids for the T-hangars and the ramp and apron projects at Executive Airport will be advertised in early April. Construction should begin in early June. The bid will be a combination for all three projects. If the bids for the t-hangars and west FBO ramp are favorable, and bond and grant proceeds remain, the bids for the west T-hangar apron project will be awarded. T-hangars will be ready to occupy by December. The west apron project consists of a sand slurry overlay and installation of edge drains. The west FBO ramp relocation is necessary because of the installation of the ILS which requires the runway set-back line to be 400' from the center of the runway. Mr. Viets questioned the status of the sign project at Executive Airport. Mr. Metcalfe reported that staff is continuing work on the project. Chairman Craig reported that there is an unsightly mess behind the Blue Valley Nursery and requested staff to contact Overland Park officials to request cleanup of the property.

B. Report of the Director, Fire/Rescue Services:

1. Status of BoCC hearing regarding fire services in southwest Johnson County.

Mr. Adams reported that the hearing has been postponed and a new date has not been determined. The legal department has requested the services of University of Kansas officials to evaluate fire protection services in southwest Johnson County. Chairman Craig questioned the impact of the issue on the airport. Mr. Adams stated that it should have minimal effect on airport fire protection. We will still have working relationships with both entities no matter how the property is divided. He stated that the biggest issue is emergency medical services, specifically the ambulance contract. If the annexed area is detached from the fire district, and we continue to do things as we are, Gardner's contribution should almost double and the fire district's share would go down by a like amount. At that point, Gardner may want to provide their own service. However, because the regulations for operating an ambulance service are getting tougher, they may determine it is cost-beneficial to continue to contract with the Airport Commission. After the hearing, the BoCC has 120 days to make a decision. If either party is aggrieved by the decision, they can file an appeal in the district court. Mr. Adams stated that because of the decision-making process, there may be no resolution of the issue this year. At this point the Airport Commission is not directly involved in the resolution of the issue.

2. Discuss ambulance replacement.

Mr. Adams explained that we had budgeted to replace the ambulance last year. The specifications were prepared and approved by the purchasing department and bids were received. The purchasing department rejected all bids because of exceptions, and the process started again. The rebidding stopped before any bids were taken because of the financial condition of the county, the limited capital expenditures that were being made and because initial indications from the City of Gardner appeared that they may not contract with us in 1993. Mr. Adams explained that we are in critical need of replacing the ambulance. It has cost in excess of \$5,000 over the last six months to keep the ambulance running and it is still not reliable. Staff now believes acquisition of an ambulance should be reinitiated immediately. Staff also believes that we should tie in our purchase with Med-Act to save money and also if we get out of the ambulance business, the unit could be easily transferred to them and integrated into their fleet. The problem now is the status of capital purchases within the county. Med-Act is holding off because it is unknown if they will be allowed to proceed with the

purchase of their ambulance. Mr. Adams said that if the purchase process started today, it would be the end of the year before the ambulance would be delivered. He emphasized that if the delivery is much longer than that we may not be able to fulfill our contractual obligations to provide emergency medical service to the southwest part of Johnson County. Chairman Craig questioned if the BoCC is considering allowing purchases for human safety needs. Mrs. Williams stated the budget office is currently looking at capital purchases for individual departments and thought that Chairman Craig was thinking of the BoCC direction last year which allowed hiring personnel for human safety needs.

The capital purchases are being screened by the budget office and they are looking at the long term effects and advantages of the purchases. She also commented that the route Mr. Adams is trying to go with pursuing a joint effort with Med-Act is probably a good one. Mr. Metcalfe commented that he believes it is inappropriate for other county departments, such as budget and purchasing, to be making critical decisions for the Airport Commission without our direct involvement and without fully understanding the situation, particularly after our staff does thorough research and the Airport Commission makes a specific recommendation. Mr. Adams stated that we do have access to a backup Med-Act unit stationed most of the time at Industrial Airport. It too, however, is an old unit and is not totally reliable. Mr. Adams reported that the current ambulance, a 1984 model, has 65,000 miles on it, and is subject to short turnarounds and is driven hard. We are the third user of this ambulance. Med-Act's ambulance replacement routine is every five years. Estimated purchase price of a new ambulance is \$71,000. Mrs. Williams responded to Mr. Metcalfe's concern and stated that the budget office is not holding up the purchase, just making sure the revenue and budget allocation is available. The budget office works closely with Airport Commission staff and the purchasing department to make sure no purchase is made without adequate funding. Mr. Metcalfe pointed out that this is a budgeted item and that the Airport Commission's fund balance is in good shape. Mr. Adams stated that Med-Act is holding up their purchase because of the current hold on capital purchases and because they believe their request may meet with resistance. Mr. Adams stated that staff feels there would be a benefit to purchase with Med-Act, however, we cannot wait much longer because of the risk of losing the current unit's services and we need an answer soon. **MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO REAFFIRM THE AIRPORT COMMISSION'S DESIRE TO PURSUE THE ACQUISITION OF A REPLACEMENT AMBULANCE AND TO AUTHORIZE STAFF TO DECIDE WHETHER TO JOINTLY PURCHASE WITH MED-ACT OR ON OUR OWN IN ORDER TO RECEIVE THE AMBULANCE IN A TIMELY FASHION AND TO AUTHORIZE CHAIRMAN CRAIG TO CONTACT THE BOCC FOR SUPPORT. APPROVED UNANIMOUSLY (6-0).** The Airport Commission was in consensus that the ambulance should meet Med-Act's specifications.

Mr. Nohe discussed the fire department response summary as presented. He asked about the historical information so trends can be measured. Mr. Adams reported that the calls are cyclical and that this time of year is slow. The calls will pick up as the weather becomes warmer. In 1991, there were 100 more calls than in 1990. The overall trend is that requests for service are increasing in number and complexity. Mr. Nohe questioned the trends for the nature of the calls. Mr. Adams stated that there are more fire-related and "rescue" calls, but no noticeable trends toward typical hard-core urban problems, such as drugs or violence.

Chairman Craig noted that operations at both airports were up for the first two months of the year. Mr. Fredrichs stated that it could be attributed to the weather. He also reported that 1991 operations for Downtown Airport were 152,000, at Richards-Gebaur, 56,000 (12,000 of those were military) and both of our airports combined were 189,000. Wichita Mid-Continent Airport has approximately 180,000 operations annually.

D. Report of the Director, Property Management:

Mr. Metcalfe reported for Mr. Howard, who has been ill. He reported that the Jet-Tech building is on the market. They have moved the majority of their operation to a larger facility in Edwardsville. R. D. Long Contracting and Hadel Insurance both vacated their offices in 1991. He reported that Fleming Companies and Millard Refrigeration Co. had expressed interest in locating at Industrial Airport, but have since narrowed their choices to other locations around the metro-area. Millard Refrigeration has had problems with the Santa Fe Railroad in the past, so that is why we were eliminated as an option.

F. Report of the Executive Director:

1. Status of Industrial Park Master Plan.

The Industrial Committee will meet on April 15 to discuss the industrial park master plan. HSGA's preliminary report on their market study shows a flat development market for the next five years.

2. Status of airport-area zoning.

The resolution and regulations are complete and ready for review by the BoCC. It has not been scheduled for a work session.

3. Report on "Olathe Expo" participation.

Mr. Metcalfe reported that the Airport Commission participated in

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the "Olathe Expo" which is the Chamber of Commerce trade show. We took the booth purchased for the National Business Aircraft Association show and modified the graphics for the show. Staff manned the booth over a three day period and had some opportunity to provide information on the airports.

4. Report on "Leadership Overland Park" presentation.

Mr. Metcalfe reported that the Airport Commission hosted "Leadership Overland Park" last week which is a program sponsored by the Overland Park Chamber of Commerce and Johnson County Community College, whereby people who are interested in community leadership go through a several-month training program. They came to the administrative offices for a 45 minute overview of our operation and then took a guided tour of the industrial park. Mr. Metcalfe reported that there were many questions and positive feedback. Mr. Craig reported that he had feedback from participants indicating they were very pleased with their visit to the airport.

5. Report on water source negotiations.

Mr. Metcalfe reported that staff and Kirkwood officials have met with the cities of Gardner and Olathe for initial discussions on the water source. We have also had contact with Water District #1 to discuss our plans. Gardner is going to revise their proposal and include, as an option, taking over our water system. They have discussed this previously and have decided to further research the idea. Olathe has indicated they will negotiate on all issues regarding providing water to the Airport Commission. They have offered to do the engineering and construction and anything else necessary to expedite the connection. Mr. Metcalfe stated that it appears it will be very difficult to do both connections with the funds that are available. Olathe's water will be about twice as expensive as Gardner's water. It may be possible, however, to build the connection to Olathe as a backup source. Gardner's water supply is marginal until they hookup to Hillsdale Reservoir. Staff is estimating the retail water rate to our tenants in the \$2.25 - \$2.50 range, which is the high end of the market. Kirkwood Associates is still assisting in the process and providing technical support during the negotiations. They have provided feedback in writing on the first meetings with Gardner and Olathe and have suggested points to consider. Mr. Metcalfe recommended that before the water source contract is finalized, either Kirkwood or another engineering firm review the contract from a technical perspective. It will be necessary to have an agreement in place by early summer in order to complete construction this year. The RFP on the water distribution system engineering study is being completed by staff. The study is being financed through proceeds of a water revenue bond issue yet to be

packaged. It has not been determined how that will work since the bonds for the capital project, if necessary at all, would not be issued until the end of the year. Mr. Metcalfe reported that \$125,000 was budgeted for the study and preliminary estimates indicate that it will only take \$50,000. Chairman Craig stated that he has not received a response from Water District #1 on his official notification to them on our plans to use them as our long-term water source. Mr. Metcalfe reported that as a result of that letter, he had a call from their General Manager, Byron Johnson, who indicated they were interested in working with us, but that it would be at least mid to late 90's before they would actually be able to supply water to us. Black and Veatch did a comprehensive study on how Water #1 would supply water to the entire southern part of the county. Mr. Metcalfe stated that Gardner's long-term source of water is Hillsdale Reservoir, but that construction is contingent upon our contracting with them for water. Mr. Viets commented that if we give up our system to Gardner, the Airport Commission can't negotiate with Water #1, which could be a disadvantage and cause us to forego a great opportunity. Mr. Metcalfe stated that he is concerned that if we give up our system to Gardner, we may lose control of that asset and an important strategic position.

United Cities has still not responded to our offer to convey the gas lines. Staff will follow up with United Cities officials.

Mr. Metcalfe stated that his comments earlier regarding the county offices were not meant to criticize the budget office staff. He stated that they do work hard to help us and have been important supporters of our objectives. The issue is a difference of priorities. Whereas the airport staff can be highly focused and can advocate for specific actions, the budget office and other administrative offices must have a balanced perspective and must consider the "big picture." Airport Commission staff appreciates the budget office's cooperation. Mrs. Williams commented that the budget office does have to take a broader view of the issues and is tasked with balancing the needs of all the departments.

VI. ACTION ITEMS:

A. Review and comment (pursuant to the Airport-Area Zoning Memorandum of Understanding) on a special use permit to develop a soccer complex on an eighty acre tract of land immediately adjacent to the Executive Airport on the southeast corner of 163rd and Pflumm.

Mr. Metcalfe reported that this request is the first test of the airport-area zoning Memorandum of Understanding which requires the review and comment from affected jurisdictions on zoning requests.

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This request is for a special use permit to develop a soccer complex on an eighty acre tract of land immediately adjacent to the Executive Airport on the southeast corner of 163rd and Pflumm. The property is currently zoned R-1. Since it was rezoned R-1, the property has reverted back to the lenders. It is directly in the approach corridor to the airport. It is a little more than a half a mile from the end of the runway. Mr. Metcalfe stated that he has met with Andy Schlagel, the planner of the project, who is representing the Johnson County Youth Soccer Association. Mr. Metcalfe reported that overall he feels this is the best use for the property. He did, however, express two concerns to the planners. One concern is that the soccer fields are directly in the critical corridor where aircraft would be flying over the property on a regular basis at low altitudes. Mr. Metcalfe suggested that the planners try to reorient the parking lots and fields, however, most likely if an aircraft would be going down, a pilot would steer for the soccer fields because it would be a softer landing. The biggest concern was their plans for future lighting. Mr. Metcalfe indicated to them that we would not oppose the lighting as long as we were able to review the lighting scheme to ensure they would not interfere with the pilots' vision. There was discussion about permanent facilities and the need to keep them out of the critical corridor. Mr. Viets felt it was a marvelous solution instead of residential development. Mr. Metcalfe recommended the Airport Commission comment favorably with the caveat to review the lighting scheme. There was discussion about placing a time restriction on the special use permit and it was determined that this use should be allowed as long as they wanted, since it is probably the best use of the property. Mr. Metcalfe reported that the Airport Commission has five days to comment on the permit and then if we disagree with the ultimate ruling, there is a process to appeal the decision. **MOVED BY MR. VIETS, SECONDED BY MR. WINN TO COMMENT FAVORABLY ON THE SPECIAL USE PERMIT TO ALLOW A SOCCER COMPLEX ON THE PROPERTY ON THE SOUTHEAST CORNER OF 163RD AND PFLUMM WITH THE CAVEAT TO REVIEW ANY FUTURE LIGHTING SCHEMES.** Mr. Winn recommend, with consensus of the Airport Commission, to require the Soccer Association grant the Airport Commission a "hold harmless" if they construct the fields in the critical corridor. Mr. Nohe questioned the process of notification when the preliminary plan is changed. Mr. Metcalfe stated that the regulations address the issue of reviewing all plans and allow for affected parties to review all site development plans. **APPROVED UNANIMOUSLY (6-0).** Chairman Craig referred the issue of how to handle the review requests, when the comment deadline would not allow for the full Airport Commission to act, to the Administrative Committee for consideration.

A break was taken from 10:30 a.m. - 10:39 a.m.

B. Discuss proposed 1993 budget and 1993-1998 capital improvement plan.

(NOTE: the budget discussion is shown in detail due to the importance of those details to fully understanding the logic behind the budget.)

Mr. Schaefer reported that additional information was provided by the budget office since the first draft of the budget was distributed. The changes largely involved salary and benefits issues and county tax support. Both were adjusted a little after applying the parameters directed by the budget office. Salary numbers were reduced slightly and the net savings from that were applied to grant match funds in 3110 (Executive Airport). Other than that change, the budget is flat for 1992. There is an increase in the "bottom line" of about \$180,000 for 1993 over 1992, with the bulk of that going towards the \$155,000 sewer finance capital charge. Mr. Metcalfe stated that a big change in revenue is the sale of water. Staff has assumed a retail rate of water at \$2.25 per 1,000 gallons (versus the current \$1.10), based on 130,000,000 gallons sold. That number is soft because staff is not sure what affect the increased retail rate will have on consumption. It is assumed that there will be some reduction in consumption with a significant increase in the retail rate. Mr. Metcalfe reported that he is not terribly concerned about nailing down the water revenue at this point, because the assumption is that we will charge whatever retail rate is necessary to recover the costs. Some revenues in building rental have been lost due to vacancies. Staff hopes to recover those. The EMS contract numbers are also soft because there is not a signed contract with the city of Gardner and the Fire District. The numbers assume the same amount as the 1991 contracts. There may be a shift in who's paying those revenues depending on the outcome of the BoCC decision on the annexed land issue. Mr. Metcalfe commented that is possible there will be a reduction in the Fire District's contribution without an offsetting increase in the city's contribution.

Mr. Viets questioned if we are gaining on the ratio of self-generated revenue to expenses. Mr. Metcalfe stated that the trend is slow, but in the right direction towards gaining self sufficiency. Mr. Metcalfe presented charts (attached) which show the self-generated revenues increasing and the county general fund support decreasing. Mr. Nohe commented that for the four-year period shown on the chart, there is a consistent decrease in general fund support. Mr. Metcalfe stated that the industrial park and emergency services are high resource users without sufficient offsetting revenues to support the expense. Mr. Metcalfe stated that the Executive Airport operation has been made more efficient such that we "make money" at Executive. Mr.

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Metcalfe stated that the industrial airport and industrial park cost centers were separated a few years ago and it has been difficult to capture the costs to show a true picture by cost center. As an example, virtually all of the electricity for lighting around the Industrial Airport goes through one master meter. It is impossible to determine how much goes for street lights (industrial park) and how much for runway lights (airport). Based on theoretical power consumption calculations, the "electricity" line item is understated by about \$60,000 for Org 3111 Industrial Airport and overstated by a similar amount for Org 3115 Industrial Park.

Mr. Metcalfe estimated that it would be some time before the Airport Fund would be self-sustaining, especially if consideration for reserve for capital needs was included. Mr. Metcalfe presented a chart showing the Airport Commission organizational structure by accounting organization (attached). Cost centers are established to attempt to monitor the true costs of the various operations. Executive Airport "nets" approximately \$60,000 per year which is partly because the FAA operates the control tower and because the maintenance operations are not labor intensive (only two staff versus six at Industrial). The water and railroad functions at Industrial Airport do not generate sufficient revenues to cover their true costs (NOTE: the Santa Fe has just agreed to a switching rate increase to \$50, which should put the rail operation at break-even). There is no reserve for capital projects; no provision for pavement maintenance for the 100+ lane/miles of pavement at the two airports. FAA does not pay for maintenance of the pavement. The deterioration of the pavement is a hazard to aircraft. There is no capital money in the 1993 budget except for installment payments on some equipment we already have and \$83,000 for grant match monies. All of our capital money has been used to pay for the \$155,000 sewer finance charge, which is calculated at \$62 per EDU, at a standard rate of 3 EDU's per acre, for 833 acres of "vacant industrial ground." Staff has attempted to negotiate with wastewater to exclude unusable land and the \$155,000 is down a little as a result of the negotiations. Wastewater is using the appraiser's classifications for vacant land. Air operations property has been excluded. Mr. Nohe suggested designating the unusable land as park land. It will be discussed with the master plan consultants to determine what they see as unusable land. Mr. Metcalfe stated that staff has argued with the appraisers office that any land not currently under a lease is vacant "airport" land reserved for the use of the airport and by legislative definition should be exempt government purpose land. The appraiser's office disagrees and is fighting us at BOTA. Mr. Winn suggested pursuing an agriculture classification. The Airport Commission was in consensus to negotiate the classification. Chairman Craig pointed out that if we were able to negotiate a reduced sewer charge, we would still

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only free up maybe an additional \$30,000 annually, which is only a small percentage of our tremendous capital needs. Mr. Winn stated that we are in a "catch 22" situation because we probably need to bond many of our capital needs, but until we get additional land leased, we can not afford to service the debt.

Mr. Nohe questioned the viability of takeoff and landing fees specifically for pavement management. Mr. Metcalfe stated that he is not aware of a general aviation airport that charges "landing" fees, that they are typically for commercial carriers. The reason is because it is very difficult to administer because a person would have to monitor each flight and come up with addresses to send bills, which, depending on the fee established, may only be a few dollars. There is also enough competition in the area that aircraft may not use our airports because of the hassle and it would put us at a competitive disadvantage. Mr. Winn stated that we should market our services to new players and not overburden our current customers, especially if they are paying their fair share of the cost for those services through fuel flowage fees, hangar rents, tie-down fees, etc.

Mr. Meyer asked about very long range capital plans for the Airport Commission. Mr. Metcalfe reported that there have been two efforts in that regard, Coffman's preparation of the airport master plans, which are primarily expansion related, and the pitch that was made two years ago to the BoCC for a dedicated capital fund. Mr. Meyer stated that Overland Park has a program which shows when it is most cost effective to rehab pavement. Mr. Metcalfe stated he is familiar with the standard thinking in that regard, and that in his experience he has found that asphalt in a freeze/thaw environment, without any maintenance, will last seven years (airplanes are much more sensitive to pavement deterioration than cars). If seal coating and crack sealing are completed on a routine basis, the life can be prolonged almost indefinitely. Most of our pavement, with exception of the recent rehab projects, is 10-15 years old and has had no significant preventative maintenance.

Mr. Schaefer discussed the attempt to show "retained earnings" on the 1993 budget and what will happen to that money at the end of 1992. At this point it is not clear what will happen to that money in 1993. Staff tries to preserve it by transferring it to capital projects or local grant match funds, but that doesn't ensure that those funds won't get "lost" in the big picture. It would be preferred to use that money as a reserve to fund capital projects. Mr. Metcalfe stated that staff has discussed how and where to show the amount. Mr. Viets suggested changing the title to "Anticipated Grant Match" or something similar so questions won't be raised. Mrs. Williams stated that the budget office refers to the amount as "unencumbered carryover." The analysts

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keep tabs on that revenue as an addition to the current year budget and the department has the flexibility to spend those revenues up to the current budget authority, unless the budget is approved for republication. Mr. Winn suggested earmarking and encumbering the funds at the end of the year to assure access to those funds for the ensuing year. Mr. Metcalfe stated that the problem is different perspectives. The courthouse wants the flexibility to move money around where necessary. There have been times in the past when the Airport Commission budget has been manipulated so that the general fund support was reduced from one year to the next by the amount of the carryover. In effect the Airport Commission was "punished" for doing well and saving money and/or increasing revenues. In 1990 the additional funds were transferred to project accounts in an attempt to encumber the funds for future purchases. We were not allowed to do that at the end of 1991 because of the budget situation. Mr. Schaefer reported that the transfer in 1990 was made only to the extent of our budget authority. In 1991 we did not have the budget authority to transfer or encumber the funds, so it may be used as a beginning fund balance to decrease the general fund tax support for that year. Staff advocates some type of reserve fund to transfer those funds for future needs. Mr. Metcalfe stated that it may be difficult to become a pure enterprise fund as long as we still need general fund support. Mr. Metcalfe commented that there may be not only a philosophical problem, but a legal problem with establishing a specific line item for unencumbered reserve, because he doesn't think it is legal to tax for the purpose of establishing a reserve. Mr. Metcalfe believes there is some way of setting up the Airport Fund so that a reserve for capital needs can be accumulated. **MOVED BY MR. WINN, SECONDED BY MR. MEYER TO APPROVE THE BUDGET AS PRESENTED BY STAFF. APPROVED UNANIMOUSLY (6-0).**

VIII. EXECUTIVE SESSION:

MOVED BY MR. SELLERS, SECONDED BY MR. MEYER TO ADJOURN TO EXECUTIVE SESSION TO DISCUSS PERSONNEL PERFORMANCE ISSUES AT 11:26 A.M. FOR FIFTEEN MINUTES. APPROVED UNANIMOUSLY (6-0).

The meeting was reconvened at 11:40 A.M.

MOVED BY MR. NOHE SECONDED BY MRS. THOMEN TO ADJOURN. APPROVED UNANIMOUSLY (5-0).

The meeting was adjourned at 11:41 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - APRIL 22, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT

Airport Commission: Present

Craig MeyerThomen Sellers
Winn Nohe Viets

Staff:

Metcalfe SmythLind Schaefer
Fredrichs AdamsHoward

Others:

Murray Nolte, County Commissioner
Connie Bye, Kansas City Star
John Holloway, Johnson County Sun
Evon Williams, Budget Office
Jan Durrett, League of Women Voters

The meeting was called to order at 9:00 A.M. by Chairman Craig.

I. APPROVAL OF MINUTES:

MOVED BY MR. NOHE, SECONDED BY MRS. THOMEN TO APPROVE THE MINUTES OF THE MARCH 25, 1992 MEETING. APPROVED UNANIMOUSLY (6-0).

Mr. Metcalfe announced that Dede Smyth will be replacing Tom Schaefer as Director, Planning and Administration. Tom has accepted a position as City Administrator of Oak Grove, Missouri.

II. REPORT OF THE CHAIRMAN:

Chairman Craig reported on a letter he received from Paul Morrison, District Attorney, on a meeting scheduled for Saturday, May 16 at the Johnson County Community College, regarding the Open Meetings Act.

III. REPORT OF THE TREASURER:

A. Disbursements for March 1992.

The voucher list was discussed. Mr. Schaefer explained the progress payment for the locomotive. The payment was made from the Airport Fund in anticipation of a project account being established. This purchase is being financed with temporary notes. When the notes are sold, the expense will be transferred to the project account along with the proceeds of the notes. The Airport Commission will be making installment payments to that

account for debt service. The large pump repair bills are for the flooding experienced at the water treatment plant. The keyless lock system for the fire station is to allow firefighters to secure the station when responding to a call and still allow access by other personnel. We are currently housing equipment for Med-Act and Rural Fire District #1 and the system allows them access to the fire station without having to distribute multiple keys. Mr. Metcalfe stated that the consultant for the acquisition of the locomotive was very useful and provided an invaluable service because of his expertise. **MOVED BY MR. NOHE, SECONDED BY MR. MEYER TO RATIFY THE DISBURSEMENTS FOR MARCH AS PRESENTED. APPROVED UNANIMOUSLY (6-0).**

B. Receivables Report.

The accounts receivable list was reviewed and no problems were reported.

C. 1992 actuals vs. budget report.

The report was reviewed and discussed. Mr. Metcalfe explained that the Nall lease is a hangar at Executive Airport. The lease includes a clause for additional rent which is based on the taxes that would have been paid if the property were taxable. Commissioner Nolte commented that there may need to be a clarification of which payments under our leases are intended to be "payments-in-lieu-of-taxes" to be distributed to taxing entities. Mr. Howard explained that the United Telecom ground lease payment for their corporate hangar at Industrial Airport has been made to the trustee along with their bond and interest payments. He reported that he is working with Sprint and bank officials to collect the amount currently in the trust account and to receive the land lease payments directly in the future. Mr. Metcalfe reported that staff believes the situation resulted from a typographical error in the trust agreement which calls for all payments to be sent to the trustee. Ordinarily, the ground lease payments are made directly to the airport. Mr. Howard estimates the balance accrued at \$69,000. If we are not successful in getting the trustee to agree to have these payments made directly to the airport, the accrued balance in the trust account will be paid to us at the time the bonds are paid off in 2002. Responding to Mr. Nohe's inquiry, Mr. Metcalfe explained that Heartland Cement rail operations have ceased completely. They did receive about five cars a day for several months, but the rail arrangement did not work out as they expected. They have given staff indications that they will begin receiving product again by rail and that they are also looking at expanding their facility to accommodate additional products which may increase their need for rail. When the locomotive was be considered for purchase, the

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Heartland Cement rail traffic raised the level of urgency for acquiring the locomotive, but the acquisition had been discussed for three years. Even without the Heartland rail traffic, the purchase of the locomotive was essential to the continued operation of the railroad.

Mr. Metcalfe reported that staff will make the presentation of the budget to the budget office this afternoon at 1:30 p.m. He explained that there has been considerable discussion about the 1993 budget over the last several weeks. The budget office is reserving comment about the budget situation until all budgets have been submitted and reviewed. Commissioner Nolte commented that the county is at the limit for levying taxes for the general fund. The county did not receive the amount levied for 1991 which was the reason for the cutback earlier in 1992. However, the BoCC received a good report from CERI on the economic recovery for the county Monday morning. CERI is anticipating the recovery to increase revenues in many areas except ad valorem taxes. Mr. Schaefer reported that he and Mr. Metcalfe met with the CIP committee and submitted the Airport Commission report. The demolition of Building 45 and Hangar 43 were reemphasized as a priority, as well as the water supply and continued land acquisition at Industrial Airport. Mrs. Williams reported that the budget office is in the process of reviewing the first quarter revenues and expenses. Mr. Metcalfe stated that the 1993 budget includes no money for increases in salaries or for any capital expenditures other than installment payments on the fire truck and locomotive.

IV. COMMITTEE REPORTS:

A. Administrative Committee

The Administrative Committee tentatively scheduled a meeting for Thursday, May 7, 1992 at 7:30 a.m. at the Doubletree Hotel in Overland Park. The agenda will include discussion on the rules of procedure and handling requests per the airport-area zoning Memorandum of Understanding.

B. Industrial Committee

1. Update on industrial park master plan.

Mr. Viets reported that the master plan consultants presented a draft development plan at the meeting on April 15. The Airport Commissioners provided input to the consultants on the plan. Completion is expected by the next Airport Commission meeting. Mr. Metcalfe stated that the final plan will include discussion

about platting the airport. Mr. Metcalfe reported that it is his understanding that the lease tracts for the airport's property are loaded into AIMS, the county's mapping program and the appraisers office is able to generate fairly accurate maps. The property tax exemption applications will be resubmitted to BOTA with the new legal descriptions. Mr. Metcalfe stated that the Airport Commission does not have on-site access to AIMS. Staff has requested the purchase of Autocad to allow us to do geographic mapping activities on site. The data services advisory committee rejected the request stating that AIMS would do the same thing. Mr. Metcalfe stated that AIMS will not do everything we need done and we would have to spend a considerable amount of money to access it on-site. The airport master plan is on Autocad and the industrial park master plan will be too. Therefore staff believes it would be useful to have Autocad to access the master plan files and enable us to do "what if" situations for prospective tenants. Autocad would also be used for utility and airfield information. Mr. Metcalfe reported that we have to pay Coffman Associates \$1,500 to \$2,000 each time we update our airport layout plan and if we had Autocad we could do it ourselves. We have already paid Coffman more to update the plans that it would cost to purchase Autocad.

V. STAFF REPORTS:

A. Report of the Director, Aviation:

1. Status of t-hangar construction.

Mr. Fredrichs reported that bids for the construction of t-hangars at Executive Airport will be advertised Friday, April 24, 1992.

2. Status of Executive Airport land buy.

Mr. Fredrichs reported that the land acquisition at Executive Airport is complete. The Orman condemnation was completed and the court awarded the same per acre cost as our original appraisal. There were ten parcels acquired and all were negotiated except the Orman parcel.

3. Status of FAA grant for Industrial Airport to purchase property for additional clear zone at the north end and for additional airfield signage.

Mr. Fredrichs reported that FAA notified the Airport Commission that we have been awarded two grants, \$447,300 for acquisition of property for additional approach zone protection, and \$173,200 for taxiway guidance signs. The \$447,300 for land acquisition includes funds for administrative costs such as surveys, title

insurance, appraisals and relocation expenses. The matching funds will come from the capital improvement money granted to the Airport Commission in 1991 for land acquisition at Industrial Airport. The signage is necessary to meet new FAA regulations for taxiway lighting.

B. Report of the Director, Fire/Rescue Services:

1. Status of ambulance purchase.

Mr. Adams reported that the BoCC approved the Airport Commission request to proceed with the ambulance purchase. Med-Act determined that it would not be a great savings to coordinate purchases, therefore, we will be proceeding on our own. Staff is revising specifications to meet Med-Act's requirements. The specifications will be submitted to purchasing the first of next week.

C. Report of the Director, Planning and Administration:

1. Report on "Swingin' Salute" show at Industrial Airport- 6/13.

Mr. Schaefer reported that individual invitations for the USO-like show will be sent to the Airport Commissioners next week. If members are interested in reserving a table, staff will coordinate the reservations. The proceeds will go to the Friends of the Johnson County Museum, Inc.

Mr. Schaefer made a few farewell comments.

D. Report of the Director, Property Management:

1. Report on delivery of locomotive.

The locomotive is expected to be delivered some time this morning (It did arrive later in the day).

2. Report on new radio system.

The new radio system is installed and being implemented. The system is part of a county-wide network and allows us to communicate with all other county departments.

F. Report of the Executive Director:

1. Report on discussion with United Cities Gas.

Mr. Metcalfe reported that United Cities Gas has accepted our proposal to quit claim the gas lines to them and to grant easements. They reported, with staff concurrence, that there is

26,300 feet of gas pipe, but some is already in public right of way and doesn't require an easement, and some is in service lines which they normally don't get an easement for. The remaining is approximately 12,609 feet. That footage, at the going rate for easements of \$1.00 per foot, would almost equal the amount we owe them for relocating the main near Graphic Technology Inc. last year. Mr. Metcalfe recommended accepting that offer, if that is indeed their final offer, and quit claim the gas lines to United Cities. **MOVED BY MR. MEYER, SECONDED BY MR. WINN TO ACCEPT THE PROPOSAL BY UNITED CITIES TO WAIVE THE FEE OF \$13,323.52 FOR THE RELOCATION OF THE GAS MAIN IN 1991 IN EXCHANGE FOR GRANTING EASEMENTS FOR THE GAS LINES AND QUIT CLAIMING THE GAS LINES TO UNITED CITIES GAS COMPANY.** Mr. Lind stated that the appraisal determined the pipes to be worthless and therefore under the \$50,000 threshold which would have required competitive bids. Mr. Lind also reported that we will enter into a letter agreement with the tenants who are affected by the easements. Mr. Metcalfe reported that it should affect only one tenant. **APPROVED UNANIMOUSLY (6-0).**

2. Report on discussion with Corps of Engineers.

Mr. Metcalfe reported that staff has met with the Corps of Engineers to discuss the removal of the underground storage tanks. The environmental audit was presented to them at that time and they are currently reviewing the report. Mr. Fredrichs reported that the Corps has money allocated for the scope of work on the removal of the underground storage tanks. The money has not yet been allocated for the actual tank removal. The project will include removal or at least draining and capping the aviation fuel system, which was identified by SCS Engineers in the environmental audit as necessary. The underground storage tanks currently being used by the Airport Commission have been tested and are in compliance with EPA regulations.

3. Report on Industrial Airport land buy.

Mr. Metcalfe reported that staff has initiated contact with all landowners regarding property acquisition at Industrial Airport. Mr. Winn was involved with staff in determining priorities for acquisition and is handling the negotiations with the landowners where Mr. Metcalfe has a potential conflict of interest.

4. Report on water source negotiations.

Mr. Metcalfe reported that staff is continuing discussions with the cities of Olathe and Gardner. He stated that he testified for Water #1 at a state Water Transfer Panel hearing yesterday regarding the Industrial Airport's future water needs. Staff is

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narrowing down the technical aspect of the proposals and hopes to present a proposed recommendation at the May Airport Commission meeting. Public Works has stated that the Airport Commission water line along 151st Street will have to be moved by spring of 1993. Mr. Metcalfe commented that staff discussed the funding of the water source with the CIP committee. The committee believes the entire project should be funded with revenue bonds. Staff agrees conceptually, however, it probably won't be feasible because of our costly needs. Mr. Metcalfe stated that there will need to be additional general obligation bond funds or the project will have to be completed in increments. The project includes the connection pipes to the new source, elevated storage and rehabilitation of the distribution system all at an estimated cost of \$3,000,000. The debt service on that amount would be approximately \$3.00 per thousand gallons. The retail rate would also have to include the cost of the water and sufficient funds for operating and maintenance, which could push the retail rate to \$6.00, more than twice the current local market rate.

5. Status of property tax legislation.

The property tax bill has been passed by both houses. The governor has until Thursday, April 23 to sign the bill. Staff will then repackage exemption applications and resubmit them to BOTB.

(NOTE: We have been notified that the Governor signed SB629 on Thursday, April 23.)

Mr. Metcalfe reported that we received notice that the Airport Commission has received interim approval for a storm water discharge permit through a cooperative effort with the American Association of Airport Executives. The next phase includes testing of a representative sample of the airports included in the permit. If EPA continues to agree with the group application and testing approach, a general discharge permit will be received. The issue will then be turned over to the state for local fine tuning of the permit conditions. The process is moving ahead very slowly but we are still in compliance with the regulations. Responding to a comment from Mr. Sellers, Mr. Metcalfe stated that the county's building codes department handles new building requests, and enforcement of site-specific standards are their responsibility.

Chairman Craig questioned if the Airport Commission has completed an audit for compliance with the Americans with Disabilities Act.

Mr. Schaefer reported that we have not completed an audit but staff is currently looking at the Airport Commission facilities and have started addressing concerns. Each county department is doing their own audit and remediation. Mr. Nohe suggested Mr. Metcalfe appoint an internal committee to address compliance and

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to have the Administrative Committee review the progress periodically. Chairman Craig stated that employees should be trained to be sensitive to the needs of those included in the act.

VI. ACTION ITEMS:

A. Consider approval of a resolution of finding and support for the 21st Century Parkway construction and the completion of 151st Street.

MOVED BY MR. VIETS, SECONDED BY MR. NOHE TO APPROVE THE RESOLUTION RECOMMENDING TO THE BOARD OF COUNTY COMMISSIONERS THE EXPEDITIOUS DEVELOPMENT OF THE 21ST CENTURY PARKWAY AND 151ST STREET. Staff was directed to send copies of the resolution to all affected parties including the K-10 Corridor Committee, Secretary of Transportation and Mid-America Regional Council. Commissioner Nolte stated that the BoCC has recognized that the name of the project is a cumbersome name and suggested that Airport Commission suggest names for the parkway relating to the airport. **APPROVED UNANIMOUSLY (6-0).**

B. Consider recommending approval to the BoCC to accept a grant in the amount of \$208,156 for the purchase of a Quick Response Airport Rescue and Firefighting Vehicle (QRV).

MOVED BY MR. NOHE, SECONDED BY MRS. THOMEN TO RECOMMEND APPROVAL TO THE BOCC TO ACCEPT A GRANT IN THE AMOUNT OF \$208,156 FOR THE PURCHASE OF A QUICK RESPONSE VEHICLE. APPROVED UNANIMOUSLY (6-0).

C. Discuss the proposed Overland Park Comprehensive Master Plan Amendment.

Mr. Metcalfe explained that the applicants have proposed to change the density classification from one residential unit per acre to five residential units per acre. Current master plan densities in Olathe are one per acre to the north, and west of Pflumm they are up to five units per acre. The Olathe City Council has agreed to limit it to three per acre in that area. Overland Park master plan currently shows one acre minimum lot size all around Executive Airport. Mr. Metcalfe explained that the traffic pattern at Executive Airport was changed from the east side to the west side of the airport because of complaints from the neighbors on the east side. That is not a good situation because it is not standard to pilots. The residents on the corner of the airports are more impacted by the traffic because that's where the airplanes make their turns into the runway. Mr. Metcalfe stated that it makes that property not appropriate at all for high density residential development. Mr. Meyer expressed concern about contradicting ourselves by allowing three units per acre on the west side and restricting east side development to one per acre. Mr. Metcalfe pointed out that the situation is different because Overland Park's master plan already shows the one per acre and we are advocating they maintain that level of density.

Olathe's master plan for the west side shows a higher density and was negotiated down to gain their support of the plan. Mr. Viets stated that another piece of logic for the decision is because the traffic pattern may change back to standard as development around the area continues. The airport-area zoning group still supports development in the defined airport interest area at no more than one unit per acre. They found, however, that it was necessary to negotiate with the City of Olathe on the density on the west side of the airport in order to keep the airport-area zoning plan moving and to intercept an effort by the land owners to get higher density zoning before the airport zoning plan was adopted. Mr. Metcalfe explained that Olathe did not have to allow us input at that point, but they did and they are now supportive of the zoning plan. Mr. Viets felt strongly that we should not compromise the airport-area zoning plan and level of density for residential development. **MOVED BY MR. VIETS, SECONDED BY MR. SELLERS TO RECOMMEND TO OVERLAND PARK THAT THE MASTER PLAN NOT BE AMENDED. APPROVED UNANIMOUSLY (6-0).** Staff will be present at the hearing before the Overland Park Planning Commission on May 4th regarding this issue.

D. Consider approval to authorize Kansas Aircraft Corporation to provide services addressed in the "Minimum Requirements for Airport Aeronautical Services."

Mr. Metcalfe explained that Kansas Aircraft Corporation, a tenant at Executive Airport, has requested to become a full service Fixed Base Operator. The Airport Commission is required, as an airport sponsor who accepts FAA grants, to make numerous assurances to FAA that we regulate the businesses on the airfields to ensure compliance with certain standards. Mr. Metcalfe reported that staff currently monitors the businesses to ensure compliance and that Kansas Aircraft Corporation is currently in compliance. **MOVED BY MR. WINN, SECONDED BY MEYER TO AUTHORIZE KANSAS AIRCRAFT CORPORATION TO PROVIDE SERVICES ADDRESSED IN THE MINIMUM REQUIREMENTS FOR AIRPORT AERONAUTICAL SERVICES TO BECOME A FULL SERVICE FIXED BASE OPERATOR. APPROVED UNANIMOUSLY (6-0).**

Mr. Metcalfe stated that staff is continuing working with wastewater to clarify the classifications for the airport property regarding the new sewer finance plan. BRW will be indicating on the master site plan, the areas they feel are undevelopable and staff will approach wastewater with the information as justification for a change in classification which may lower the amount owed by the Airport Commission.

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The meeting was adjourned at 11:00 a.m.

Following the meeting, the Airport Commissioners toured Building 45.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - MAY 27, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT

Airport Commission: Present
 Craig MeyerSellers
 Winn Nohe Viets

Absent
Thomen

Staff: Metcalfe SmythFord
 Fredrichs Adams

Others: Connie Bye, Kansas City Star
 Evon Williams, Budget Office
 Jan Durrett, League of Women Voters
 Chris Vedros, Foreign Trade Zone
 Darl Cord, Foreign Trade Zone
 John Metzler, Unified Wastewater District
 Rob Miller, Unified Wastewater District
 John Boyette, Olathe Daily News

The meeting was called to order at 9:00 A.M. by Chairman Craig.

II. REPORT OF THE CHAIRMAN:

1. Schedule strategic planning retreat.

The format for a strategic planning retreat was discussed. It was agreed to schedule an entire day for the session. Staff was directed to poll the Airport Commission and find a common date in July for the session. Chairman Craig suggested the Airport Commission submit items for discussion at the planning retreat by the June meeting to allow staff adequate time to prepare. One item to be discussed will be the industrial park master plan.

VII. EXECUTIVE SESSION: Industrial Airport Land Buy

MOVED BY MR. SELLERS, SECONDED BY MR. MEYER TO ADJOURN TO EXECUTIVE SESSION AT 9:06 A.M. FOR FIFTEEN MINUTES TO DISCUSS LAND ACQUISITION AT INDUSTRIAL AIRPORT. APPROVED UNANIMOUSLY (5-0).

The meeting was reconvened at 9:21 a.m. No formal action was taken relative to the executive session discussion.

VI. ACTION ITEMS:

B. Consider recommending to the BoCC granting of a utility easement to Kansas City Power and Light Company for a switching station located east of the airport railroad tracks in the western edge of the Van Den Bergh Foods lease tract.

Mr. Metcalfe explained that the easement is requested to build a transformer which would provide additional power to the Van Den Bergh Foods as well as access to provide power to the west side of the industrial park. Mr. Metcalfe stated that previously we have not formally requested approval from the tenant when granting easements because most generally it is the tenant's expansion that necessitated the easement. Mr. Ford explained that the legal department will change the language in the easement document to require the improvements be made underground. Mr. Metcalfe reported that Van Den Bergh has agreed to pay the operation and maintenance charges to Wastewater and are increasing their payment of capital charges slightly. They are also constructing a pre-treatment plant which should improve the clogging situation that occurs downstream from their plant. Mr. Metcalfe explained that we are currently negotiating the lease document for the parking lots they constructed some time ago. They are, however, paying rent for the land. **MOVED BY MR. WINN, SECONDED BY MR. MEYER TO RECOMMEND APPROVAL TO THE BOCC THE GRANTING OF A UTILITY EASEMENT TO KANSAS CITY POWER AND LIGHT COMPANY FOR A SWITCHING STATION LOCATED EAST OF THE AIRPORT RAILROAD TRACKS IN THE WESTERN EDGE OF THE VAN DEN BERGH FOODS LEASE TRACT SUBJECT TO THE LEGAL DEPARTMENT CHANGING THE LANGUAGE TO PROVIDE FOR THE CONSTRUCTION OF IMPROVEMENTS BEING UNDERGROUND AND THAT THE GRANTING OF THE EASEMENT DOES NOT VIOLATE THE AIRPORT COMMISSION LEASE WITH VAN DEN BERGH FOODS. APPROVED (4-0-1) (MR. VIETS ABSTAINED DUE TO A PROFESSIONAL RELATIONSHIP WITH KCP&L).**

I. APPROVAL OF MINUTES:

MOVED BY MR. VIETS, SECONDED BY MR. MEYER TO APPROVE THE MINUTES OF THE APRIL 22, 1992 MEETING. APPROVED UNANIMOUSLY (5-0).

Mr. Metcalfe explained that Commissioner Nolte discussed the debilitated buildings at a BoCC work session on May 7. The BoCC directed staff to develop specifications for the demolition of Building 45 and Hangar 43. The Finance Department was directed to arrange for temporary note financing for the project. Mr. Metcalfe reported that airport staff is developing specifications. Chairman Craig commended Commissioner Nolte for his diligence in solving the problem of the dilapidated structures. **MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO ADOPT THE PROJECT FOR DEMOLITION**

OF BUILDING 45 AND HANGAR 43 AS A HIGH PRIORITY FOR THE AIRPORT COMMISSION AND TO DIRECT STAFF TO PROCEED WITH THE PROJECT AND TO COMMUNICATE DIRECTLY WITH THE BOCC THE AIRPORT COMMISSION'S APPRECIATION OF THEIR ASSISTANCE IN COMPLETING THIS PROJECT. APPROVED UNANIMOUSLY (5-0).

III. REPORT OF THE TREASURER:

A. Disbursements for April 1992.

The voucher list was discussed. The building materials purchased from Payless Cashaways were for the construction of a deck for the front of the fire station and to sheet rock the old fire station kitchen. The kitchen area was gutted because it became a haven for bugs and rodents. The area will be used for bunker gear storage. The firefighters are providing the labor for the projects. **MOVED BY MR. NOHE, SECONDED BY MR. WINN TO RATIFY THE DISBURSEMENTS FOR APRIL AS PRESENTED. APPROVED UNANIMOUSLY (5-0).**

B. Receivables Report.

The accounts receivable list was reviewed and no problems were reported.

C. 1992 actuals vs. budget report.

The report was reviewed and discussed.

IV. COMMITTEE REPORTS:

A. Administrative Committee

1. Discuss procedure for responding to requests regarding the Memorandum of Understanding for airport-area requests.

Mr. Metcalfe reviewed the Administrative Committee discussion regarding this issue. Chairman Craig suggested Mark Viets be the designated Airport Commissioner for consultation on requests per the Memorandum of Understanding. The Airport Commission decided to delay adoption of formal requests procedures until the zoning regulations and interlocal agreement had been adopted by all entities. Chairman Craig discussed a call he received from Jim Osborne who owns property at 143rd and Pflumm, north of Executive Airport. Mr. Osborne has a contract to sell the property, however the buyer will back out of the deal if the question of the critical corridor is not resolved soon. Mr. Metcalfe explained

that the study group discussed transferring density from the critical corridor, allowing no development in that area. The city planning officials stated that they could not support that idea unless the county was willing to purchase the property in the critical corridor. The study group then decided to recommend the transfer of density south of 143rd, but agreed to soften the language for the property north of 143rd to allow for development but to include a plat notification stating that the property is in an airport critical corridor zone. Mr. Metcalfe stated that the critical corridor is a 500' strip. There has been some discussion if there is a transfer of density, who will maintain the area. Mr. Metcalfe stated that the only thing we could say to Mr. Osborne in writing regarding the critical corridor north of 143rd is that a working group has recommended to the various jurisdictions that some regulations be adopted and that nothing has been finalized at this time.

Mr. Winn reported that the Overland Park Planning Commission voted unanimously to deny the request from Mr. Fifield for a master plan amendment on his property near Executive Airport.

2. Discuss Airport Commission procedure/level of authorities.

The issue will be discussed in the strategic planning session scheduled for July.

B. Industrial Committee

There having been no meeting in the interim, there was no report.

(Mr. Viets left the meeting)

VI. ACTION ITEMS:

A. Presentation on Foreign Trade Zone.

Chris Vedros, President
Greater Kansas City Foreign Trade Zone.

Mr. Vedros explained the basic purpose of the FTZ is to create new jobs. The Greater Kansas City FTZ is the grantee office for the Kansas and Missouri region and allows for the establishment and maintaining of zones. An FTZ essentially operates outside the jurisdiction of the custom's office. There are two types of FTZ's. The general purpose zone is a duty free area where foreign and domestic goods can be brought without having to pay customs duties, state inventory taxes, government, excise taxes or general U.S. quota restrictions. If the merchandise is exported to another country no U.S. customs duty or excise tax is ever paid. There is also ability to utilize components which are normally

subject to quotas. If the merchandise is brought into the domestic market the U.S. duty and excise tax is only assessed at the time when the product is removed from the zone. The duty rate which is assessed is based on the rate for the finished product or the imported part, whichever is lower. The special-purpose zone, allows for specific manufacturers currently using duty paid imported parts in their manufacturing to have their facility designated as a FTZ. This allows the manufacturer to have direct importation of the parts to the facility and assessed duty rate is based on the rate of the finished product, which in many instances is considerably lower than the imported part. The applicant for a FTZ designation would submit a letter of interest to the Kansas City office. A business plan is then submitted along with an annual report or financial statement, and a site description. The federal application fee for a general purpose zone is \$3,200. The special-purpose subzone for non-manufacturing is \$4,000 and for manufacturing \$6,500. The fee for an expansion of an existing zone is \$1,600. The local application fee is \$2,500 for a general purpose zone, \$3,000 for subzones, and \$500 for boundary adjustments. An on-going fee is also assessed to general purpose and subzone operators by the grantee to cover normal operating costs which consists of $\$0.123 \times$ the amount of the actual zone space being utilized. The fee for subzones is \$0.123 based on the square footage of the zone. Mr. Vedros stated that if the Airport Commission was interested in becoming a general purpose zone there would be an annual fee of approximately \$6,000. The fees can be passed on to the companies utilizing the benefits of the trade zone. Mr. Metcalfe reported that Kansas City Aviation Center hopes to someday assemble Optica aircraft at Executive Airport and may be interested in a FTZ. Mr. Vedros stated that KCAC could apply directly for a FTZ designation. An option for the Industrial Airport would be to apply for a general purpose FTZ, then any qualifying manufacturer can become a subzone and pay for that subzone individually. Then the Airport Commission could apportion the general purpose zone fee for those tenants who would benefit. Mr. Metcalfe stated that he checked with two tenants who deal with foreign goods and neither felt a FTZ would benefit them very much. A general purpose FTZ application fee is \$5,500. The monthly fee for the Airport Commission would be \$512. The application process takes 10 - 11 months for approval after submittal. Mr. Vedros explained that the relationship between the Greater Kansas City FTZ board and the Airport Commission is that the FTZ board is strictly a review board and has no control over the Airport Commission or its activities. Mr. Vedros stated that if the Airport Commission was a designated FTZ, it would be the only industrial park in the KC metro area with that designation. Mr. Nohe suggested that the master plan consultants address the FTZ in the plan and to analyze the financial benefit. Mr. Metcalfe stated that if it is found to be a benefit, we may need to act soon because several entities in the metro area are

considering applying for a designation. There was no consensus as to what specific action should be taken at this point. (Mr. Meyers left the meeting.)

V. STAFF REPORTS:

F. Report of the Executive Director:

3. Presentation from John Metzler, Wastewater regarding finance charges.

John Metzler and Rob Miller with the Wastewater District were present to explain the new sewer financing system and how the vacant land at Industrial Airport was assessed. The new system uses Equivalent Dwelling Units as a method of charging for sewer capital charges. One EDU is a single family dwelling. Then, using engineering literature, other uses are assigned EDUs. The total system EDUs divided by the total expenses equated to \$62.00 per EDU. Vacant land has been assigned 3 EDUs per acre. Mr. Metzler explained that 45% of the capital costs are associated with the future capacity for the vacant land. Mr. Metzler explained that there is a deferment for agricultural land and some residential properties, however, the airport property is ineligible because the BoCC signed the petition for the creation of the district. Mr. Metzler pointed out areas at Industrial Airport that are exempted from the charge because there is no potential for development such as the airport clear zones, property that is assigned through the building use, some areas designated for future airport operations uses, undevelopable ground such as the retainage ponds. Mr. Metcalfe stated that staff has agreed with the areas designated as exempt. The new ground being acquired is not in the sewer district and therefore will not be charged. Mr. Metzler stated that the principal and interest payment for the Industrial Airport sewer plant is over \$900,000 and the amount being collected from the Airport Commission and its tenants is substantially less than that. Mr. Metcalfe explained that the airport's general fund support for 1992 was increased by the same amount as the sewer assessment. There is still discussion about the 1993 budget. The sewer assessment is currently coming from the operating budget.

V. STAFF REPORTS:

A. Report of the Director, Aviation:

1. Status of east apron project at Executive Airport.

Mr. Fredrichs reported that the project is scheduled for completion June 23.

2. Status of t-hangar construction.

Holland Construction was the low bid for the t-hangar ramp project at \$841,947. The engineer's estimate for the project was \$1,028,481. Construction will begin late June. The bids for the t-hangar buildings will be opened May 29.

3. Status of Executive Airport land buy.

Mr. Fredrichs reported that the Ormans have filed a notice of appeal on the condemnation award for the land we have acquired from them. It is not known at this point whether they intend to pursue the appeal.

B. Report of the Director, Fire/Rescue Services:

1. Status of equipment purchase.

A. Quick response vehicle.

Mr. Adams reported he met with the engineers at a pre-construction conference for the quick response vehicle. Expected delivery is November 1.

B. Ambulance.

Mr. Adams reported that the ambulance purchase is still being coordinated with Med-Act.

Mr. Adams reported that the hearing for fire services between Fire District #1 and the City of Gardner will be held August 6 at the Gardner High School.

F. Report of the Executive Director:

1. Report on "Airport Orientation Day".

Mr. Metcalfe reported that staff has discussed the concept of an airport orientation day to invite county administrative employees to tour the Industrial Airport, including a tour of tenant businesses, the control tower and the railroad. The objective would be to familiarize them with the airport operations.

Mr. Nohe reminded staff about plans to invite governing bodies to tour the airport. Mr. Metcalfe reported that staff has been discussing the concept with the city staffs and have plans to coordinate the tours with the governing boards review of the airport-area zoning plan.

Mr. Metcalfe presented the preliminary capital improvement plan as

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recommended by the CIP committee. He stated that the budget office is anticipating a \$4,000,000 shortfall to fund a flat budget for 1993, which includes no salary increase. Mr. Winn stated that the Airport Commission will make no headway in capital needs until we market the industrial park and can pay for them ourselves.

Mr. Metcalfe pointed out that those funds which have dedicated mill levies or funding sources have been approved for several projects in 1993. The Airport Commission had requested that the BoCC approve a dedicated level of funding to the Airport Commission and then reduce our general fund support by that amount, which is allowed statutorily. That funding structure would be advantageous for us because it would allow the Airport Commission to do some long term planning with a consistent flow of money for capital needs.

2. Report on water source negotiations.

Mr. Metcalfe reported that the technical details on the proposals have been worked out to connect to both Gardner and Olathe. The Gardner connection would allow us to access our 100,000,000 gallons of water at Gardner Lake. The Olathe connection would allow us to eventually access Water District #1 water. The City of Olathe has offered to do all the engineering and costing on the entire project and will absorb those costs as a contribution to the project because they want to put fire hydrants on the line. The preliminary estimates indicate the project cost to be \$1,000,000. The commodity charges are still being negotiated. The City of Olathe is currently undergoing a rate study which will determine the charge. The City of Gardner proposed a \$1.25 per thousand gallons.

MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO ADJOURN. APPROVED UNANIMOUSLY (4-0).

The meeting was adjourned at 11:35 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - June 24, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT

Airport Commission: Present

Craig MeyerSellers
Winn VietsThomen

Absent

Nohe

Staff:

Metcalfe Lanser Lind Smyth
Fredrichs AdamsHoward

Others:

Evon Williams, Budget Office
John Holloway, Sun Publications
Connie Bye, Kansas City Star
Bruce Craig, County Commissioner
Del Sawyer, Fire District #1
Wayne Roberts, Fire District #1
Del Dolisi, Gardner City Administrator
Andrew Schlagel, Planning Consultant
Jan Durrett, League of Women Voters
Barbara & Norman Jacoby, Gardner Lake Assoc.
Dr. Bryce & Dorothy Ballard, Gardner Lake
Janet Swanson, Tri County
Jim Walker, Property Owner

The meeting was called to order at 9:00 A.M. by Chairman Craig.

I. EXECUTIVE SESSION: Legal Matters - presented by David Tripp

MOVED BY MR. WINN, SECONDED BY MS. THOMEN TO ADJOURN TO EXECUTIVE SESSION AT 9:00 A.M. FOR 30 MINUTES TO DISCUSS POTENTIAL LITIGATION ON AN ENVIRONMENTAL MATTER. APPROVED UNANIMOUSLY (5-0).

The meeting reconvened at 9:36 a.m. **MOVED BY MR. NOHE, SECONDED BY STAN MEYER TO EXTEND THE EXECUTIVE SESSION 15 MINUTES. APPROVED UNANIMOUSLY. (5-0)**

The meeting reconvened at 9:49 a.m. No formal action was taken in the executive session discussion. There will be agenda items dealing with this subject.

Mr. Lee Metcalfe introduced the Commission's new Executive Assistant, Pat Lanser.

II. APPROVAL OF MINUTES:

MOVED BY MR. NOHE, SECONDED BY MR. MEYER TO APPROVE THE MINUTES OF THE MAY 27, 1992 MEETING. APPROVED UNANIMOUSLY (5-0).

There were no questions or comments.

III. REPORT OF THE CHAIRMAN:

1. Chairman Craig requested to change the date for the July meeting from July 22 to July 29. Consensus was to change the date to Wednesday, July 29, 9:00 a.m.
2. Discussion on the next step to be taken on the Parsonitt Problem, regarding potential contamination.

MOVED BY MR. WINN, SECONDED BY MR. NOHE TO DO ADDITIONAL TESTING AT THE PARSONITT SITE AS RECOMMENDED BY OUR CONSULTING ENGINEERS, WITH COST ESTIMATED AT \$12,000 TO \$17,000. APPROVED UNANIMOUSLY (5-0).

IV. REPORT OF THE TREASURER:

A. Disbursements for May, 1992. The payment voucher list was discussed.

*Expenditure for Surface Mount Key Boxes for the Airport Fire/Rescue Dept.: Chief Adams stated that current practice in many municipalities is to require these "Knox Boxes" for all commercial and industrial buildings so that firefighters can gain access after business hours. These boxes are for Airport buildings.

*Questioned if the Control Tower payment is monthly. Answer was yes.

*Questioned the postage expenditures. The increased amount was due to the cargo study that necessitated the mailing of approximately 350 letters of inquiry and survey questionnaires.

*Questioned expenditure to International Tours (\$601.50). It was for lodging, only, at the 6 day Instructors Conference in Cincinnati, Ohio.

*Questioned the water line break (\$1,165.98). There were broken couplings that had been leaking for some time. Decided to fix it. While there, a decision was made to replace the fire hydrant that was on that stem.

MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO RATIFY THE DISBURSEMENTS FOR MAY AS PRESENTED. APPROVED UNANIMOUSLY (5-0).

B. Receivables Report.

The accounts receivable list was reviewed and no problems

were reported.

C. 1992 Actuals vs. Budget Report.

The report was reviewed and discussed. It was commented that we are 42% through the year and we are at 41.9% of budget.

D. End of the Year Projections.

Revenues are projected to exceed budget by \$257,000. Deducting the budgeted carry-over of \$10,000, the grant match carry-over of \$37,771, and the proposed \$105,000 courthouse administrative charge leaves \$104,000 of uncommitted funds. At this point staff recommends that these funds remain uncommitted until we see how the year unfolds.

1. Budget Republication: The unbudgeted carry-over from 1992 is still available to the Airport Commission, but our expenditure authorization must be increased through republication of the budget to enable us to use it. This issue will be addressed by the Budget Office after July 20, when the second distribution of property tax revenues is made to the various funds. It was noted that the delay in releasing the Capitol outlay money caused us not to hire summer personnel because of the anticipated purchase of industrial size lawn mowers.

V. COMMITTEE REPORTS:

A. Administrative Committee

There having been no meeting in the interim, there was no report.

B. Industrial Committee

There having been no meeting in the interim, there was no report.

Mr. Nohe reported on the meeting of the BOCC to discuss the '93 budget. Present at the meeting were both staff and board members of the five different board-governed agencies of the County. The principal message was that the financial picture for 1993 is not very optimistic and the action taken earlier in the year of budget cutting needs to be adhered to. The 1993 budgets are going into the review process now, but initial budget numbers indicate an \$8

to \$10 million shortfall in revenues.

Mr. Nolte noted that the County is losing revenue because of lack of growth (particularly in commercial building), motor vehicle revenues, lower sales tax. However, the current indications are improved. Last month our sales tax revenue was up substantially.

There is a good chance that we may not be asking for the contribution that we had been asking for reserves which should add to our carry over budget or capitol improvements. The chairman noted that the Airport Commission has been consistently under budget on expenditures and over budget for revenues for the last three years and has proportionately reduced it's reliance on general fund support.

Mr. Nohe continued that different members mentioned trying to improve and enhance communication between County Commissioners and the governing boards. Mr. Nolte indicated that the BoCC sees the various staff members regularly, thereby keeping them informed of what's going on. Whereas the various commissions only have the liaison of the commissioner being at their meetings.

An area of concern was the Purchasing Department. There were four user groups formed as a result of the County's Strategic Planning efforts two years ago. They were focused on the Finance, Personnel, Legal and Purchasing which were the areas of Central Services where all volume is. Most progress was made in Finance and Purchasing. It was recommended that there should be some changes to the purchasing policy. There are only four purchasing agents handling a large volume of work. It was recommended the thresholds be changed, hire additional buyers and implement some other small recommendations. The board approved most of the changes but was not supportive of hiring the additional buyers. (NOTE: the BoCC has since approved the hiring of the two additional buyers this year.)

It was a helpful meeting, but the message was clear that the County is facing a negative economic environment for governmental income.

VI. STAFF REPORTS

A. Report of the Director, Aviation:

a. Status of East Tie-Down Ramp project:

Mr. Fredrichs reported that the East Apron Project at Executive Airport should be completed by the end of July.

b. Status of T-hangar construction:

We had 9 bidders on the T-Hangar buildings. T-Corp was the low bidder at \$356,250. The engineer's estimate was \$480,000.

Holland Construction was the low bid for the T-hangar ramp project at \$841,947. The engineer's estimate for the project was \$1,028,481. The Pre-construction conference is scheduled for the end of July.

c. Status of Executive Airport Land Buy:

All purchases are complete. Orman has appealed the condemnation award for his property. Legal is handling.

B. Report of the Director, Fire/Rescue Services;

1. Status of Quick Response Vehicle:

The delivery has been moved up to September.

2. Status of Ambulance:

We are continuing to work with Med Act and are investigating another alternative.

3. Status of Fire Academy Site:

The FAA's asbestos removal project at the radar site is expected to be completed by July 3, 1992.

4. Firefighters Relief Fund:

The Firefighters Relief Fund is funded by a 2% tax on fire insurance premiums in Kansas. A "Line of Duty" death benefit is available to members of the fund. The Airport Commission department is the only fire department in Johnson County that is not participating.

We have found a BOCC resolution that establishes the authority for the department and allows us to apply for this benefit. This is being pursued through the County Legal Dept. and the BoCC. There is no cost to the County or the Airport Commission.

C. Report of the Director, Planning & Administration

Nothing to report at this time.

D. Report of the Director, Property Management:

1. The demolition of Building 45 and Hangar 43: Process is moving along. The State is requiring that we have buildings inventoried for hazardous materials. The State has provided a list of qualified contractors. We are soliciting quotes from several area contractors.

2. Railroad repairs:
The bids range from \$115,000 to \$131,000. These bids are being reviewed by the Purchasing Department. Mr. Metcalfe recommends that the board act on it and award it to the low bidder, R.D. Long Construction. \$100,000 was budgeted in the 1992 CIP and the remainder will come out of Airport Commission operating expense.

MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO RECOMMEND TO THE BOCC AWARD OF THE CONTRACT TO R. D. LONG CONSTRUCTION. APPROVED UNANIMOUSLY (5-0).

E. Report of Legal Counsel:

Nothing to report.

F. Report of the Executive Director:

1. Mr. Metcalfe reported on water source negotiations. The talks are continuing with Gardner and Olathe. A conclusion has been reached on the technical aspects. Gardner is in the process of preparing a written agreement on their portion of it and we expect to have a new connection with them in place before the end of this construction season. The City of Olathe is currently doing some preliminary engineering work for estimating purposes. It is possible, but not probable, that we could have a connection with Olathe by the end of the year. We hope to be able to present draft agreements for approval at the July meeting.

2. The Airport Commission Strategic Planning Retreat is scheduled for July 31. Some of the items to be discussed are:

- * The Air Cargo study.
- * Industrial Park Master Plan
- * Organizational Structure/Authority for the Management of the airports

The Board recommended the hiring of a facilitator.

NOTE: The retreat has been postponed due to emergent schedule conflicts. A new date has not yet been determined.

3. The Airport Commission is scheduled to make a budget presentation to the BOCC on Monday, July 13 at 2:00 pm.

Ms. Williams, from the Budget Office, noted that the budget will be presented as recommended by the Budget staff. The Budget Office is recommending that the County's general and administrative costs be allocated to the operating departments in accordance with a study performed by an outside consultant. (NOTE: Airport staff has learned that the proposed allocation for the Airport Fund is \$263,000.) There is proposed to be an offsetting allocation of general fund revenues credited to the Airport Fund which would balance out the cost allocation, resulting in no impact on the Airport Fund, for 1993.

VII. ACTION ITEMS:

A. Reimbursement to Howell Mouldings and Royal Tractor for expenses relating to sewer line clogging:

Shedd's pre-treatment facility is under construction and it is anticipated that it will be on line by the end of the summer, at least for testing purposes. It should eliminate this problem. It definitely will reduce the oil and grease.

MOVED BY MR. WINN, SECONDED BY MS. THOMEN TO REIMBURSE HOWELL MOULDINGS AND ROYAL TRACTOR FOR THE SEWER EXPENSE AND MAKE DEMAND ON SHEDD'S FOODS FOR REIMBURSEMENT TO THE AIRPORT COMMISSION. APPROVED UNANIMOUSLY (5-0).

BParticipation with Kansas City Power and Light in the cost to install a Switching Station:

Mr. Metcalfe introduced Mr. Jack Stewart of KCPL who had requested an opportunity to speak to the board regarding our participation with KCPL in the cost of extending a service line and installing a switching station for power to the northwest area of the Industrial Park. The overall anticipated cost is \$5,000. He suggested we contribute

\$2,000. By using their suggested arrangement, a one day shutdown time for Shedd's Foods is avoided. That is a benefit for them. The switch could be used for expansion in the northwest area of the airport, thereby benefiting us. Although it is a farsighted proposal, Mr. Metcalfe does not see us developing that area for some time and therefore, does not recommend us spending the money. Although it goes beyond their property, it was suggested it might be worth the additional cost to Shedd's to pay the \$2,000 in order to avoid one day's shut down.

MOVED BY MR. WINN, SECONDED BY MR. NOHE TO FOLLOW THE RECOMMENDATION OF THE STAFF THAT THE AIRPORT NOT PARTICIPATE IN THIS PROJECT. APPROVED UNANIMOUSLY (5-0).

C. Collection Action against American Geotek Corp.

Considering American Geotek Corp. is insolvent and no longer has possession of the T-hangar, the staff recommends that we not expend any more time or money in attempting to collect the \$430 and therefore recommend writing off the amount. Net Loss is \$330 because there is a \$100 security deposit.

MOVED BY MR. WINN, SECONDED BY MR. NOHE TO FOLLOW STAFF RECOMMENDATIONS IN REFERENCE TO GEOTEK TO NOT EXPEND ANY FUNDS IN SECURING THE DELINQUENT ACCOUNT, BUT TO OFFSET WITH THE SECURITY DEPOSIT AND WRITE OFF THE REMAINDER. APPROVED UNANIMOUSLY (5-0).

D. Proposed BoCC resolution for the reorganization of County government structure:

Mr. Metcalfe explained that a couple of years ago, there was discussion about possibly restructuring the administration portion of the County government structure. There was no further discussion with the management group on the subject until it appeared as a work session item on the BoCC's calendar about two months ago. The intent apparently is to update a previous resolution which sets out the organization of the County government and provides for authority reporting relationships. The proposed resolution states that all County employees and appointed officers described in the resolution shall be appointed by the Administrator and shall be responsible to the Administrator. The question posed is what does it mean and does it change the relationship between the Executive Director and the Airport Commission.

Mr. Nolte commented that the resolution has the exception of those mentioned elsewhere. Each agency has the prerogative to name their own. There is discussion about making changes in the County Administrator's office, but the rest should not

affect any agency, department or elected official's area. It is trying to line up what those operations actually are.

The big concern that came from some agencies and from some of the elected officials was concerning the phrase, "the operations of the Johnson County (elected official's) office, except for (technical) procedures, are administered under the policies and procedures of the BOCC". It just means that all agencies are expected to follow the policies and procedures as outlined by the BOCC. It does not mean any other intrusion.

It was noted by Mr. Nohe that the Airport Commission is classified as a "governing" board, which infers that it has policy-making and operational authority. But in reality, the Airport Commission has no meaningful authority at all. When the authority is boiled off, we are an advisory board and not a governing board. It needs to be determined who is running this agency, who ought to be running it and does there need to be some changes.

It was acknowledged that the Airport Commission has a good relationship with the BOCC, but the problem lies in getting things accomplished through the bureaucracy. Mr. Winn suggests that Mr. Metcalfe and his staff quantify the resources consumed in this process.

There is a provision in the resolution that is not shown on the organization chart regarding the hiring of one or more Assistant County Administrators. Mr. Metcalfe questioned the need for these positions and expressed concern that it would add another layer of bureaucracy and insulation between the operating agencies and the decision makers. This resolution is scheduled for adoption by the BOCC on Thursday, June 25, 1992.

The Commission offered no formal comments or recommendations beyond those made directly to Commissioner Nolte in this discussion.

E. HSGA report on implementation, costs, financing and marketing issues.

The question was raised and directed to Mr. Lind that there are recommendations made that would imply the possibility of either a County-sponsored or airport-sponsored improvement district. If we adopt some of these recommendations of HSGA, we may need to be seeking legislature to broaden the authority to do this type of thing. We may need more tools than we currently have to carry out some of these

recommendations.

F.Approval of a grant offer from the Federal Aviation Administration for construction of an apron, taxiway and access road for the East T-Hangar at Executive Airport and the rehabilitation of the West T-Hangar taxiway.

MOVED BY MR. NOHE, SECONDED BY MR. MEYER TO RECOMMEND TO THE BOCC ACCEPTANCE OF THE GRANT OFFER FROM THE FEDERAL AVIATION ADMINISTRATION. APPROVED UNANIMOUSLY (5-0).

VIII. BUSINESS FROM THE FLOOR

Mr. Metcalfe brought to the Commission's attention a new issue regarding authority for review and approval of site-specific development plans for tenant facilities in the Industrial Airport industrial park. The County Planning Dept. has recently begun requiring our tenants to go through the County's formal plan review and approval process prior to the issuance of a building permit for any construction on their sites. This entails the submission by the tenant of detailed development plans for their property to the County Planning Office, review and comment by County Planning staff, submission to the Gardner Township Zoning Board for formal hearing, and then submission to the Board of County Commissioners for formal hearing and final approval. This is at best a 45 day process.

This process was instituted without any prior discussion with the Airport Commission and without any notice to our tenants. In the past, the Airport Commission has approved building plans which were then taken to the County Building Official who issued a building permit. K.S.A. 3-307e states that "the airport commission shall (emphasis added) act as the airport zoning commission for the county." Mr. Metcalfe questioned the authority of the Planning staff to make such a dramatic policy change.

Mr. Lind responded that the statute provides for a number of things the BOCC can delegate to the airport commission. One is the airport zoning board. However, it has never been officially done. The Planning Department sees the airport as a piece of industrially zoned property within the County that they should have jurisdiction over. Mr. Lind opined that the statute Mr. Metcalfe referred to applies if the BOCC doesn't do it themselves and delegates that authority. Mr. Metcalfe noted that it has been the practice for the Airport Commission to do it for the last eighteen years.

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It was noted by the Commission that this subject ought to be addressed in the strategic planning retreat discussion on who is responsible for managing the airports.

IX. ADJOURNMENT

MOVED BY MR. MEYER, SECONDED BY MR. SELLERS TO ADJOURN. APPROVED UNANIMOUSLY (5-0).

The meeting was adjourned at 11:46 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - July 29, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT, KANSAS

Airport Commission

Present: Messrs. Craig, Meyer, Sellers, Winn, Viets, Ms. Thomen

Absent: Mr. Nohe

Staff: Metcalfe, Lanser, Lind, Smyth, Fredrichs, Adams, Howard

Others: Evon Williams, Budget Office
Bruce Craig, County Commissioner
John Holloway, Sun Publications
Connie Bye, Kansas City Star
Delbert Sawyer, Fire District #1
Wayne Roberts, Fire District #1
Del Dolisi, Gardner City Administrator
Andrew Schlagel, Planning Consultant
Jan Durrett, League of Women Voters
Barbara & Norman Jacoby, Gardner Lake Assoc.
Dr. Bryce & Dorothy Ballard, Gardner Lake
Janet Swanson, Tri County Newspapers
Jim Walker, Property Owner, Executive Airport area

The meeting was called to order at 9:00 A.M. by Chairman Craig.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters)

VI. ACTION ITEMS:

A. Consider conceptual approval of an agreement with the City of Gardner for the construction of a water main and the furnishing of treated water to the Industrial Airport.

Mr. Metcalfe stated that we have been working on the water source project for the past three years. It has involved studying historical and future demand and potential alternative sources. The cities of Gardner and Olathe and Water District #1 were determined to be the sources most likely to meet the needs of the airport. Much technical research and analysis has been done by them and our own consultants to identify all issues and anticipate potential problems. We have been talking with these three sources about how we would structure agreements and what cost sharing arrangements could be made. As a result the City of Gardner drafted a water agreement for us to consider. Mr. Del Dolisi, City of Gardner was introduced to further explain the document and answer any questions.

Briefly, the agreement states that Gardner will continue to operate the JCIA water treatment facility at Gardner Lake at a rate of \$1.25 per 1000 gallons of water supplied to the Commission. The City, at the Commission's cost, would construct the necessary facilities to interconnect the systems. Said facilities would

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be owned, operated and maintained by the City except for those facilities located on JCIA property, which will be owned and operated by the Commission. The City would refund to the Commission ten percent of the revenue from retail sales to any future connections on the transmission main. The agreement states that they will sell water, up to our water appropriations, for a rate of \$1.25 and will sell additional water if the lake will support it. They also would continue to supply water to JCIA should their facility fail. On any future connections, the City would refund 10% of the cost to the Commission (up to 90%). The cost of the line is estimated at \$400,000.

Mr. Del Dolisi explained that the City of Gardner looked at Hillsdale Lake a few months ago as a source of water, but was concerned about the initial cost versus current demand. They determined it would not be in the City's best interest at this time. Mr. Dolisi considers the agreement as a permanent solution for the airport, but a temporary one for Gardner. They anticipate looking for a second source in five years.

Mr. Viets posed the question of how these rates (\$1.25/1000) compare with other wholesale rates. Del Dolisi stated that Olathe is charging \$2.25 - \$2.35. Olathe Water District #1 is \$1.60. We are paying about \$1/1,000 now which doesn't include capital. It was debated as to what advantage it would be for the airport commission to pay for the upgrading of the line and plant, but have Gardner operate it. It would appear that the Commission would be better off to operate it ourselves. Mr. Metcalfe pointed out that there are some economies by having Gardner operate the plant. It is calculated that it would cost more, in the final analysis, to have the commission operate it because we do not have a trained crew and Gardner has experienced water plant operators, and Gardner would have economies of scale in that they would be operating two plants essentially side by side.

Our original proposal was to have Gardner purchase our water plant for \$1,000,000, but Gardner sees this plant as more of a liability than an asset and are not at all interested in "buying" it. Even though it would be a rehabilitated plant it is still 50 years old, and Gardner does not see it lasting more than 5-7 years. However, they would consider accepting it if we *gave* it to them and they could protect themselves concerning rates which means that if there is a major repair, they could blend the cost into the airport rates and not make their other customers pay for it.

Mention was made of the possibility of having a water tower on the east side of Gardner. It was concluded that this would not give us the water pressure we need. We need to re-pump the water to get our 85 lbs. of pressure because our topography is higher than Gardner. Putting the tower on airport property is not a viable alternative for Gardner as they do not want to use water out of our distribution system due to its poor condition. The stand pipe, everyone acknowledges, is a good idea. With the current system, we are totally relying on electric pumps to furnish fire flows. Because of the way it has to be plumbed, the pressure from that stand pipe will go into our reservoir and must be re-pumped into our distribution system, so the standpipe will not meet our needs for static pressure. If the airport water system were totally integrated with Gardner's system, one standpipe could serve both of us. However, Gardner is not interested in taking over our water system or having it integrated with theirs due to the poor condition and the huge liability of rehab'ing our system.

Staff is aware that the board is concerned about the issue of who owns the water in the lake and if it has value and who has ownership of the treatment plant and if it has any value. Mr. Viets questions the fact that we would ask a company to pay for the upgrade of a plant and then pay a charge to buy the water back. Mr. Dolisi indicated that policy was common with every water utility. We have the option of getting all our

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water from Olathe and not have to expend any money on improvements. However, the additional cost of \$1.00, totaling an amount of \$100,000 per year, clearly indicates that the cost we would spend for improvements would soon be offset. It should be noted that Gardner cannot be our only source and we will need to hook up with Olathe as well. We would use 2/3 Gardner water and 1/3 Olathe which would probably make a commodity blended rate of approximately \$1.80/1,000.

It was concluded that the \$1.25 cost is lower than is available elsewhere. Mr. Metcalfe indicated that the expenses incurred in the Gardner agreement are basically only going to allow us to continue to operate as we are. We would recover our costs by building them into our rates. The airport commission will consider Gardner's proposal to increase gallon cost to cover the capital cost with a contingency escalator tied to the essential cost of keeping the plant operable and acceptable.

Mr. Dolisi requested some assurance that some type of agreement is going to be entered into. He was told that we would, but to discuss with the City some of the airport commission's concerns mentioned in this meeting.

B. Presentation by Andy Schlagel, Planning Consultant, proposed Overland Park Comprehensive Master Plan amendment to increase planned density on 431 acres southeast of Executive Airport.

Mr. Metcalfe introduced Mr. Schlagel who presented documentation regarding the land use plan at 159th & Quivira. At issue is an amendment proposed by property owners to change the planned density from a current maximum of 1 dwelling unit per acre to 2-3 dwelling units per acre. The master plan calls for 1 unit per acre. The Overland Park Planning Commission recommended that the master plan not be amended. It then went to the city council who felt that no decision should be made until the Airport Compatibility Plan has been considered. The Overland Park Planning Commission met again on this subject and unanimously reiterated their recommendation that it not be changed. They prefer not to rely on the Compatibility Plan but on their impression that it is not the best use of that area because of the airport and established character of the area as a low density development.

Mr. Schlagel reiterated the property owners request to change the area in question to a density of 2-3 units per acre. Their position is that the very low density land use category (1 unit per acre or every 2 acres) is becoming close to disappearing as a market need. The property owners have no short term plans to develop the area, but want the assurance that they will be able to put in 2-3 units per acre when they are ready.

Mr. Jim Walker, as a long time property owner, spoke to the commission. He stated that the understanding was when they were annexed to Overland Park, it would originally be zoned for 1 unit per acre on a septic tank lot. The Airport Commission plan was to have 1 unit per 2 acres and Overland Park recommended 1 unit per 5 acres. This is viewed from property owners as a 50% + reduction in the property value.

Mr. Walker indicated that the approach patterns at Executive Airport are primarily to the west of the airport. The property in question is on the southeast end of the airport which should lend itself to less activity and yet that is the area that is being cut back in density. The immediate area west of the airport will be 3 units per acre.

Larry Winn disclosed that he had a conflict of interest because he serves as the attorney for the proposed Blue River 8 Sewer District. He is generally supportive of the airport master plan because a person does not

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intentionally plant people under a traffic pattern. A bigger concern of his is a philosophical problem with the concept of a policy that dictates the proliferation of septic tank subdivisions. Mr. Winn feels that we should consider whether or not there are some adjustments that could be made in this plan that could accommodate both the goals. Andy Schlager feels that we can get closer together, considering that we are neighbors. They are seeking discussion that will provide appropriate protection and still will allow a viable land use without encouraging a type of land use that historically has demonstrated some problems.

Mr. Metcalfe explained that the standard traffic pattern at an airport is left hand turns with a 45 degree downwind entry into the traffic pattern. Executive Airport has a control tower for 11 hours a day. It is an uncontrolled airport outside those hours. Planes coming into this airport when the tower is not in operation will do a standard left hand pattern. Pilots based at the airport are used to a different pattern. The decision was made at the staff level about four years ago to have the tower direct all touch and go traffic to the west side of the airport, independent of the wind. 60-70% of the traffic is on the west side of the airport right now. However, we are getting pressure from residents on the west side of the airport to explain why we are diverting traffic to their side of the airport. There is going to be pressure to go back to the standard arrangement. Because the wind is more out of the south southwest, traffic is going to be on the east side. The airport's position is that both sides are equally important to us because of the traffic pattern. *Any* density, especially underneath the traffic pattern, will be dangerous to the people on the ground and will generate complaints. For these reasons, Mr. Metcalfe feels that the airport commission's role is to say "zero density" around the airport. Therefore, we should not compromise at this level. If there must be compromise, it should come from somewhere up the chain of command.

Mr. Viets said we should be sensitive to the concerns of property owners who will have unusually expensive sewer service due to the forced low density. However, he doesn't understand why the property is less marketable because of the low density and doesn't see any reason to compromise our original plan. Mr. Schlager reiterated the airport plan suggests one dwelling unit per 2 acres south of 159th street vs the property owners suggestion of 2 to 3 units per acre. As representative for the home owners, they request that we keep the dialogue open.

There was no consensus to take any particular action at this time.

The chairman declared a recess at 10:23 am. The meeting reconvened at 10:30 am.

Mr. Viets and Mr. Meyer excused themselves to attend other meetings.

C. Review concept for fire department restructuring.

There has been considerable discussion about the way fire protection and rescue first response medical service is provided in this part of the county. Both the rural district and City of Gardner have a large volunteer group. The airport has a full-time professional staff which we have developed thinking that it would enhance the image of the airport as an industrial commercial site and also to fulfill some basic FAA requirements for crash protection of the airfield. We also got into the ambulance business because we have full time folks available who were trained as emergency medical technicians. We have provided ambulance service to the City of Gardner and the rural fire district under contract. The difference between ambulance service and emergency medical response is ambulance service means putting the person that we have rendered first aid to, etc. into the ambulance and taking them to the hospital. We do that when the situation

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is such that they do not require Med-Act level care. We provide structural fire protection for the airport and are under contract to provide mutual aid structural fire protection for the city and the district. We provide first response medical service to all 3 areas and provide ambulance service for basic life support-type transport. It costs the airport about \$360,000 net per year to be in this business. Total budget is a little over \$500,000. The City of Gardner pays us about \$35,000 per year for the ambulance service. The fire district makes 2 payments totalling \$105,000, one for the ambulance service and one for our providing structural fire service on the airport which is their statutory area of responsibility. All the airport properties are within the fire district, some of which are paying property taxes to the fire district which they turn right around and send back to us to help pay for our fire operation. This is the current state of affairs.

Mr. Metcalfe introduced Delbert Sawyer, chairman of the Fire District Board. Mr. Sawyer opened the discussion with questions from the floor. Larry Winn asked for the gross amount spent on these services and the response was a little over \$526,000. The fire district has a budget of \$274,000. The proposed blended revenue for next year is \$602,794. It should also be noted that insurance rates would probably go down due to the fact that we would be making the fire district a full time professional department, we may get a better ISO rating. In combination, there is a significant savings by combining.

Mr. Sawyer indicated that the fire equipment would be leased to the district at cost, but the airport commission would retain ownership of the crash truck.

Manpower wise, there are 58 firefighters in the fire district who are all volunteers. There are 11 full time personnel at the airport which would add up to a total of 69. Under the new arrangement there would be no changes. With this proposal, the district will then have 11 full time people including the chief. It was commented that the fire district is getting a huge measure of professionalism.

Ms. Thomen expressed concern about the dispatch system. Mr. Sawyer indicated that there would be no changes.

Mr. Metcalfe mentioned that there could be some perceived trade offs. Our tenants may feel they are losing something by turning the airport fire dept. over to the fire district. They have had a full-time fire department right at their front door. Under the restructuring, our crew will be in Gardner during the day so there may be a degradation in service because they will be responding from a mile and a half away. Also, there is the perceived advantage of having direct supervisory authority over the fire department. Paul Adams is the duty expert on fire science and he runs the department as he sees fit with the Executive Director simply doing a reality check on the business side of the issues. If we turn this over to the fire district, we then have to depend on Mr. Sawyer and the fire district board to protect our interests.

Mr. Metcalfe and Mr. Adams recommend getting out of the ambulance business in 1993. It is getting very expensive with all the regulatory requirements that we have to meet. Type 2 transports are going to be done with Med-Act. They have offered the city and the fire district a contract at \$2.75 a person, which is the same arrangement as in DeSoto. They will do all the transports for us. All we need do is to provide them with first response EMS support.

Mr. Sawyer indicated that they are proposing a timetable of being in operation by January 1, 1993. Mr. Metcalfe suggested that we not make a recommendation at this meeting. The BOCC is in the process of reviewing the situation with the conveyance of certain annexed land from the district to the city. A study is

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being done by an outside consultant. That report is due on or before August 6. They are having a public hearing at that time. Something could happen as a result of this that could affect our decision. We will come back in August with a final staff recommendation as to how this should be structured.

No further action required.

I. APPROVAL OF THE MINUTES

MOVED BY MR. SELLERS SECONDED BY MS. THOMEN TO APPROVE THE MINUTES OF THE JUNE 24, 1992 MEETING. APPROVED UNANIMOUSLY (4-0).

There were no questions or comments.

II. REPORT OF THE CHAIRMAN

A.Discussion on procedures for election of officers.

The chairman appointed Mr. Viets chairman of the nominating committee with Mr. Sellers and Mr. Craig as the additional members. They will be prepared to report at the August meeting.

Commissioner Bruce Craig excused himself from the meeting.

B.Discussion on a date for the Strategic Planning Session.

No date was scheduled at this time for the Strategic Planning Retreat. All members are urged to turn in their calendars so a date can be selected that is agreeable to all.

(NOTE: Since the July 29 meeting, September 9 has been selected as the date to have the all day retreat. More information will be forthcoming.)

III. REPORT OF THE TREASURER:

A. Disbursements for June, 1992. The payment voucher list was discussed.

A question was posed on how close we are to finishing the air cargo study. Mr. Metcalfe responded that we are essentially finished and a report is being written. There is some information that we are waiting on from other people. It has not been a high priority item because we weren't planning on reviewing it until the Strategic Planning Retreat. The report will be distributed to the board members in advance of the meeting.

MOVED BY MR. WINN, SECONDED BY MS. THOMEN TO RATIFY THE DISBURSEMENTS FOR JUNE AS PRESENTED. APPROVED UNANIMOUSLY (4-0).

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B. Receivables Report.

The accounts receivable list was reviewed and a couple of questions were asked.

The status of the Air Associates account was discussed and it was concluded that everything has been done that can be. The legalities of the payment are being researched, primarily with the FAA, and Air Associates has chosen not to make payments until a decision is made. The FAA has asked that we submit a legal brief. If the FAA's opinion is favorable to us, we may end up in a law suit with Air Associates. It was stated that we should consider asking that this payment be put in an escrow account.

C. 1992 Actuals vs. Budget Report.

It was noted that we are ahead of projections for revenues. There are some full-year encumbrances on the expense side that are included in the report. On an actual year-to-date basis, by pro-rating these figures, we are below budget for expenses by approx. 7-8%.

The chairman asked if the firemen will be housed in the same facility at the airport if the restructuring is approved. The answer was yes. The biggest change would be 2 of the 3 firemen would be in town during the day because they would be closer to the action.

D. End-of-Year Projections.

Dede Smyth mentioned that the "End-of-Year Budget Projection Summary" had been updated. Projected revenues have been increased from \$2,711,897 to \$2,741,099 which increased the End-of-Year balance to \$286,104. Two lists of capital expenditures were added. The "Recommended Expenditure List" reflects some of the capital expenditures that were carried over from last year to this year because of unexpected expenses and a freeze on capital spending. Most important is the purchase of wide-swath tractor/mowers. It created a problem this year because additional seasonal employees were not hired due to the anticipated purchase of these mowers. In order to make sure we have these mowers by next spring, we need to start the purchasing process soon. The staff recommends that the airport board recommend to the BOCC that our budget be republished.

MOVED BY MR. WINN, SECONDED BY MR. SELLERS TO APPROVE THE STAFF'S RECOMMENDATION TO REPUBLISH THE 1992 BUDGET. APPROVED UNANIMOUSLY (4-0).

Evon Williams mentioned that the budget office will be going before the board on 8/13/92 to discuss year-end projections and as a result of the action just taken will ask for a republication.

V. COMMITTEE REPORTS

A. Administrative Committee

There having been no meeting in the interim, there was no report.

B. Industrial Committee

The Industrial Committee is meeting August 5, 1992.

VI. STAFF REPORTS

A. Report of the Director, Aviation:

1. Status of Executive Airport improvement projects.

a. Mr. Fredrichs reported that construction on the East T-hangar ramp started July 20 and should finish in October.

The status of the west transient ramp is covered as an amendment under Action Item (E). Scheduled completion date is 11/1/92.

The west T-hangar rehabilitation should start on August 8 and will be complete in 30 days.

b. The East Apron construction should be completed in the middle of August.

2. Status of Industrial Airport improvement projects.

a. The airport signage engineer selection process is completed. It is recommended that Bucher, Willis & Ratliff be contracted to do the job. This is up for approval under Action Item (F).

B. Report of the Director, Fire/Rescue Services:

Nothing to report.

C. Report of the Director, Planning & Administration

The BOCC has been discussing the 1993 budget with all the departments. The merit pool is going to be reduced from 4.3% to 2.7%. There is also going to be a change in the level of funding on health insurance. We don't know the level of impact it will have on our people. Each department had to submit a list of conferences that they attended each year and what it cost. Ours was submitted in the amount of \$10,000. They have cut the funding in half for these types of expenditures which means we will get approximately \$5,000. The other big change to our budget is the cost allocation charge of \$263,000. They have increased our general fund support by that amount to cover these charges. They have conducted some studies on the cost of the services they provide to us and have come up with that amount. It will look like our budget increased when in actuality it hasn't.

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Jonette Owens has taken a new job and will be leaving Friday, August 7. She is going to work for the Ford New Holland Credit Corporation. We will be looking for a replacement for her but will be using a temporary until we have a person who can start.

D. Report of the Director, Property Management:

1. Demolition of Building 45 and Hangar 43:

We have received four proposals from environmental contractors who are qualified to provide us with specifications and an assessment of the buildings for the removal of hazardous materials. A selection will be made and a contract prepared and recommended to the BoCC for approval.

2. Railroad repairs:

Purchasing has sent a notice of bid award to R. D. Long Contracting. Long has some paper work that he has to get turned in to Purchasing which he said will be done by Monday, 8/3/92. He will be given a notice to proceed when all documentation is collected and should be able to start in 3 weeks.

3. Report on response from Corps of Engineers on underground storage tanks.

Their response is that there is no funding in fiscal year 1993 to do anything with our underground storage tanks. They want to do some further testing and have given us a "right of entry" legal form that must be signed by the "property owner." It is presently at our legal department for review. Once we have this completed they will continue with the testing in the first part of August. They have not indicated how extensive that will be.

4. Report on ADA compliance.

The County Facilities Dept. is coordinating a county-wide plan for ADA compliance. Jim Howard has done an assessment of our administration building and it looks like we will need to do about \$13,000 worth of alterations to comply with requirements. The County Personnel Director and Chief Counsel Don Jarrett have been reviewing the issue with the County Commissioners.

5. Report on locomotive incident.

There was a minor accident involving one of our trucks and the locomotive. Damages to the truck have been estimated at \$2,200, with virtually no damage to the locomotive and no injuries to any personnel. The cause of the accident, which was investigated by the Sheriff's office at our request, was determined to be inattention. The employee involved has been disciplined in accordance with County policies.

E. Report of Legal Counsel:

Nothing to report.

F. Report of the Executive Director:

1. Report on BOTA rulings.

We have a copy of the BOTA orders on our tax exemption applications and it appears that they granted us what was requested. Mr. Metcalfe needs to meet with the legal department and the appraiser's office to determine what happens next. The exemptions, as we perceive them, have been ratified by BOTA based on the legislation in this last session.

VII. ACTION ITEMS:

D.Approval of lease amendment to the Fixed Base Operation Lease with Michele S. Stauffer (Kansas Aircraft Corp.).

MOVED BY MR. WINN, SECONDED BY MR. SELLERS TO APPROVE THE LEASE AMENDMENT TO THE FIXED BASE OPERATION LEASE WITH MICHELE S. STAUFFER TO INCLUDE LANGUAGE REQUIRED BY THE FAA THAT TENANT AGREES TO ABIDE BY CERTAIN FEDERAL REGULATIONS RELATING TO AIRPORT USE AND NONDISCRIMINATION. APPROVED UNANIMOUSLY (4-0).

E.Consider recommending approval to the BOCC to amend Federal Aviation Administration Grant No. 3-20-0062-07 for the instrument landing system at Executive Airport.

MOVED BY MS. THOMEN, SECONDED BY MR. SELLERS TO RECOMMEND TO THE BOCC TO AMEND THE FEDERAL AVIATION ADMINISTRATION GRANT NO.3-20-0062-07 FOR THE INSTRUMENT LANDING SYSTEM AT EXECUTIVE AIRPORT. APPROVED UNANIMOUSLY (4-0).

F.Consider recommending approval to the BOCC a contract with Bucher, Willis & Ratliff to provide engineering services for the sign project at Industrial Airport.

MOVED BY MR. WINN, SECONDED BY MR. SELLERS TO RECOMMEND TO THE BOCC APPROVAL OF A CONTRACT WITH BUCHER, WILLIS & RATLIFF TO PROVIDE ENGINEERING SERVICE FOR THE SIGN PROJECT AT INDUSTRIAL AIRPORT.

Mr. Sellers asked for the total cost of the project. Mr. Fredrichs stated that the estimated cost is \$173,000. It was further explained that accidents at some of the major airports in the country were due to insufficient signage; therefore, the FAA has revised their standards. As a commercial licensed airport we have to abide by those standards. Mr. Lind reviewed the Bucher, Willis & Ratliff contract and has a few recommendations on working. He would like to talk to them about it.

MR. WINN REQUESTED PERMISSION FROM THE CHAIR TO AMEND THE MOTION TO STATE "APPROVAL SUBJECT TO FINAL REVIEW BY THE LEGAL DEPARTMENT." PERMISSION WAS GRANTED. MOTION AND AMENDMENT APPROVED UNANIMOUSLY (4-0).

G. Consider recommending approval to the BOCC an easement with Kansas City Power and Light Company to provide power for the new t-hangars at Executive Airport.

MOVED BY MR. SELLERS, SECONDED BY MS. THOMEN TO RECOMMEND TO THE BOCC APPROVAL AN EASEMENT WITH KANSAS CITY POWER AND LIGHT COMPANY TO PROVIDE POWER FOR THE NEW T-HANGARS AT EXECUTIVE AIRPORT. APPROVED UNANIMOUSLY (4-0).

VII. BUSINESS FROM THE FLOOR:

There was no additional business from the floor.

VIII. ADJOURNMENT

MOVED BY MR. WINN, SECONDED BY MR. SELLERS TO ADJOURN. APPROVED UNANIMOUSLY (4-0).

The meeting was adjourned at 11:30 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - August 26, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT, KANSAS

Airport Commission

Present: Messrs. Craig, Meyer, Winn, Nohe, Sellers, Ms. Thomen

Absent: Mr. Viets

Staff: Metcalfe, Lanser, Lind, Smyth, Fredrichs, Adams, Howard

Others: Evon Williams, Budget Office
Murray Nolte, County Commissioner
John Holloway, Sun Publications
Connie Bye, Kansas City Star
Steve Porter, Olathe Daily News
Janet Swanson, Tri County Newspapers
Delbert Sawyer, Fire District #1
Del Dolisi, Gardner City Administrator
Robert Sloan, HNTB

The meeting was called to order at 9:00 A.M. by Chairman Craig.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES

MOVED BY MS. THOMEN, SECONDED BY MR. MEYER TO APPROVE THE MINUTES OF THE JULY 29, 1992 MEETING. APPROVED UNANIMOUSLY (4-0).

There were no questions or comments.

II. REPORT OF THE CHAIRMAN

Election of officers will be conducted at the end of the meeting.

III. REPORT OF THE TREASURER:

A. Disbursements for July, 1992.

Mr. Meyer asked about the Industrial salvage yard cleanup expenditure of \$2,631.64 to P.S.S., Inc. It was explained that this is payment to a disposal company for pickup and disposal of non-salvageable items from the old scrap yard on the west side of

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the airport. We have received over \$2,000 in revenues from salvageable items also disposed of by P.S.S., which just about offsets the costs. The amount includes compensation to P.S.S. for labor and tipping fees to several different landfills. The salvageable items collected were primarily metal, and the trash was primarily wood, plastic and fiberglass. No hazardous materials were involved.

The portable toilet rental entry for the aircraft display prompted a question pertaining to the success of the event. Ms. Smyth indicated that she had not heard the final tally from the sponsors; however, we know that the airplanes didn't get in until late Thursday afternoon. There was good attendance on Friday and Saturday, but Sunday was rainy and consequently attendance was low.

Mr. Meyer asked about the airplane rental for Lee Metcalfe and Larry Franke's air cargo study trip. Mr. Metcalfe said that it was the most efficient method (both in time and money) of accomplishing the purpose of the trip. Mr. Metcalfe and Mr. Franke were able to visit airport facilities and meet with airport and air cargo management staff in Indianapolis, Dayton, Huntsville and Memphis in one and a half days. The same trip by airline would have cost almost twice as much and would have taken twice as much time.

Ms. Thomen asked about the water plant operation payment to the City of Gardner dated 2/92. It appears that we are several months behind in our payments. Staff explained that we are being billed quarterly and pay when we receive the statement.

MOVED BY MR. MEYER, SECONDED BY MR. NOHE TO RATIFY THE DISBURSEMENTS FOR JULY AS PRESENTED. APPROVED UNANIMOUSLY (4-0).

B. Receivables Report.

The accounts receivable list was reviewed and accepted without questions.

C. 1992 Actuals vs. Budget Report.

Mr. Nohe asked about the "97% collection expected" of the ad valorem tax income. We show a budget of \$798,499 and have received the same amount year-to-date. Ms. Williams said that according to County projections, they expect a 3% delinquency rate at the end of the year. Some of the deficit is due to delinquency and some is due to reappraisal.

D. End-of-Year Projections.

A question was asked about the Nall lease escalator under Building Rental. The Nall lease has a "rental-in-lieu-of-tax" clause which kicked in when the industrial revenue bonds were paid off. It requires a "building rent" payment calculated on what the taxes would be if the property were taxable. The Board of Tax Appeals has ruled this property exempt because it is aviation use property, thus enabling the clause. The new lessee, Air Associates, has protested the clause as not in keeping with FAA "nondiscrimination" requirements. We are waiting for a written decision from the FAA. In the meantime, Air Associates is refusing to pay the amount.

V. COMMITTEE REPORTS

A. Administrative Committee

There having been no meeting in the interim, there was no report.

B. Industrial Committee

The Industrial Committee met August 5, 1992. Dan Guimond of Hammer Siler George Assoc. and Don Hunt of BRW Engineers presented the Industrial Park Master Plan. Final discussion on the plan is scheduled for the Strategic Planning Retreat September 9, 1992. A summary of the issues yet to be resolved will be mailed to each board member a week in advance. There are decisions to be made concerning the final version of the report.

VI. STAFF REPORTS

A. Report of the Director, Aviation:

1. Status of Executive Airport improvement projects.

a. Mr. Fredrichs reported that construction on the East T-hangar ramp is on track and should be finished by the middle of October.

We received a notice to proceed from the FAA on the west transient ramp and it is scheduled for completion 11/1/92.

The tenants should be able to occupy the west T-hangars by September 3 which is 30 days from the start of the contract. The contractor did an outstanding job and it is a big improvement.

b. The East Apron construction should be completed by the middle

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of September. We had one change order on this project which is going to be about \$11,000. To correct a soft spot on the ramp, we have to first correct the base soil and put the asphalt on after. The project should then be complete.

2. Status of Industrial Airport improvement projects.
 - a. The grant application for the signage project will be sent to the FAA next week and we should receive the grant this fiscal year (September 30).

Mr. Metcalfe encouraged the board to drive by Executive Airport to see all the activity going on. He indicated that the tenants seem to be happy although there was a little grousing by the T-hangar renters when they had to move out. Mr. Fredrichs commented that they were very cooperative in having their hangars ready when the project started. The FBOs on the east side are very pleased with the new ramp as it really changes the ambiance of the airport. Mr. Nohe asked if it would serve any purpose to survey the T-hangar tenants for comments about service/facilities and any suggestions they may have for improvements. Mr. Metcalfe thought that was a good idea, and mentioned that the staff communicates with the FBOs and users at both airports on a regular basis. We also have direct connections to the Kansas Pilot's Association and have received some input.

B. Report of the Director, Fire/Rescue Services:

Nothing to report.

C. Report of the Director, Planning & Administration

The BoCC is going to set a public hearing for our budget republication. They have essentially approved republishing; however, the budget office is recommending that we not be authorized to spend the funds at this time. There has been talk about the sewer debt payment and some need for us to contribute additional amounts. Mr. Metcalfe explained that about a year ago, the capitol projects plan for the wastewater system was successfully challenged by petition. Because we had a lot of momentum toward getting the airport piece of that resolved, he requested that the key players get together to talk about it. There was a high level of anxiety and frustration, so in an attempt to bring some closure to the issue, a meeting with Gene Denton, some folks from the budget office, finance, wastewater and legal was held. The focus of that discussion was covering the \$800,000 debt service for 1992 and to figure out where that money was coming from. \$400,000+ was to be passed on to the tenants, \$146,000 was to be paid from the R & R fund, and \$154,000 was to be assessed to the airport. There was considerable discussion

about where the remainder would come from, and in order to bring closure to the issue, Mr. Metcalfe said he would recommend that the airport cover the shortfall out of unbudgeted revenues if no other source could be identified. There was no further discussion about this issue until just recently, when the Budget Office began working on the airport budget republication.

Commissioner Nolte said that there is concern about using R & R money because it is raised by a mill levy on portions of the district that are paying 6 mills for R & R. The effect of this is that we as the developer of the land have to carry the sewer cost until we get other users on the system. It would impact the airport budget only this year.

Another side to this issue is that the County is in the process of refinancing the debt for the wastewater plant. It may turn out that the debt service for this year is covered; therefore, we may not have to come up with the money. But, the County Commissioners will not permit us to do anything with our unbudgeted revenues until this has been resolved. Roger Kroh talked to Ron Cousino and it will probably be the middle of September when they will take another look at the numbers.

D. Report of the Director, Property Management:

1. Demolition of Building 45 and Hangar 43:
We expect the BoCC to approve awarding the contract for the assessment on Thursday and the notice to proceed should come out of Purchasing within a week. The assessment has to be done before we do an RFP for the actual demolition. The assessment contractor will write the specifications for the actual removal of the hazardous materials. The cost is not to exceed \$49,000 (probably will be closer to \$35,000) and includes the installation of fencing around the buildings. This is a state requirement.

2. Railroad repairs:

It has started.

E. Report of Legal Counsel:

Mr. Lind reported that Mr. Nolte provided him with the NACO legislative bulletin regarding two U.S. Senate bills. He is going to review them and report back. One is for the authorization of monies to help with the clean up of hazardous waste sites of current former military installations. He would like to see if there is anything that we can take advantage of. The other is a bill that would deal with funding for construction repair or

improvement of airports to comply with various mandates, including the ADA. We will be getting copies of those bills and reporting back.

F. Report of the Executive Director:

The Executive Director had nothing specific to report but offered to answer questions.

The question was posed concerning a legislative package we may need to be addressing so that it could be incorporated in time for the County legislative initiative. Mr. Metcalfe said he did not have anything particular in mind unless, as a result of our strategic planning session, a need for some modification to our enabling statutes was required.

A movement to emasculate the economic development incentives built into the statutes, primarily tax abatements and exemptions, has met with mixed emotions. The legislature is trying to address the huge pieces of real estate that are off the tax rolls in Kansas City and Wichita. If they get carried away with that situation, one of our best tools for industrial recruitment could be taken away from us. It is very difficult to do a tax abatement under the current law, but it is still possible if it makes sense. There is a cost benefit study that is statutorily required. We would like to see that tool still available to us but judiciously used.

Commissioner Nolte said the official position of the BOCC is opposition to tax abatements in general. They recognize that some incremental tax balancing is needed in some areas and would endorse it in areas such as Roeland Park, but with the deficit in school funding, they will have to address it.

Mr. Metcalfe stated that the general aviation aircraft industry in this country is in deep trouble primarily due to product liability suits. Tax abatement could be an opportunity to help general aviation.

VI. ACTION ITEMS:

D. Consider recommending approval to the BoCC Change Order No. 1 for Authorization for Professional Services No. 1 with Howard Needles Tammen and Bergendoff for the east apron and entrance road project (AIP 3-20-0062-05) at Executive Airport.

This was an increment of work under our retainer agreement with

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HNTB to provide engineering services for the East Tie Down Ramp at Executive Airport. The contractor broke ground in late spring of 1991. It was to be a 90-day project according to the contract. There were problems with the contractor from day one. He had not done any significant FAA earth work before and seemed to be surprised by the standards that he had to meet. The relationship between the contractor's on-site superintendent and the resident engineer, (who is a member of the HNTB organization) appeared to be poor. As a result, because of the contractor's lack of expertise and proper supervision, the project did not get completed on time. There is a liquidated damages clause in the contract which we began invoking on the 91st day, excluding the bad days for weather. The contractor is incurring a \$500 per day penalty. We called a halt to the project when the weather got to the point it would be detrimental to the quality of the work. The project was resumed this spring. The contractor assured us that he would have the project finished in 30 days. Thirty days passed and it wasn't completed. We have gone through three 30 day increments since then and it is still not finished, although we are close. In the meantime, HNTB has been incurring costs by providing us with on-site engineering services. They are requesting a change in the contract for compensation for these costs.

Bob Sloan, HNTB, spoke to the commission about HNTB's position. They have a considerable amount of "out-of-pocket" monies owed them, including \$13,000 for lab services. It was simpler to have HNTB include lab services in their contract than to go through a bid process of our own. Mr. Sloan indicated that it was a 90-day contract, and the project should have been completed on time. The \$13,000 for the testing is being carried by them as are the other "out-of-pocket" costs.

At this point there will be money out of the currently authorized project funding to pay HNTB this additional amount. The amount will be offset by the reduced pay to the contractors. The net impact should be zero. However, we have received a demand letter from Amino Bros.'s attorney demanding that we release the liquidated damages. We have had a session with attorneys from both the County and HNTB and we believe we have a good case. If the contractor prevails, we will receive additional FAA funding to cover the HNTB costs. The FAA has indicated that they will cover up to 110% of the original grant authorization. Our liability is 10% of whatever we pay Howard Needles minus whatever we get from Amino Bros.

Mr. Winn acknowledged that the problem could drag on for a while and recommended paying the out of pocket expense of \$13,000 and defer the balance until we see how we stand with the liquidated damages claim. They may not match up. The original contract

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awarded to Amino Bros. was \$650,000 and is covered with a performance bond.

MOVED BY MR. WINN, SECONDED BY MR. MEYERS TO REIMBURSE HOWARD, NEEDLES TAMMEN AND BERGENDOFF FOR THE OUT-OF-POCKET EXPENSES THAT THEY INCURRED IN ADDITIONAL TESTING THAT WAS MADE NECESSARY BY ACTIONS OF THE CONTRACTOR AND THAT THE BALANCE OF THE REQUEST FOR A CHANGE ORDER BE DEFERRED UNTIL THE BOARD MEETING IN SEPTEMBER. APPROVED UNANIMOUSLY (5-0).

A. Consider recommending approval to the BOCC of the restructuring of fire services for Industrial Airport.

Mr. Metcalfe outlined the recommendation of the staff to turn over the responsibility of the Airport Commission fire department to the Fire District. The commission has reviewed the concept of how it would be done and the financial impact of a net savings of \$136,000 on the airport budget. The only operational change that will occur is during business hours on week days, the fire crew (on the pumper) will be stationed in Gardner. Chief Adams said that the bottom line would be an improvement in the level of service which relates primarily to control of personnel and utilization of existing equipment. The people that are currently staffing the airport station and the apparatus currently positioned there will remain there. We will have a larger labor pool to work from with the addition of 50 volunteer personnel. There will be a better insurance rating because the only agency they rate is the one that has statutory responsibility for an area. For the industrial park, that is the fire district. The Insurance Services Office (ISO) will give credit to the fire district for our people and our apparatus if there are certain agreements in place. At the current time, the fire district gets only 50% credit because of the formulas. That will change to 100% credit when they become part of the district. There is potential of improving the ISO rating for the airport through the merger, resulting in a savings to the tenants and the County. We also would have more flexibility in regard to movement of personnel and staffing.

The airfield crash/fire/rescue responsibility will be covered through staffing the station here on a 24 hour basis. The new "Fast Attack Vehicle" will be delivered the first of October. This is designed as a one person operation. All firefighting systems are controlled from the driver's position in the cab by handling joy sticks and pushing buttons. He can deluge the crash scene on a first attack. It will also help us in the training program by getting the additional people up to speed in vehicle operation and response to airfield operations.

Chief Adams mentioned that the agreement, under "Level of

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Service", covers two major performance issues:

1. The district would agree to maintain or improve a class 6 rating.
2. Relating to apparatus and staff requirements, the district would agree to maintain the FAA index rating for crash rescue services. This currently is an index A.

The parties to the interlocal agreement will be the Fire District #1 board and the Board of County Commissioners. It should be in place by January 1.

Mr. Metcalfe and Chief Adams attended the public hearing held at the Gardner High School and listened to the discussion on this issue. They have also reviewed the report of the consultant retained by the County Commissioners, whose opinion is this is a positive thing for the airport, the fire district and the community at large. At this point it is up to the BOCC to make the final decision. Commissioner Nolte indicated that clarification on whether or not an area of land that is currently served and taxed by the fire district and has been annexed by the city should be transferred to the city for fire protection. The effect would be that it would be removed from the fire district's tax base and added to the city's.

MOVED BY MR. NOHE, SECONDED BY MR. WINN TO RECOMMEND TO THE BOCC ADOPTION OF THE PROPOSED AGREEMENT WITH THE INCLUSION THAT THE FIRE DISTRICT WILL ADHERE TO ANY FAA REQUIREMENTS. APPROVED UNANIMOUSLY (5-0).

Mr. Metcalfe congratulated the APCOMM board on having the foresight and initiative to take a leadership role in the area of consolidation of duplicative governmental services.

B. Consider approval of an agreement with the City of Gardner for the construction of a water main and the furnishing of treated water to the Industrial Airport.

Mr. Nohe abstained from the following discussion and voting due to a conflict of interest. Mr. Nohe's firm is a financial adviser to the city of Gardner.

Last month Mr. Dolisi explained to the commission Gardner's proposal. The original concept had the airport commission retaining ownership and responsibility for the treatment plant but Gardner operating it. The APCOMM would pay for the transmission line that would connect the two systems. Board members asked Gardner to reconsider accepting ownership of the plant and to

finance the improvements.

The city of Gardner agreed to both concepts.

1. Accept ownership of the plant providing we protect their existing customers from expenses incurred by any major structural problems or modifications mandated by federal or state requirements.

2. They agreed to finance the improvements with a 15-year debt service. They will do routine maintenance, but the airport commission will do any major repairs.

3. Gardner requests a guaranteed 100,000,000 gallons sold as their rate is based on that amount.

Mr. Winn suggested we create a reserve fund to have money ready for repairs when needed.

Mr. Lind pointed out that the contract agrees to sell Gardner some Olathe water. We need to protect the APCOMM from a "breach of contract" should an agreement not be worked out with Olathe. Mr. Winn suggested we move ahead and approve the over all picture and have the legal department refine the contract.

MOVED BY MR. WINN, SECONDED BY MR. SELLERS TO DIRECT THE STAFF, WITH THE ASSISTANCE OF LEGAL COUNCIL, TO DRAFT AN INTERLOCAL AGREEMENT THAT WILL BE CONSIDERED BY THE APCOMM BOARD AT A SPECIAL MEETING, WEDNESDAY, SEPTEMBER 9, 1992 AT 7:45 AM. APPROVED UNANIMOUSLY (5-0).

Chairman Craig said that studies have shown that the long range source of water is going to be Water District #1. They are up against a very serious challenge brought about by the Kansas Water Authority. They have elected to attack the problem judicially. For the future of this county, there are those who believe it needs to be attacked legislatively. Mr. Craig, as president of Johnson County Water Resources and former vice president for MOARK, was urged to find out what the proposed legislative solutions are and to use his influence with the newly elected legislature to re-consider the 25% reduction in water service to Johnson County.

The long term economic vitality of this county is affected more by water than any other single thing. We need to be talking to candidates and elevate the importance of this. Our per capita consumption is no more than Topeka's. The water port authority is trying to cut us 20% and they are trying to compare us with Leavenworth and Atchison. The water taken out of the Missouri river has no affect on any one down the stream. Conservation can

and should be encouraged by pricing as nothing works as well.

C. Consider tiedown area price structuring for Executive Airport.

The chairman suggested we raise the price to the more competitive rate of \$20.00. It was agreed that the \$17.50 wholesale rate was fair and would allow enough of a profit margin for the FBOs where the tiedowns are located. It was noted that the price discussed was for single engine planes. All tiedowns take the same amount of space according to Mr. Metcalfe, and it would be very difficult to administer if we had to keep track of what size of plane was on what tie-down each day. Mr. Metcalfe felt a flat charge was reasonable.

Executive airport still has the \$6.00 per/year space on the other side of the field. It is leased as raw land. Gravel has been spread, cables and anchors have been strung at the FBO's cost. They pay us \$.03/sq. ft. The FBO's are also paying for the taxiways. The effective rate for each tiedown is somewhat higher. The FAA may require an equalization of the rates between the 2 areas. The staff recommends a year-to-year agreement effective immediately to the end of 1993 and annually thereafter.

MOVED BY MR. WINN, SECONDED BY MR. NOHE THAT THE MONTHLY TIE-DOWN RATE BE ESTABLISHED AT \$17.50 PER MONTH EFFECTIVE WHEN NEW SPACE IS ACCEPTED THROUGH DECEMBER 31, 1993. APPROVED UNANIMOUSLY (5-0).

E. Election of Officers.

The election committee (Mark Viets, chairman; Roger Sellers and Ben Craig, committee members) put the following names in nomination:

Larry Winn III	-	chairman
Marty Nohe	-	vice chairman
Stan Meyer	-	treasurer
Phyllis Thomen	-	secretary

There were no other nominations from the floor.

MOVED BY MR. SELLERS, SECONDED BY MR. CRAIG THAT NOMINATIONS CEASE AND THAT A UNANIMOUS BALLOT BE CAST IN FAVOR OF THE SLATE PROPOSED BY THE NOMINATING COMMITTEE. APPROVED UNANIMOUSLY (5-0).

Larry Winn III will preside over the September meeting as chairman. Mr. Winn accepted the position and complimented Mr. Craig on three outstanding years as chairman.

VII. BUSINESS FROM THE FLOOR:

Mr. Metcalfe reviewed the Water Rate Comparisons document that was submitted to the County Commissioners. It is a pivotal issue in our discussion on how and when we finance the water system rehab.

Hopefully, it will prompt a resolution. Mr. Nolte interjected that this particular document answers the questions pertaining to rate structure and how we need to finance in order to be competitive. Mr. Metcalfe mentioned that another chart could be added that would show as price goes up, demand goes down which would ultimately cause our unit cost to go up. There is a threshold, that would be difficult to identify, where we would severely penalize ourselves as we raise rates, not only because of the unit cost going up, but because we would not be competitive in the market.

The Effective Rate in the "Millionth Gallon" column was intended to show most of the providers have a volume discount rate. The only one who structurally increases the rate with volume is Water District #1. The reason the numbers don't reflect it is because there is a base charge that's in the average cost but not in the millionth gallon rate.

The County Commission had some concern about our plan for restructuring under the new system. We need to spend some time studying that structure and come up with a plan that accomplishes our goal. The moral goal of conserving water hurts us because the more water we sell, the financially better off we are. We will need to find a balance between keeping unit costs down and conserving water. Our rates are predicated on the assumption that we will sell 125,000,000 gallons of water. Last year we billed only 109,000,000 which doesn't include the water we consumed for ourselves. A 10% allowance is built into the rates for system loss. Assuming that we finance only the source construction, it will be about \$3.10/\$3.15.

Ms. Smyth introduced our new secretary/receptionist, Sara Ritter, who transferred here from the County Administrative office. She started Monday, August 17. We are happy to have her as a member of the airport team.

VIII. ADJOURNMENT

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN TO ADJOURN. APPROVED UNANIMOUSLY (5-0).

The meeting was adjourned at 11:00 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - September 23, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT, KS

Airport Commission

Present: Messrs. Winn, Meyer, Craig, Viets, Nohe, Sellers,
Ms. Thomen

Staff: Metcalfe, Lanser, Lind, Smyth, Fredrichs, Adams, Howard

Others: John Holloway, Sun Publications
Steve Porter, Olathe Daily News
Jan Durrett, League of Women Voters

The meeting was called to order at 9:00 a.m. by Chairman Winn

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES

MOVED BY MR. NOHE, SECONDED BY MR. MEYER TO APPROVE THE MINUTES OF THE JULY 29, 1992 MEETING. APPROVED UNANIMOUSLY (6-0).

There were no questions or comments.

II. REPORT OF THE CHAIRMAN

1. Presentation of plaque to Mr. Ben Craig in appreciation for the excellent job he has done as chairman from 1989 to 1992.
2. Discussion of committee restructuring.

The chairman has made a tentative decision, subject to approval, to take the two committees (Industrial and Administrative) and merge them into a new single committee to be known as the Development Committee, which could also serve as an executive committee. The purpose would be to have a group that could get together on short notice to take care of items that may come up in the interim or which require in-depth discussion before the next monthly meeting. Mr. Winn appointed the following people to serve on the committee:

Mark Viets	Chairman
Ms. Thomen	Representing the former administrative committee
Mr. Craig	Immediate past chairman
Mr. Nohe	Current vice-chairman
Mr. Winn	Ex-officio member

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN TO RATIFY THE MERGING OF THE INDUSTRIAL COMMITTEE AND THE ADMINISTRATIVE COMMITTEE INTO A NEW COMMITTEE KNOWN AS THE DEVELOPMENT COMMITTEE. APPROVED UNANIMOUSLY (6-0).

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Chairman Winn encouraged all board members to come to any committee meetings.

The chairman is proposing expediting our meetings by having routine matters summarized for the Commission in an "Executive Summary" as opposed to having individual verbal reports at the meetings. These reports and supporting documents will be distributed prior to each monthly meeting so that each member will have the opportunity to examine the data. Each commissioner can plan to discuss any items they have questions on.

Also as an expedient, Chairman Winn is proposing a Consent Agenda, which will consist of purely routine items or recommendations to the BoCC where the final decision rests with them. The staff is to use discretion in placing items in this category and will make sure that the Airport Commission has been properly briefed and has seen all pertinent documentation. Should an entry be questioned, the appropriate staff member will be at the meeting to report or if a board member feels more discussion is required, it can be deferred to the "Discussion Items".

Mr. Lind said he understood that Mr. Metcalfe will be reviewing the items on the "Consent Agenda" and they would not be referred to Legal. Mr. Metcalfe responded that we may not in every case have a complete legal review of an issue if staff is comfortable with the circumstances. A case in point is the sub-lease between KY Investments and Continental Recycling. We did not have Mr. Lind review it and will explain why when that item comes up later in the meeting. This may have created an impression that we do not want to include Legal in the loop. That is not the intent. We do not want items on the "Consent Agenda" that have not been appropriately reviewed by appropriate staff members, including Legal.

III. EXECUTIVE SUMMARY

Mr. Craig asked the time frame when we can expect the Air Associates situation to be resolved. Mr. Metcalfe stated that there has been a delay because the person at the FAA who was handling the case and was up to speed on the circumstances took an extended leave of absence. We had to educate a new person and she asked for a thorough written explanation and copies of all the airside leases at both airports. We haven't had time to put this together. It is a complex set of issues and requires a great deal of research as the history goes back into the 60's. Our FBO leases are not consistent. FAA requires that aeronautical services be treated in a non-discriminatory manner. Fees, rentals, any money that changes hands must be based on equitable and comparable calculations among the FBOs. In our situation, part of the problem is that each of our FBO leases were negotiated separately at different times and consequently have different financial parameters. It will probably be the first of the year before it will be resolved. In the meantime the tenant is withholding payment and to our knowledge is not escrowing the amount.

Mr. Meyer requested an explanation of the \$2,200 payment to KC Flatwork. In this case, the building is constructed over a water line. The water line broke under the building and we had to go through the floor of the building to repair it and then had to repair the floor.

The treasurer also requested an explanation of the \$227.50 payment to Olathe Wallpaper & Paint for paint supplies for the airport Navy Park and tennis court. Mr. Meyer was not aware that there were tennis courts at Industrial. Mr. Metcalfe said that it is all that's left from the former Navy officer's quarters. We have preserved the court as an amenity for our tenants. It is used on a regular basis.

MOVED BY MR. MEYER, SECONDED BY MR. NOHE TO RATIFY THE EXPENDITURES AS SHOWN ON THE FINANCIAL REPORTS. APPROVED UNANIMOUSLY (6-0).

It was suggested and agreed that in the future the "Consent Agenda" be placed before the "Executive Summary".

IV. CONSENT AGENDA ITEMS

- A.** Approve a sub-lease between KY Investments and Continental Recycling.

This is a "ground" sub-lease of a two-acre tract on which there is a 12,000 sq. ft. building owned by KY Investments which is being leased to Continental Recycling. The sub-lease is in the same form and contains virtually the same language as the "master" ground lease between the airport and KY Investments. The "master" lease has the usual language stating that a sub-lease of the ground must be approved by the Airport Commission and that approval will not be unreasonably withheld or delayed. The airport remains adequately protected by the "master" lease. It was for these reasons that staff felt a review by the Legal Dept. was unnecessary.

- B.** Approve a year-to-year lease with Continental Recycling for a one acre tract of land on the west side of the KY Investments building.

The staff met with the tenants to describe our concerns about any potential environmental problems and are now preparing a written set of criteria to cover these concerns. Continental Recycling will agree to our conditions in writing. They will be grinding tires into chunks and are conscious of the potential problems. All tires and materials will be contained in the building or semi trailers which are to be parked next to the building. The fire department has reviewed this in detail and has given them guidance as to the storage of tires. They are cooperating fully. There is a clause in the building lease with KY Investments and Continental Recycling that states if for any reason their operation is disapproved or frowned on by any regulatory agency or their landlord, the lease can be voided.

- C.** Recommend approval to the BoCC of a corporation easement for Kansas City Power and Light Company for extension of service to Stouse Sign and Decal for their expansion.

MOVED BY MR. SELLERS, SECONDED BY MR. MEYER TO APPROVE "CONSENT AGENDA" ITEMS A, B AND C. APPROVED UNANIMOUSLY (6-0).

V. DISCUSSION ITEMS:

- A.** Consider approval of an agreement with the City of Gardner for the construction of a water main and the furnishing of treated water to the Industrial Airport.

With the decision on the financing of water system improvements finally being made by the BoCC this last Thursday, we have been able to finalize the proposed agreement with Gardner on the relocation of the line from Gardner Lake. Mr. Lind, Mr. Metcalfe and Mr. Dolisi met Monday to go through the agreement line by line. They arrived at a consensus as to the proposed final form of the agreement. Because of the lateness of the meeting and the change on the financing scheme, the agreement could not be provided to the board members until this morning. Mr. Metcalfe suggested that the board authorize the chairman to sign this agreement and recommend approval to the BoCC, subject to Airport Commission's opportunity to review the agreement within the next few days. Any further delay in getting the agreement approved by all parties will aggravate the problem of getting the new line in place before the Public Works Dept. starts on the 151st Street project next spring.

Mr. Craig asked if the contract embodies all the understandings that we have reached as to who pays for the connection to the treatment plant at Gardner Lake....the level of indemnification we will be giving the City of Gardner concerning potential major problems....the amount of money being included in the calculation of the per 1,000 gallons for current known rehabilitation of the treatment plant.

Discussion was deferred until after a recess when board members will have had the opportunity to study the contract.

B. Consider recommending approval to the BoCC Change Order No. 1 for Authorization for Professional Services No. 1 with Howard Needles Tammen and Bergendoff for the east apron and entrance road project (AIP 3-20-0062-05) at Executive Airport.

As explained at the August meeting, this relates to a project started June, 1991 and involves the northeast tie-down ramp. It is the major excavation project that you see when you drive by on 151st St. It was specified and bid as a 90 day project, but due to problems with the contractor was just completed. HNTB has considerable out-of-pocket expenses, one of which is \$13,000 to the testing lab for soil testing. There is a possibility that when this was presented at last month's meeting staff dwelled too much on the liquidated damages aspect of the contract thereby causing a connection in the board's mind between the liquidated damages and the paying of the HNTB bill. There is no direct connection between what we owe HNTB and the liquidated damages other than the intent of the liquidated damages provision in the contract to cover cost over-runs related to the contractor going beyond his completion date. We owe HNTB for the additional work whether we are able to retain the liquidated damages or not. Staff recommends the change order be approved and HNTB be paid expeditiously.

Last month the board approved the payment to HNTB of \$13,000 for the testing lab. This could not be implemented because in order to pay the testing lab we had to do a change order to the HNTB contract. The testing lab is a subcontractor to HNTB.

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN TO RECOMMEND APPROVAL TO THE BOCC CHANGE ORDER NO. 1 IN THE AMOUNT OF \$71,000 FOR AUTHORIZATION FOR PROFESSIONAL SERVICES NO. 1 WITH HOWARD NEEDLES TAMMEN AND BERGENDOFF FOR THE EAST APRON AND ENTRANCE ROAD PROJECT AT EXECUTIVE AIRPORT.

Mr. Craig asked if the higher limit will qualify for FAA funding. Mr. Metcalfe indicated that the FAA has reviewed and approved the change order and will pay 90% of the change order up to 115% of the original grant amount. If for some reason it exceeds it, we can request an amendment to the grant. The cost to us is 10% of HNTB's bill.

Mr. Sellers and Mr. Viets wanted more information on the situation but because of pending litigation, the chairman asked for a motion to adjourn into Executive Session.

THE MOTION ON THE FLOOR, MADE BY MR. NOHE AND SECONDED BY MS. THOMEN, WAS WITHDRAWN.

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN TO ADJOURN TO EXECUTIVE SESSION AT 9:40 A.M. FOR 15 MINUTES TO DISCUSS POTENTIAL LITIGATION ON A CONTRACT AT EXECUTIVE AIRPORT. APPROVED UNANIMOUSLY (6-0).

The meeting reconvened at 9:55 am. The issue still before the board is a recommended approval to the BoCC to change Order No. 1 with HNTB.

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN TO RECOMMEND APPROVAL TO THE BOCC CHANGE ORDER NO. 1 IN THE AMOUNT OF \$71,000 FOR AUTHORIZATION FOR PROFESSIONAL SERVICES NO. 1 WITH HOWARD NEEDLES TAMMEN AND BERGENDOFF FOR THE EAST APRON AND ENTRANCE ROAD PROJECT AT EXECUTIVE AIRPORT. APPROVED (5-1) (MR. SELLERS VOTED NAY).

VII. BUSINESS FROM THE FLOOR:

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The chairman encouraged all board members to attend the "Governance Seminar" on September 30 at Johnson Community College.

Chairman Winn noted as a follow-up on the Airport Commission's strategic planning retreat that a newspaper article on the retreat gave the impression that we were advocating a mass retreat from the BoCC. That is not the case. To the credit of the BoCC and the County Administrator, the relationship between the Airport Commission and the BoCC is very solid. The concerns that the Airport Commission articulated at the retreat have been received and many issues are already being addressed. The County is extremely sensitive to the issue of "service," which we find very positive. It appears that this Airport Commission board may be able to work efficiently under the umbrella of the Board of County Commissioners. Obviously, some fine tuning needs to occur, but the chairman feels he can report to all progress even at this early date as a result of the meeting.

Mr. Metcalfe mentioned that the Board of County Commissioners and their staff have recognized that there are some areas that need to be looked at, discussed and probably changed. Our input, in addition to the input from some other governing boards and their own sense of what is going on has caused the BoCC and the senior administrative folks to become introspective. Gene Denton, County Administrator, and Don Jarrett, chief legal counsel had, just prior to the Airport Commission's retreat, attended a two week management seminar at the Darden School, University of Virginia. They came back with a different perspective and have put together a management development program which would take us out of the regulatory mentality into the service mentality. They are talking about the "total quality management" concept that is being embraced by a lot of private sector organizations. There appears to be significant movement towards changing the operating style of County government.

Mr. Metcalfe is very optimistic and has personally committed to Gene Denton to support this program. The County Commissioners, who the county management group had a three hour session with on Monday morning, are espousing full support and a desire to see some change in style of the organization. Things are moving in the right direction and Mr. Metcalfe would advocate giving them support in their efforts.

Mr. Craig said that the media spin that came out of the retreat wasn't his impression of what the meeting was. There are a number of examples of where we have had excellent cooperation from the County Commissioners. We are having buildings 43 and 45 demolished. The entire water project is a tremendous vote of confidence on the part of the BoCC. There has been no delay or rejection of matching funds, even though the source of those funds has primarily been the Airport operating budget. They have given us a \$1,000,000 revolving fund in the last two years to acquire land at Industrial; also an \$800,000 fund for capital improvements a few years back.

Chairman Winn mentioned that he had met with the president of a large local development firm and this man indicated that the perception in the development community of our situation was that we had:

1. Major infrastructure problems.
2. No menu in terms of offering possible development packages.

Hopefully, this board and the BoCC will consider options on our menu in terms of packages that we can put together for clients. There is no reason why we can't compete for development. He indicated that Industrial Airport is ripe for a marketing program.

The chairman declared a recess at 10:10 am. The meeting reconvened at 10:26 am.

A. Consider approval of an agreement with the City of Gardner for the construction of a water main and the furnishing of treated water to the Industrial Airport.

This will have to be approved by the BoCC so the role of the Airport Commission is to make sure it is in acceptable form. The primary reason that we haven't been able to finalize this document is because there was considerable discussion about how this and other water related projects would get financed. The original concept for the financing of the connection to Gardner was that it would be paid for by revenue bonds. That decision was made 1½ years ago by the County Commissioners, based on recommendations by the Budget Office. For the last three years we have submitted this project and the other water projects as part of our CIP submittal. The timing and the financing structure recommended by the Budget Office was that this project be delayed until 1992 and be paid for with revenue bonds. The debt service would come out of the water rates. Up to about two months ago, that had been the concept on which the proposed agreement with Gardner was based.

It was suggested by this board that a better way to finance this project might be to have Gardner finance it and pass it back to us through the water rate. They came back to us saying it would be 70¢ per 1,000 gallons, which turned out to be higher than if we financed it with our own revenue bonds.

Simultaneously a discussion began with the BoCC about the timing and the financing of all the water projects. What triggered that discussion was our 1993 CIP request for the water system rehab funding which had been broken up into (4) one year increments because we can't shut down the whole water system and rehab it all at once. That had been on our list of submissions over the last several years. The recommendation of the Budget Office for 1993 was that the project should begin in 1994 and be funded with revenue bonds. We said that there were two problems:

1. This project has been delayed 3 years from the time it had been originally requested.
2. We had already studied the financing mechanisms and there was no way that we could cover revenue bonds on both the water source end and the rehab piece. Our water rates would be two to three times higher than the highest in the metro area.

The BoCC revisited this issue about 2 months ago and there was considerable discussion about the financing mechanism. It got to be fairly complex. We presented some information to the BoCC on some competitive water rates and the amount we would have to charge in order to cover these costs. Discussion on the Gardner agreement had to be put on hold because we didn't know how we were going to pay for it.

We met with Chuck Henry and Evon Williams of the Budget Office and went through the entire history. The budget folks were very attentive and sincere in trying to help us. They came up with an answer that we are excited about. Their recommendation to the BoCC was that the entire water project be funded with G.O. bonds, including the water source connection which had originally been planned by the CIP Committee to be financed with revenue bonds. The reason for their recommendation was that after studying our rate structure and the capital needs, it became obvious that there was no way we could do a revenue bond issue and cover even the source construction. We would end up covering just our out-of-pocket cost by using the low \$3.00/1,000 range. We would need to identify and pledge revenues that are 150% of the debt service with these kinds of bonds. To get the coverage we would be at \$4.00/1,000 and this would just pay for the source connection.

The Budget Office decided that G.O. bonds would be the best method of financing and that was presented to the BoCC with a revised schedule for the project. Everything gets moved up so that we do source construction and system rehab engineering work in 1992, first increment system rehab work and elevated storage in 1993. There were various other items that were carried on temporary notes that will be thrown in on this bond issue such as the fire engine, the locomotive and demolition of buildings 45 and 43. It is a great package for us. It showed foresight and initiative on the part of the Budget Office and the BoCC to approve it. We are providing cash flow projections for them and the finance department is preparing all the necessary documents needed to put the package together. The Budget Office has recommended that we separate the issue of paying for the bonds from the water rates because we can't link them literally. They are suggesting that we charge

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\$2.25/1,000, which happens to be what we have budgeted for this year. They also recommend a 25¢/year increase. Until we get up into the range that we can say we are paying our way for the G.O. bonds, there will be no direct structural linkage between the water rates and the payment of the G.O. Bonds. The debt service will come out of the county's general fund. It's an excellent package for us and we certainly support the approval of it.

It does however change the picture with Gardner. The proposed agreement is structured on the assumption that we can now pay cash to them for the construction of the project.

Mr. Craig asked if the contract clearly delineated between the Gardner plant and the plant that we are going to be turning over to them. It appears that the contract refers just to the two as water treatment plants. He wants to be sure that we do not end up with bills for a treatment plant that we get no benefit from. Mr. Metcalfe agreed that we have to address that in the contract.

In response to a question by Mr. Craig, Mr. Metcalfe said the Olathe water contract negotiations have been playing second fiddle to the Gardner situation because of the timing. Olathe will not be building the pipe this year so this gives us some time. They are working on the engineering for that project and hopefully will be giving us a hard number soon which we can use for the G.O. bond package. There is a direct relationship between what we do with Gardner and what we do with Olathe for two reasons:

1. The amount of water we need from Olathe is directly dependent on the amount of water we get from Gardner.
2. We need to provide sufficient capacity to fulfill Gardner's needs in the Olathe connection. Gardner needs to provide a projection of those needs.

Mr. Viets feels uncomfortable with paragraph 13 on page 13. The comments suggest that there be some cooperative arrangement with the City of Olathe and the County. It tends to be vague because there are no hard numbers applied. Mr. Metcalfe responded that Gardner wanted it to be more specific and we made it less so because we don't know yet what kind of an arrangement we will have with Olathe. It was felt by Legal that we should be more generic until we have an agreement with Olathe.

Mr. Craig wanted to know what will happen with Gardner until we get the other connection built. It is possible that we could get into a similar situation as we did in 1991 where we used 140,000,000 gallons and Gardner allowed us to use some of their allocation. Mr. Metcalfe responded that the contract *allows* them to furnish us more than 100,000,000 gallons but does not *require* it. There is some risk with that arrangement in that if the Olathe connection is not in place by next summer and Gardner does not have water to spare, we will be limited to 100,000,000 gallons.

With the old treatment plant structure comes considerable liability in terms of regulatory compliance and structural integrity. Neither we nor Gardner want the liability. Gardner will have responsibility for making the repairs; however, the costs are subject to our review. Gardner will advise us if a major expense is required to either repair it or to meet KDHE requirements. We will then approve or disapprove. If we disapprove, it goes to a third party arbitrator. His decision is final. We will not get a direct bill if it is judged that the repairs need to be done. Gardner will undertake the repairs and build them into the water rates. Mr. Sellers asked who the third party might be. The administrative law judge will choose an arbitrator who is a consultant and is acceptable to both parties.

What cannot be addressed is how long the facility will last. Gardner says they hope to get 7 to 10 years out of it and no more. As long as they choose to use that treatment plant we are accepting the fact that money will need to be spent on it and we will allow them to pass that cost on through the water rate. If they decide that the plant is no longer serviceable and we agree, then we no longer have an obligation to contribute capital through the water rate. We also are under no obligation to upgrade their other facility so that they can supply the hundred million gallons to us.

The contract does address the issue of the possibility of repair costs getting to the point that it would be inadvisable to invest that kind of money into such an old structure. We have the opportunity to say no, but the third party arbitrator would then be called in to make a decision. We are assuming that Gardner is a good business person and at some point it would become obvious that the amount of money to repair it would not be justified. We may be testing that portion of the agreement immediately as there is going to be a new KDHE requirement that any sediments resulting from a back flush of the system be captured and removed as sludge. Right now there is no physical way to do it without constructing a basin. The concern to the Airport Commission is at what point it becomes no longer cost-justified to spend money on the old plant.

Mr. Viets suggests that we include the description of the lake property as it exists now. He is assuming that the expiration of this agreement is co-incidental of the basic arrangement we have now on that property. Mr. Lind said this issue is addressed on page 7. "The parties acknowledge and agree that the water treatment plant lease and the operating agreement shall terminate and expire upon the effective date of this agreement", so in effect the other agreements are being negated.

Mr. Sellers said he understood that under the G.O. bonds there is a budget item for rehabilitation of existing lines. The amount, according to the opinions from three different engineers, range from \$600,000 to \$1,500,000. We chose the middle ground and said \$1,000,000. It included the rehab of the treatment plant. That piece will come out of the "system rehab" increment and be in this agreement, still leaving \$1,000,000 for "system rehab."

Mr. Meyers stated his concern that the Airport Commission would not have the right to terminate the agreement when the cost of this old plant causes the cost of water from Gardner to be more expensive than other sources. Mr. Lind stated that contingency is covered in the fact that there is no minimum amount of water that we have to buy. However, the agreement would still be in effect and we would be required to make repairs to the plant as long as we use any water from it. With their growth pattern, Gardner may welcome less demand from us. Their original proposal had us agreeing to reduce our use of the lake in 20,000,000 gallon increments to 0 over the next five years. Mr. Craig mentioned that there are a couple of other things that make the above mentioned situation unlikely. The \$1.25 rate is substantially less than we will be paying either Water #1 or Olathe. It will be to our advantage to use Gardner water for as long as we can, even if it goes up somewhat.

Mr. Lind mentioned that Gardner needed to look at the contract and agree to the language of the dates for payments and increases. Also, because of some of the changes we've made, it would be advisable to have our risk manager look at it. Previously, she said we didn't need any insurance provisions in the document, but that base needs to be touched once more.

MOVED BY MR. VIETS, SECONDED BY MR. CRAIG TO RECOMMEND APPROVAL OF THE GARDNER CONTRACT TO THE BOCC SUBJECT TO FINAL REVIEW OF LEGAL COUNSEL APPROVED (5-1) (MR. NOHE ABSTAINED DUE TO A CONFLICT OF INTEREST).

Mr. Lind commented that when they get into arbitration, there is nothing that forces the administrative law judge to pay any attention to this contract. We have never had any problems in the past as they usually realize what is going on. If we can't agree, we get the administrative law judge to help us.

VII. BUSINESS FROM THE FLOOR

Mr. Metcalfe brought to the Commission's attention the proposed golf course/residential area immediately north of Industrial Airport. The developers have approached the City of Olathe about some sort of public/private partnership whereby the city would be the beneficiary of the golf course either directly or indirectly. The developers would gain the support of the city in proceeding with their development, especially in the area of infrastructure. The proposed area is between 143rd and 151st streets, directly north of the airport. It covers 405 acres. The developers are proposing a 600-home development built around a golf course, with homes priced in the \$150,000 range.

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We had opposed the development when the property was in the County and we were influential in getting it denied. The proponents then went to the City and got the property annexed and rezoned for residential density of up to 5 units per acre. They will be 10,000 square foot lots so they are going to be tightly packed. This is a very threatening proposal to the future of the airport. Putting it right between our existing runway and a future runway is bad planning. Some of the residents will be within the 60 LDN and possibly the 65 LDN, which is no man's land as far as the FAA is concerned.

Mr. Metcalfe and Chairman Winn sent a letter to the Mayor of Olathe suggesting an alternative. We think we can put together a better package for a golf course by working with the City of Olathe. We have more land, 300 acres vs. their 168. Golf course designers tell us that a nice course of 6,800 to 7,000 yards should fit on 200-210 acres. We may also have a better financing mechanism than a private developer and would not add the problems of residential development next to the airport. Mayor Ruf has formed a task force to study the proposals.

Mr. Craig noted the fences are around building 45 and the trusses are down. That takes the immediate hazard from that area. The only part that is under contract is the site assessment, the inventory of materials and the development of specifications for removal of materials and demolition of the buildings and that is not to exceed \$49,000. The contractor was very hesitant to lock in numbers, but we think it will probably be in the \$30,000 and \$40,000 range.

VIII. ADJOURNMENT

MOVED BY MR. SELLERS, SECONDED BY MR. VIETS TO ADJOURN. APPROVED UNANIMOUSLY (6-0).

The meeting was adjourned at 11:07 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - October 28, 1992 - 9:00 a.m. - INDUSTRIAL AIRPORT, KS

Airport Commission

Present: Messrs. Winn, Meyer, Craig, Nohe, Sellers, Ms. Thomen

Absent: Viets

Staff: Metcalfe, Lanser, Lind, Smyth, Fredrichs, Adams, Howard

Others: Murray Nolte, County Commissioner
Robert Ford, Legal
Ann Spivak, Kansas City Star
Steve Porter, Olathe Daily News

The meeting was called to order at 9:00 a.m. by Chairman Winn

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES

MOVED BY MR. CRAIG, SECONDED BY MS. THOMEN TO APPROVE THE MINUTES OF THE SEPTEMBER 23, 1992 MEETING AS PRINTED AND DISTRIBUTED. APPROVED UNANIMOUSLY (5-0).

There were no questions or comments.

II. REPORT OF THE CHAIRMAN

The chairman reported that an Executive Session was scheduled for the end of the meeting to discuss our land acquisition progress on the north side of the airport.

III. CONSENT AGENDA ITEMS

A. Consider recommending approval to the BoCC an amendment to the Midwest Air Traffic Control Service, Inc. contract to extend the contract period from January 1, 1993 through December 31, 1993 in the same amount as 1992 (\$123,899.64).

B. Consider recommending approval to the BoCC of a resolution authorizing the Airport Commission to grant easements on airport property.

MOVED BY MR. SELLERS, SECONDED BY MR. MEYER TO APPROVE "CONSENT AGENDA" ITEMS A AND B. APPROVED UNANIMOUSLY (5-0).

Mr. Craig asked about the discussion with Midwest Air Traffic Control Service that led them to agree to do this with no increase. Mr. Metcalfe stated this was bid two years ago and is renewable annually for a total of five years. The rate is not set by contract. It is negotiable in one year increments. Mr. Fredrichs and the folks from Midwest Air Traffic Control Service, Inc. met and mutually agreed on the amendment.

IV. EXECUTIVE SUMMARY

Mr. Craig asked if there has been anything new on the West T-Hangar rehab work at Executive. The Mr. Metcalfe replied that the project is finished and we are happy with the work. It was on schedule which meant the tenants moved back into the hangars after 30 days.

Mr. Craig mentioned that at one point in time we were trying to get funds from either the ILS project or our hangar fund to improve the main entrance into Executive. It is not well marked and is not particularly inviting. Mr. Metcalfe stated that it doesn't look like we will have any money left over from our 6 or 7 other projects. We had submitted it as a grant application but the FAA has indicated that it would be a very low priority. When we get closer to the end of the fiscal year, we may be able to identify some funds we could use. Mr. Fredrichs has met with the tenants to develop some signage concepts and as a result, has a concept mapped out.

A question was posed concerning our budget status. Ms. Smyth responded that we are on budget with expenses and well ahead of budget on revenues. The county budget office was projecting a slim year because they did not expect the revenues to come in as budgeted. The BOCC agreed to assess an administrative charge to each of the departments. That money would be set aside until the year unfolded and they could determine what was going to happen with the revenues. The budget office just recently completed their 3rd quarter budget review and has made a recommendation to the BOCC they not assess the administrative charges but that they be carried over to 1993. The revenues from mortgage and registration fees were better than they expected and made up for the decline in ad valorem taxes. A 5% delinquency factor was built into the 1993 budget. There was discussion regarding carrying over the funds previously earmarked for administrative charges because it is anticipated the delinquency rate will be higher than budget 1993. It was discussed at the BOCC work session, but no decision was made.

Ms. Thomen asked where the revenues from the auction are applied. Mr. Metcalfe responded that it is budgeted as revenue and is retained in our operating fund.

Mr. Meyer posed the following questions from the voucher list:

1. Uniform rental to Unitog (\$641.64), what do we rent and what do we own. The fire department owns their uniforms and maintenance rents theirs. The \$641.64 charge also includes the rental of floor mats that are used to protect our carpet.
2. American Assn. of Airport Exec. (\$1,500) for storm water discharge group permit. The AAAE and their research group banded together all airports who were interested and submitted a group application for the new storm water discharge permit that is being required by EPA for all industrial and construction

sites over a certain size. We were part of the group application. They discovered that we had paid for only one airport and they billed us for the other airport. The charge is \$1,500 per airport.

Mr. Sellers commented that the \$470.73 for the ad in "Spirit" magazine was well worth the money and we should continue to utilize this means of advertising. It is the third one we have participated in and have gotten leads out of all of them. The five economic professionals from Johnson County and Mr. Metcalfe have formed an informal group in identifying opportunities that we can pursue as a group.

Mr. Craig asked if we are ready to go with an RFP for demolition on Building 43 and 45. Mr. Howard answered that we should have specifications from the consultants in about a week. Then we can submit it to purchasing to put the bid package together. This should be happening in about 2 weeks. There is good news on the testing which shows no soil contamination. The only materials that need special handling are those containing asbestos and the area where there is leaded paint on the east end of Building 43.

Mr. Nohe noted that we are three weeks behind on the East T-Hangar ramp. Mr. Friedrichs answered that it is weather associated; 15 days of rain in July.

MOVED BY MR. NOHE, SECONDED BY MR. MEYER TO RATIFY THE EXPENDITURES AS SUBMITTED. APPROVED UNANIMOUSLY (5-0).

V. DISCUSSION ITEMS:

A. Consider approval of a ground lease with Loma Vista Nursery, 12905 W. 143rd St., Olathe, Kansas.

This is for 14 acres of land on the north end of Executive Airport. Loma Vista Nursery plans to use it for a tree farm that would have seedlings to trees 6 feet tall. We have reviewed the plans in detail and talked to the FAA. They have given us approval for this type of land use with caveats that are included in the lease. The land will not be productive in any other way except for a crop lease which would generate about the same amount of rent. The tenant is proposing to pre-pay the entire ten years' rent. In consideration of that we discounted the rate. We have put a bail-out clause in the lease to protect us if the rules change regarding the use of the clear zone or if there is some activity that conflicts with the aviation operations. However, we did have to put a 12 month notice period in the lease because these trees are planted in the ground and can be moved only at certain times of the year. Mr. Winn wanted assurance that we would work with the City of Olathe to make sure the area would remain aesthetically pleasing.

Mr. Nolte commented about the difference in rental rates. Howell Moulding pays rental rates of \$3600 an acre vs. this lease rate of \$36 per acre. There is a drastic difference. The Director of Property Management has done some comparables on the agriculture lease market and we feel that the best we can hope for on tillable land is \$39/acre. It is slightly discounted because of the pre-payment. Considering the prepayment discount, the \$36 is comparable to market price.

Mr. Meyer asked about liability. Mr. Metcalfe responded that we have a standard indemnity clause in the lease with language about compliance to regulations; the Airport Commission, FAA's and the city's. It will require a special use permit. Mr. Clear has worked it out with the city to extend his special use permit onto that property. We have leverage to prevent uses we don't like and have numerous provisions in the lease to terminate for cause.

We require that they supply us with a certificate of insurance that names the County as a co-insured.

MOVED BY MR. NOHE, SECONDED BY Mr. SELLERS TO APPROVE THE GROUND LEASE WITH LOMA VISTA NURSERY, 12905 W. 143rd ST., OLATHE, KANSAS. APPROVED (5-0).

B. Consider approval of a lease with Associated Construction, Inc. for the former Garrett house at Executive Airport to operate a nursery and commercial groundskeeping business.

This is 20 acres of the 80 acres of the Garrett property that we bought last year. The east side of this property is under lease for pasture to the former owner. There is a farm house, 2 pole barns and out buildings which we had planned on demolishing. The policy in the past is that we don't want people living in clear zones. While we were in the process of making demolition plans, we were approached by a broker who was looking for a place for his client to grow nursery stock for his construction business. It will not be a retail operation. Originally they were interested in all 80 acres, but once they saw the price decided to take only 20. The buildings are outside the clear zone so there is no conflict with the FAA. We built in to this lease the same language as we have in the Loma Vista lease. The lease request is for 10 years, but will be contingent upon and tied to the issuance and maintenance of a Special Use Permit by the city of Overland Park.

Mr. Metcalfe addressed the concern that the area be maintained so that it is aesthetically pleasing. The tenant plans to use the house as their on-site office and the pole barns to park their vehicles in. It is clearly stated in the lease that they are totally responsible for maintenance, utilities, remodeling, and taxes. The pole barns are enclosed on three sides and the area is off the road and is screened by natural growth, large trees and shrubs, etc. It appears that keeping the area neat will not be a problem. Mr. Winn asked Mr. Lind to review the lease provisions dealing with maintenance to make sure that we can do what we need to do very quickly if the property shows signs of deterioration or of not meeting city or county standards.

Mr. Craig stated that the rental on the out buildings seems very low. Mr. Winn reiterated that we should make sure our prices are competitive yet fair to us.

Mr. Nolte asked if the lease is requiring a deposit. He also mentioned that he can't imagine that they would have a tax exemption. Mr. Winn suggested that we have some type of maintenance bond. In response, Mr. Metcalfe mentioned that we thought of it, however, we may have been influenced by the fact that we were about to tear the buildings down at a cost to us of \$10,000. So, instead of spending money, we are making money. It seemed like a better alternative.

Mr. Nohe asked about the real estate brokerage commission which he understands to be an up front \$4,000 payment to the broker. He wondered if it would be better to have it be paid annually as we receive income. Our concern would be in the eventuality the lease is canceled. Our practice has been to pay up front fees based on the value of the lease over its initial term. This particular broker was the one who brought us Shade Foods. We paid him 6% of the gross value of the lease up front. Mr. Metcalfe indicated he was not in favor of that arrangement, but would pay him 6% of the net present value of the lease which is what the \$4,000 calculation is. It is based on a ten year term, but it should be noted that it is unlikely Overland Park would grant that long of a term on its Special Use Permit. They are more inclined to allow a five year term so the dollars would come down proportionately. The realtor indicated that his preference would be a lump sum payment and would be willing to discount it if it was agreeable to us. However, he would accept an annual payment as well. Mr. Winn suggests that we pay him 50%

up front and pay him 50% half way into the issue period. So, if Overland Park granted him a 5 year lease, he would get half of his commission now and half in 30 months. The language of the lease says that the term of the lease will be tied directly to the term of the SUP and if during the term, it is canceled, the lease is automatically terminated.

MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO APPROVE THE LEASE WITH ASSOCIATED CONSTRUCTION, INC. CONTINGENT ON THE APPROVAL BY THE SUBJECTS AND THE COUNTY LEGAL DEPARTMENT. ALSO, THE REAL ESTATE COMMISSION WILL BE ADJUSTED TO THE TERM OF THE LEASE AND PAYMENT WILL BE 50% UP FRONT AND 50% MID TERM. (APPROVED 5-0).

It was suggested that Mr. Howard prepare a recommendation to the Airport Commission as to what our future policy should be by finding out what is customary in the industry. We want to entice realtors, but we do not want to short change ourselves.

C. Consider approval of an addendum to the Howell Mouldings, Inc. lease for approximately one acre tract of ground for construction of a warehouse facility.

United Manufacturing, a subsidiary of Howell Moulding, has a contract with the glass plant in Spring Hill to manufacture shipping containers for them. They have arranged with Howell to store crates here. He had been using Hangar 43. We have asked him to vacate due to our plans to demolish the building. He wanted a facility as close to his existing location as possible. The nearest available ground was a one acre tract to the west of his present location, north of the Navy museum and south of the Grindsted lab/corporate office. The area works out well for them as it is immediately across an alley from the building where these crates are manufactured. We discussed it with the neighbors and there was no objection. The building would look exactly like the existing Grindsted building that it is immediately adjacent to so the aesthetics would be preserved. The plans have been through the county planning process and they have approved it with certain conditions that Howell has agreed to. They have started the site preparation contingent on the Airport Commission approval. The addendum is added to the lease under the existing terms at the existing rental rate of 8¢/sq. ft.

Mr. Craig commented on the possibility of a higher rent rate due to the close proximity of the building to Industrial Parkway. That particular location is highly industrialized and the 8¢ seems justified. It happens to be what the current escalator is in Howell's existing lease. It is not particularly valuable land basically because of the size and because it is located behind the museum buildings. Although it butts up to the Parkway, it is directly across the street from the railroad tracks and tank operations. Howell is required to preserve as many of the existing trees as possible. They will provide some screening and add additional shrubbery to flow with Grindsted's landscaping. Mr. Craig wants Howell Mouldings to understand that they are getting a very good deal. They would have a lot of transfer costs if we compelled them to put the warehouse toward Moonlight road.

Mr. Craig also asked about the grease problems that Howell Moulding had experienced. The Van Den Bergh pre-treatment plant went on line last month and it appears that the problem is resolved. We have not heard from Royal or Howell about any backups.

Mr. Craig asked about the landlord-tenant relationship. Mr. Metcalfe responded that it is excellent. Mr. Howell has done a lot of favors for us.

Responding to a question from Mr. Meyers, Mr. Metcalfe explained that our leases typically have escalators and are liberal in the beginning but rise significantly. Many of our leases get into the twenty-two/twenty-four cents per foot range, plus a CPI escalator on top of that. Mr. Winn again suggested that we investigate competitive rates and arrangements. Mr. Metcalfe pointed out that, according to the Hammer Siler George Associates study just completed, we are competitive. We should, of course, update our rates as the economy swings.

MOVED BY MR. CRAIG, SECONDED BY MR. SELLERS TO FOLLOW THE STAFF RECOMMENDATION TO APPROVE THE ADDENDUM TO THE HOWELL MOULDINGS, INC. LEASE FOR THE APPROXIMATELY ONE ACRE TRACT OF LAND WHERE CONSTRUCTION OF A WAREHOUSE FACILITY IS TO TAKE PLACE. THIS APPROVAL IS CONTINGENT ON APPROVAL FROM THE COUNTY LEGAL DEPARTMENT. APPROVED (5-0).

D. Consider increasing water rates at Industrial.

Mr. Metcalfe stated that the issue is how to price our water to meet several objectives. We have not increased our water rates since 1981 and are somewhat below the market. Our costs are up but we appear to be breaking even on an operating and maintenance basis. Our current water rate structure is:

Minimum - 1st 1,000 gallons	\$5.00/1,000
2,000 - 4,000 gallons	1.50/1,000
Over - 4,000 gallons	1.10/1,000

Our costs are around \$1.20/1,000. We pay Gardner approximately 50¢/1,000. We pay nothing for the water, but repairs to the plant and power to operate the pumps have caused us to just about break even. As of January 1, our cost of the commodity goes to \$1.25/1,000. We will not have the cost of repairs or the electric bill for the treatment plant. We continue to have our system to take care of until the rehab is done. Once we exceed 100,000,000 gallons from Gardner, the cost of the commodity goes to \$2.15 - \$2.25/1,000. So we have to capture those costs. The County Commissioners, with some political risk, have agreed to fund our water system improvements with G.O. Bonds. However, we have a duty to recover this investment over time. There is also the issue of controlling water use through differential pricing. We have tried to work that into the equation, plus the moral duty to conserve water. Staff has tried to factor all that into a suggested rate, but is finding the whole process a formidable job and is looking for some input from the board.

The board has been provided with a chart that shows the water usage patterns over a year. It is generally low in the winter and high in the summer and back down in the fall. We are apt to get into a bind over the summer as we may exceed the capacity of the Gardner system which means we will be drawing water from Olathe at \$2.25/1,000.

Rather than use the expensive water during the peak season, we would prefer to spread the load over the year. Olathe will incur penalties on water usage exceeding daily or weekly peaks because that is their arrangement with Water District #1. They have to level out their usage and we should do likewise.

Water #1 is apparently going to use an average of 4 months, December through March, to determine their rates. We can use the same method plus calculate a certain percentage over whatever their base rate is. If that usage is exceeded, a penalty of considerable substance will be imposed. For example, excess usage of approximately 400% could result in a 50% penalty.

Mr. Winn stated that the situation is important enough to justify hiring a consultant with specific expertise to advise us. A suggestion is to use the same consultant that Water District #1 is working with. Their work is very impressive. It is an extensive issue that needs to take into consideration our tenants, rehab expenditures and moral obligations to conserve water. That requires the expertise of a firm knowledgeable in this area, particularly Johnson County.

Mr. Nolte questioned the peak usage times as the same for all our tenants. Shedd's peak time is Fall, going into the holidays, because of the sale of margarine. He also suggested that we talk with Water #1 to see if there is a possibility of working through them to put an addendum on their contract with the consultant to cover our study. The Airport Commission would pay the additional fee.

Mr. Nohe stated that considering our rates are very low, we should consider increasing our current rates by 50¢/1,000 gallons as an interim step. It shows good intent to the county and also informs the tenants of the need to raise the rates. It is suggested that we make this effective January 1, 1993. Mr. Howard had a meeting earlier in the year with the middle management people of our tenants and warned them that a rate increase is imminent so it should come as no great surprise to them.

MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO INCREASE THE WATER RATES, EFFECTIVE JANUARY 1, 1993, BY 50¢ TO INDUSTRIAL AIRPORT TENANTS AS AN INTERIM PROCESS AS WE ENTER INTO A JOINT STUDY WITH WATER DISTRICT #1 ON HOW WE CAN FURTHER CUSTOM TAILOR THE RATES. APPROVED (5-0)

Ms. Thomen asked if the 50¢ increase is likely to be more than what the actual increase will be. The consensus is that the final increase will undoubtedly be more.

Mr. Lind indicated that the leases have no language in them that would inhibit the Airport Commission from increasing the rate in this manner. They address water being provided but do not set any caps on rates.

Mr. Craig mentioned that the availability of water is more critical. We accept the possibility of dealing with Water #1 in the future and we do not want to hinder anything that they are trying to establish with the state regarding conservation. We need to be sensitive to these issues.

VI. BUSINESS FROM THE FLOOR:

It was noted that the November and December Airport Commission board meetings fall on the last day before the break for the holidays. This interferes with some members' holiday plans. Rather than change the meeting date, the consensus was to change the starting time to 8:30 am.

MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO CHANGE THE NOVEMBER MEETING TIME TO 8:30 AM. (APPROVED 5-0).

VII. EXECUTIVE SESSION:

MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO ADJOURN TO EXECUTIVE SESSION AT 10:12 A.M. FOR 35 MINUTES TO DISCUSS LAND ACQUISITION AT INDUSTRIAL AIRPORT WITH OUR ATTORNEYS. APPROVED UNANIMOUSLY (5-0).

The meeting reconvened at 10:40 am. No formal action was taken as a result of the executive session discussion.

VIII. ADJOURNMENT

MOVED BY MR. SELLERS, SECONDED BY MR. MEYER TO ADJOURN. APPROVED UNANIMOUSLY (5-0).

The meeting was adjourned at 10:45 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - November 25, 1992 - 8:30 a.m. - INDUSTRIAL AIRPORT, KS

Airport Commission

Present: Messrs. Winn, Meyer, Craig, Viets, Sellers, Ms. Thomen

Absent: Nohe

Staff: Metcalfe, Lanser, Ford, Smyth, Adams, Howard

Others Murray Nolte, County Commissioner
Don Jarrett, Legal
Connie Bye, Kansas City Star
Michael Perkins, Kansas City Aviation Center

The meeting was called to order at 8:30 a.m. by Chairman Winn

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES

MOVED BY MR. CRAIG, SECONDED BY MS. THOMEN TO APPROVE THE MINUTES OF THE OCTOBER 28, 1992 MEETING AS PRINTED AND DISTRIBUTED. APPROVED UNANIMOUSLY (5-0).

There were no questions or comments.

II. REPORT OF THE CHAIRMAN

The chairman stated that an Executive Session is scheduled at the end of the meeting to consult with our attorney on two situations. One is the ongoing litigation with Parsonitt and the other is possible litigation regarding a dispute with Air Associates.

III. CONSENT AGENDA ITEMS

A. Consider recommending Amendment No. 3, not to exceed an amount of \$13,000, to the Burns and McDonnell engineering services contract to complete additional investigation of the Parsonitt soil contamination site at Industrial Airport.

The total amount, including the \$13,000 covered by this change, that will be paid to Burns and McDonnell is \$77,000. This amount is to assess the problem and does not include their monitoring of the remedial action.

MOVED BY MR. SELLERS, SECONDED BY MR. MEYER TO APPROVE "CONSENT AGENDA"

ITEM A. APPROVED UNANIMOUSLY (5-0).

IV. EXECUTIVE SUMMARY

Mr. Meyer asked for clarification on the following from the Payment Voucher List:

1. The \$2,059.67 payment to Olathe Ford for repairs to the 1992 Ford pickup. What was the amount paid by the insurance company? Ms. Smyth responded that insurance covered all but \$1,000.00.
2. The Kansas Water Protection 3rd quarter \$1,138.59 Fee Return. Ms. Smyth explained that it is a required state fee charged to our customers and then passed on to the state.

Chairman Winn called attention to the Year-to-Date Actuals vs. Budget, emphasizing the fact that revenues are ahead of budget.

MOVED BY MR. MEYER, SECONDED BY MR. VIETS TO RATIFY THE OCTOBER EXPENDITURES AS SUBMITTED. APPROVED UNANIMOUSLY (5-0).

V. DISCUSSION ITEMS:

- A. Consider approval of Authorization No. 7 for Professional Services with Howard Needles Tammen Bergendoff for design and construction monitoring of the Instrument Landing System at Executive Airport.

Mr. Metcalfe explained that this is for engineering work on the Instrument Landing System. The cost of \$130,200 involves research and design of the electronics, specifications for hardware, design of the installation and oversight of the acquisition process for the hardware. The biggest piece of this contract will go to Sailor, Johnson & Assoc., a sub-contractor who specializes in design and installation of navigational aids. They were recommended to us by the FAA. There will be an additional fee for construction monitoring that is not to exceed \$83,800. Normally for FAA-funded contracts we are required to review the quoted rates to be assured they are competitive. Sometimes we are allowed to use a matrix of fee standards that the FAA furnishes to us. However, in this case, the FAA felt we should have a second opinion on the fee structure. Bucher Willis was retained to do this. It appears that their estimate is comparable to what Howard Needles presented. The staff has not had an opportunity to compare in detail and prepare a recommendation.

Mr. Viets commented that the overhead costs of the HNTB proposal seem reasonable, but the variables such as surveying are high. Mr. Metcalfe responded that this survey is different from a typical construction site survey in that they have to survey the entire clear zone for the ILS and identify any obstructions or anything that exists that may affect the signal. It will also be necessary to "shoot in" the outer marker site five miles south of the airport.

Considering this is the first time we have been involved with the procedure of having two price quotes, the airport staff is not sure as to how to proceed. We are looking to the FAA to provide some guidance on the cost differential. There is the possibility of negotiating the cost with HNTB if we feel it is too high. We have a 3 year retainer contract with HNTB that is a blanket agreement, including "agreed upon" fees, which is the basis of our

relationship with HNTB. This is the 7th increment of work under that retainer agreement.

Chairman Winn indicated that a 30 day time delay should not hamper the start of construction; however, we want to be ready by next spring.

Mr. Craig would like to defer to the architects and engineers (Mr. Viets and Mr. Sellers) who deal in this type of situation all the time. The board agreed to postpone a decision until next month's meeting when staff has had the time to study the cost analysis from the two companies and then make a recommendation.

MOVED BY MR. VIETS, SECONDED BY MR. SELLERS TO AUTHORIZE THE EXECUTIVE DIRECTOR TO COMPLETE A CONTRACT ARRANGEMENT FOR DESIGN AND CONSTRUCTION MONITORING OF THE ILS AT EXECUTIVE AIRPORT; PENDING RESOLUTION OF THE DISCREPANCIES BETWEEN THE HOWARD NEEDLES TAMMEN BERGENDOFF AND BUCHER WILLIS RATLIFF PROPOSALS AND SUBJECT TO APPROVAL BY THE FAA. APPROVED (5-0).

Mr. Viets commented that it is common to have a third party review. He is aware of circumstances at the Kansas City Courthouse where all change orders are being reviewed by a third party. There seems to be more sensitivity to the possibility of abuse of the system. Chairman Winn asked the Executive Director to come back to the next meeting proposing a means to be used to get this resolved so that in the future we will know the process to go through and criteria required.

B. Consider approval of facility and office leases with Fire District No. 1.

Mr. Metcalfe stated that this is the last official action that we need to implement the transfer of the fire department to the Fire District. Part of the original concept is that the fire district would rent the spaces now occupied by the airport fire dept. The lease states the following charges:

\$1.00/per year..... fire station
\$1.00/per year..... quonset hut
\$1,275/per year (\$6.50/sq.ft.).... office space
\$5,100/per year..... service and supplies

There is some disagreement over the wording of the insurance requirements in the lease. The draft lease had required the fire district to insure the buildings. They pointed out that this requirement is not typical of most leases. It is not reasonable to insure the fire station for its replacement cost considering its condition. Our legal department will need to iron out the wording. It is the staff's recommendation that the Chairman be authorized to sign the leases after the legal department revises the contract.

The advantages to the Airport Commission when the fire department becomes part of Fire District #1 are a savings of \$112,000 for the Airport Fund in 1993, and improved service with more equipment and personnel based at the airport. It is unfortunate that the City of Gardner has shown no interest in becoming a party in the agreement. Commissioner Nolte commented that the City has made application to transfer a significant area of developed land now served by the Fire District into the city's fire service area. The concern is that sometime in the future, as the city annexes more area and moves out, the district loses more area. There comes a point when the tax base left in the fire district may not be sufficient to support it.

MOVED BY MR. SELLERS, SECONDED BY MR. MEYER TO APPROVE THE LEASE AS RECOMMENDED BY STAFF SUBJECT TO CHANGES BY THE COUNTY LEGAL DEPARTMENT REGARDING THE INSURANCE COVERAGE. (APPROVED 5-0).

C. Consider authorizing the Executive Director to sign utility easements on airport property on behalf of the Airport Commission.

Mr. Ford said that occasionally utility companies will ask for an easement on airport property. There seems to be no need to go through the whole process of getting approval from the BoCC, so they have delegated the Airport Commission the authority to approve these easements. Logically, the next step could be for the Executive Director to be able to sign the easement documents on behalf of the Airport Commission. It would help speed things up by eliminating the multi-step review and approval process required under the present system. In many cases, time is an issue for the utilities. This resolution allows the Executive Director to sign the documents. The decision to grant the easement will still be with the Airport Commission. Mr. Metcalfe said that he has no strong feeling one way or the other on who signs the easements; he said if the Airport Commission wants to retain that for themselves, it is fine with him, or if they want him to do it, that's fine, too.

Mr. Craig stated his support of the resolution with the condition that the board be informed of all such actions.

MOVED BY MR. CRAIG, SECONDED BY MS. THOMEN TO ALLOW THE EXECUTIVE DIRECTOR TO SIGN UTILITY EASEMENTS ON AIRPORT PROPERTY ON BEHALF OF THE AIRPORT COMMISSION BUT TO REPORT THE ACTION TO THE AIRPORT BOARD. APPROVED (5-0).

VI. EXECUTIVE SESSION

MOVED BY MR. VIETS, SECONDED BY MR. MEYERS TO ADJOURN TO EXECUTIVE SESSION AT 9:12 A.M. FOR 30 MINUTES TO DISCUSS WITH LEGAL COUNSEL THE CURRENT STATUS OF PENDING LITIGATION WITH PARSONITT AND TO DISCUSS A DISPUTE THAT WE CURRENTLY HAVE WITH AIR ASSOCIATES. APPROVED (5-0).

The meeting reconvened at 9:40 a.m. No formal action was taken as a result of the executive session discussion.

Mr. Metcalfe introduced Mr. Michael Perkins from Kansas City Aviation Center. Mr. Perkins said that he will be attending the board meetings in the future as a representative from Executive Airport addressing the concerns they may have. At present they would like an official statement from the board regarding the repair status of the airport rotating beacon. Mr. Metcalfe explained the ongoing problem that we have with the airport beacon. It is old and replacement parts are not easily found. We have a grant application with the FAA to replace it and there is indication that they will fund it early next year. We have burned out 3 motors in the last two months. We think the problem is due to moisture getting into the housing. We have contractors looking at it and are hoping to get the beacon operating again. Our runway strobe and edge lights have been a problem as well and it is due to moisture in the ground. It is a very expensive system. Water gets into the splices where the transformers tie into the main supply line causing it to short out. The lights have been in place since 1960. We are working on the problem realizing that it is critical for the safety of the pilots. As the repair to the existing beacon would be very expensive,

approximately \$15,000 - \$20,000, we would rather replace it within the next year with FAA funding. However, Mr. Fredrichs is searching for a short term solution.

D. Discuss recommendations to the Board of County Commissioners for a policy on payments in lieu of taxes for exempt properties at the county's airports.

Mr. Metcalfe said that we sought legislation 2 years ago to clarify the situation on the property taxes at the airport. We have 18 existing leases that were based on the assumption that the real estate (land and improvements) would be exempt, at least during the term of the revenue bonds, if not forever. The calculations in the leases were based on that assumption, the key clause being what Mr. Metcalfe refers to as the "rental-in-lieu of tax" clause. It seems clear that the understanding was that the property would continue to be exempt after the bonds were paid. These clauses establish a base year, which is the year the bonds pay off. We at the airport would calculate what the taxes would be if the property were taxable. We take that amount, divide by 12 and the lessee pays that in rent which would continue for five years and a new base year would be established and the rate adjusted accordingly. That payment goes on for the term of the lease. The airport's intent during the legislative process was to enable the County to perform on those agreements. The legislation that was adopted allows us to follow through on the original intent of the lease agreements. The school district encouraged us to provide some revenue to them that would replace the revenue lost by having the properties exempt. Mr. Metcalfe has received a great deal of input from the lessees and their lawyers, who have said that they expect the airport to perform as originally agreed. In a couple of cases they have expressed their strong desire to have the money placed in the airport fund for operations and improvements. The revenues generated by the "rental-in-lieu-of-taxes" clauses was not originally intended to be distributed to the taxing entities.

Mr. Viets asked who initiated the issue. What brought this issue to the front was the Appraiser's action in 1989 of putting *all* of the airport properties on the tax rolls; \$17,000,000 of assessed valuation suddenly materialized in the tax base, and the school district and the fire district saw it and got very interested. To aggravate matters, taxes on these properties were assessed retroactively to 1981, creating a \$4,000,000 "receivable" for the taxing entities in whose jurisdictions the airports lie. Chairman Winn pointed out that if collected as "payments-in-lieu-of-taxes" the money goes into the general distribution formula for our tax district, whereas, if collected as rent it goes into the Airport Fund. Under the quitclaim deed for the property and the FAA assurances that we make when we sign for grants, revenue generated by airport property must be used to support the airport. There could be a legal question where industrial revenue bond-funded buildings are concerned. At this point, all airport property has been exempted off by the Board of Tax Appeals.

Commissioner Nolte said a complication appeared when the property went on the tax rolls; it was counted against the school district in the state aid formula. It was a significant loss of revenue to them until they got special legislation passed. At this point it has been remedied.

Mr. Jarrett mentioned that we started with a major problem when the properties went on the tax rolls, billing out a large amount of back taxes. It wasn't a simple matter of '89 and they will be paying taxes in the future, but that they went on in 1989 for the taxable years 1981 through 1989. We solved the problem by getting legislation to say those years would be exempt. In making that legislative action we had to deal with the question of future taxes and what to do with the exempt status. Fees-in-lieu-of-taxes could be applied on the exempt properties to assure there was some kind of contribution between our entity and the taxing entities that was consistent with the policy at the airport at the time. The issue now is how to deal with the legislation as we move forward into the 1994 and 1995 budget

cycles. We have to deal with, as a policy matter, future taxation of the properties at the airport and/or fees-in-lieu-of. It is further complicated by existing lease arrangements. We have to determine the direction we are going and how to pass the "in-lieu-of" responsibility on to current tenants. It is made more complicated because of the involvement of the school district.

In a discussion with Gary George, superintendent of the school district, a new issue was identified, and that is how this will work under the new school finance structure and whether or not the school district would be helped or hurt by "in-lieu-of" payments? The last thing we want to do, in Mr. Jarrett's opinion, is to get into a position where we are opposing "fees-in-lieu-of" to pass money onto the school district. Likewise, from our perspective, fees-in-lieu-of could be negative for the airport. We could end up with less revenue. There is a provision in these "rent-in-lieu-of-tax" clauses that says the rental amount will be reduced by any "taxes" the tenant has to pay. We could end up losing money out of the rent column because we put it in our fees-in-lieu-of-tax column where the fees have to be distributed. The prospective that we need to look at are: policy for future tenants, policy for existing leases and policy for tenants that were on the tax rolls but are now off. It is everybody's intent to get them back into the paying mode. We also have the lessees that have never been on the tax rolls and that don't have the pass through language in their leases that we are going to have to deal with.

Chairman Winn stated that it appears that the Airport Commission's intent is not to attempt to use the "rental-in-lieu-of" clause to derive revenues for distribution to the taxing entities. It seems like the BoCC should make the decision as to whether taxes or payments-in-lieu-of are to be imposed on the existing lessees, then determine how to implement the policy lease by lease. Mr. Winn pointed out that there are the statutory issues that we have been talking about, but there are also issues of contractual law which may in fact govern what can be imposed on the lessees.

Mr. Jarrett responded that, on the overall policy issue, the BoCC has maintained a position of not favoring tax exemptions or abatements. But the BoCC recognizes that the Airport Commission has a vested interest in how the airport system operates. The question is what the airport management would like to see done rather than have the County take the lead and produce some recommendations that would be counter-active to the airport's interest. They would like the Airport Commission's input and recommendations.

Chairman Winn feels that we should move to a more aggressive posture in developing the airport. He would like to see leaving us some flexibility to negotiate in a case by case basis, but agrees that there needs to be a general policy.

Mr. Craig stated that the BoCC's position on tax abatement/exemptions is clear but that they are willing to listen to the Airport Commission knowing that we have this 700 acres of vacant ground that is costing the taxpayers money. They want to know how policy should be modified so that we have the tools we need to develop it. We have a responsibility to give them input before they develop a policy on it.

Mr. Jarrett confirmed Mr. Craig's assessment and added that they would like specific guidelines that we consider important.

Chairman Winn said the other side of that coin is that until we get ourselves in a position to aggressively market the airport, we need to retain the tenants that we have. Mr. Jarrett interjected that the BoCC would like to hear the timing sequence on a policy dealing with "fees-in-lieu-of." We have that ability, it is there, it is the preference of the commissioners. The BoCC would like some guidance on the timing of how we are dealing with the leases.

Any policy we develop, according to Mr. Craig, is going to have to take into consideration the realities of the market place and must consider our historical obligations to our existing tenants.

Mr. Jarrett said there is a small group of tenants that were on the tax roll at one time, but came off when the appraiser put together the exemptions based on his interpretation of the new statutes. The Airport Commission may consider putting them back on which brings us back to the point that we need a policy.

Commissioner Nolte indicated that there is no tax abatement for commercial activity in the Shawnee Mission district and there are dozens of IRB's and incentives. The legislature is going to deal with tax exemptions because of the school finance formula. If there is no advantage to our restructuring, it is unlikely the school district will oppose.

Mr. Meyer suggested, considering the complexity of the issue, that we diagram the considerations and indicate the ramifications. Chairman Winn feels that this subject cannot be handled at this meeting as this issue is complex and more information is required. The concensus is to schedule a work session of the Development Committee after the first of the year.

VII. BUSINESS FROM THE FLOOR:

Chairman Winn stated that the December 23, 1992 meeting will start at 8:30 a.m.

VIII. ADJOURNMENT

MOVED BY MR. SELLERS, SECONDED BY MR. MEYER TO ADJOURN. APPROVED UNANIMOUSLY (5-0).

Phyllis Thomen, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - December 23, 1992- 8:30 a.m. - INDUSTRIAL AIRPORT, KS

Airport Commission

Present: Messrs. Winn, Meyer, Craig, Nohe, Sellers, Ms. Thomen

Absent: Mr. Viets

Staff: Metcalfe, Lanser, Ford, Smyth, Adams, Howard, Fredrichs

Others

Murray Nolte, County Commissioner
Chuck Henry, County Budget Department
John Holloway, Sun Publications
Michael Perkins, Kansas City Aviation Center
Jan Durrett, League of Women Voters
Buck Rogers, Olathe Manufacturing
J.W. Chatam, Concord Assoc.

The meeting was called to order at 8:30 a.m. by Chairman Winn

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES

MOVED BY MR. SELLERS, SECONDED BY MR. MEYER TO APPROVE THE MINUTES OF THE NOVEMBER 25, 1992 MEETING AS PRINTED AND DISTRIBUTED. APPROVED UNANIMOUSLY (5-0).

A. Clarification of the easement resolution. Mr. Craig stated that the motion he made at the November 25 meeting was intended to give Mr. Metcalfe the authority to approve and sign easements, but he was to report what he had approved to the airport commission after the fact. Mr. Ford said the actual "granting" of the easement comes from the airport commission, but they will actually be ratifying Mr. Metcalfe's action if he does it prior to reporting it to them. The Executive Director is to use his discretion in notifying the airport commission of information they should have before he executes the document.

II. REPORT OF THE CHAIRMAN

A. Chairman Winn expressed his appreciation to the airport commission members who attended the BoCC meeting at which the industrial park master plan was presented. It was an excellent meeting and discussion. There was unanimous support from the BoCC for getting back into the development mode at Industrial Airport. We are committing the plan to final written form and it should be in our possession early in January. Staff has begun discussing implementation strategy and will have background information distributed before the development committee meeting January 23, 1993.

Mr. Nohe noted that the plan had not been formally adopted as it was presented at a work session. It was suggested that it be presented for adoption when the final copies come in January. Mr. Metcalfe mentioned that the BoCC's "adoption" of the airport master plan 3 years ago was carefully worded to make it clear that the BoCC was not committing to any particular aspect of the plan. Mr. Metcalfe suggested that a more firm commitment to support the industrial park master plan should be sought from the BoCC, as there will be multi-year efforts and relationships dependent on such a commitment.

B.The chairman scheduled a half day Development Committee meeting for Saturday, January 23, 1993; From 8:30 a.m. to 12:30 p.m. (NOTE: The meeting has been set up at the Overland Park Marriott.)

III. CONSENT AGENDA ITEMS

A.Consider approval of Authorization No. 7 for Professional Services with Howard Needles Tammen Bergendoff for design and construction monitoring of the Instrument Landing System at Executive Airport.

This is a carry-over from last month when we had requested a second opinion from Bucher Willis. FAA had not had a chance to review it at that time. They have since reviewed it, given us some input and has approved it with some minor changes. The staff recommends that it be approved as revised.

B.Consider approval of a lease with Johnson, Brickell, Mulcahy and Associates, Inc. Engineers for office space in the administration building at Industrial Airport.

C.Consider approval of Change Order No. 1, in the amount of \$8,185, to the T-Corp contract for the t-hangar buildings at Executive Airport.

Mr. Meyer stated that it appears the reason they are not completing the project this year is because we were not ready for them to set the building. Mr. Metcalfe confirmed that the contractor was dependent on Holland Corp. to finish the preparation of the pad. (Holland Corp. is a separate contract; there is not a contractor/subcontractor relationship between Holland and T-Corp.) The cause of the delay was due to adverse weather conditions.

MOVED BY MR. CRAIG, SECONDED BY MR. NOHE TO APPROVE "CONSENT AGENDA" ITEMS A, B & C. APPROVED UNANIMOUSLY (5-0).

IV. EXECUTIVE SUMMARY

Mr. Meyer asked for clarification of the following from the Payment Voucher List:

1. Accounting method used to record the insurance payment. Mr. Metcalfe stated that it is booked as ordinary revenue and not as an offset to the cost of the repair .

Mr. Craig commented on the following from the Property Management Report:

2. Transfer of gas line ownership to United Cities Gas. He was pleased to see that we have finally reached agreement with United Cities Gas for the transfer of the distribution system. It took a long time because we declined to grant a blanket easement, which required a "metes and bounds" legal description of the physical location of the pipes and of each easement. We now have that document and it is being reviewed by our surveyors. A quitclaim deed has been prepared by the legal department and is being reviewed by United Cities.

4. Corps of Engineers. The Corps stated that it is unlikely that there will be funds for remediation work at Industrial in 1993. There are many other projects throughout the country that are higher priority. The primary work that needs to be done at Industrial is the removal of the fuel distribution system. There are numerous and significant sized pipes networked throughout the ramp area that may still have fuel in them. Mr. Howard said the Corps hasn't said what specific costs they will take responsibility for. The Corps is reviewing everything that they know of, but it looks like there is not severe enough threat to make their paying for remediation a high priority. Mr. Metcalfe said we have the information we need in the SCS report on their environmental audit 1½-2 years ago and it is more comprehensive than the Corps of Engineer's report.

It was noted that responsibility for the Parsonitt contamination has been rejected by the Corps of Engineers and is being handled by the County Legal Department.

The Executive Director was asked to prepare an executive summary for Mr. Winn, who may submit a letter to the Senator Dole from Kansas requesting our work be put higher on the priority list.

MOVED BY MR. NOHE, SECONDED BY MR. MEYER TO RATIFY THE NOVEMBER EXPENDITURES AS SUBMITTED. APPROVED UNANIMOUSLY (5-0).

V. DISCUSSION ITEMS:

A. Consider request by C. D. Rogers, Olathe Manufacturing for renegotiation of lease terms.

Olathe Manufacturing is one of the first lessee's where the "rent-in-lieu of tax" clause has become effective. The effect of this clause is that the lessee first pays off the bonds through a rental payment and then pays us rent on the building. A base year is established by the lease and a rental payment is calculated based on what the taxes would be if the property were taxable. The payment remains constant for five years, at which time a new base year is established and a new rental rate calculated. (Assuming that taxes will go up in future years, the payment on this property could eventually be less than what the property taxes would be.) For Olathe Manufacturing, the current monthly payments total \$4,590 for the buildings and \$473 on the ground lease.

This issue has been pending the resolution of the property tax situation of the last 3 years. If the properties were termed to be taxable, this clause would not apply. Until the legal status of this situation was known, we suspended any efforts to collect the money, although all lessees were notified that once the issue was settled, payment was expected. The Board of Tax Appeals has ruled the property tax exempt and Mr. Rogers was notified by letter, (November 17, 1992) that the payments were due. Mr. Rogers met with Mr. Metcalfe to get further clarification and is at this December board meeting to explain his position.

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Mr. Rogers indicated that he is satisfied with the lease and does not want to re-negotiate it. His issue is the appraised value of the two buildings and the lack of a means to appeal it. The rental payment is \$55,000/year equating to an appraised value of \$1,300,000. The County has it appraised between \$800,000 - \$900,000. Mr. Chatam, Concord Associates (representing Mr. Rogers) compares this building to that of USC Industries which is valued at \$7.00/sq. ft.

The Executive Director stated that we arrive at our value by using the assessed value recorded by the appraiser's office for the base year mentioned in the lease (1991). In this case, the assessed value of the larger building is \$309,561 which is 30% of the appraised value. Mr. Ford suggested that the property be appraised by a mutually agreed upon appraiser.

Mr. Nolte asked how this property is affected by the law that takes non-aviation businesses off the tax exempt list. Mr. Metcalfe indicated that this case is covered under the provision in the law that says if the lease existed on April 15, 1991, the property is exempt until the end of the lease. He also stated that the County Appraiser's office sets the appraised values for the exempt properties at the airport. It was suggested that the staff check with this department to see if there is a mechanism already in place by which lessees can protest the tax appraisals.

Chairman Winn mentioned that if we are to impose a payment of this type, we need to determine a fair market value and a method by which they can appeal. He suggested that Mr. Ford, Mr. Nolte, Mr. Metcalfe and Mr. Welcome meet, talk this out and report back to the board.

Mr. Metcalfe said that an appeal process was established in 1990 and he is confident that Olathe Manufacturing was notified of the process and their valuation in the summer of 1990. We know that Mr. Rogers had appealed the valuation on his building to the south and gained a significant reduction. Mr. Metcalfe wasn't sure whether the value of the north building was appealed.

MOVED BY MR. NOHE, SECONDED BY MR. CRAIG TO HAVE THE AIRPORT COMMISSION STAFF WORK WITH THE COUNTY LEGAL DEPARTMENT TO INVESTIGATE PROCEDURES BY WHICH LESSEES CAN APPEAL THEIR TAX APPRAISALS. APPROVED (5-0).

B.Discussion regarding placement of debt service fund in the airport operating budget.

We are into the 1994 budget process. In cleaning up the accounting structure, the budget office would like to capture all airport related financial transactions in the airport fund. Some of the debt that was incurred on behalf of the airport (G.O. and temporary notes) should be placed in the airport fund.

Mr. Henry said the budget department has identified all airport related debt payments and would like to reflect them in the airport's budget. This would help recognize the full cost of the airport operation. The BoCC discussed this possibility when they agreed to pick up the debt service on the water up front as revenues would not be able to support it. There was concern from the commissioners that the return on investment would be difficult to measure, so the obvious answer is to put the debt service in the airport budget. It could then be reviewed and discussed annually when the levy is agreed to. As revenues increase, the levy would decline accordingly. In discussion with Norm Garr, bond counsel for the county, it was emphasized that debt payments take first priority over operating expenses.

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Mr. Nohe mentioned that there should be an offset on the revenue side showing a transfer in of ad-valorem taxes to cover the debt service. Right now, neither the income nor the expense shows on our income statement. Mr. Nohe stated that he has been concerned that airport related debt has not been reflected in the airport financial statements in the past. It is appropriate to show it on our statements and the budget. He doesn't disagree with what bond counsel is suggesting, but he isn't sure it is relevant.

Mr. Craig stated that it is true that the general obligation bond holders are not worried because they have first claim on everything, but what about the revenue bond holder that buys the revenue bonds for t-hangars. They are limited obligations payable from that revenue stream which is pledged as a first priority to the repayment of those bonds. The t-hangar income is not encumbered or impaired in any way by what Mr. Henry indicated as the other revenues generated being secondary. Mr. Henry said that if revenues are over-estimated and the money is tight, then we have a problem regardless. We would have to find a way to support it. If we are saying our water revenues are going to go from \$250,000 to \$450,000 and pledge that toward the G.O. debt, then that water revenue doesn't come in, then that is a problem that has to be absorbed inside the airport fund. The primary way of dealing with this is to be cautious in our revenue forecasts.

Mr. Nolte explained that the BoCC is taking this approach with all agencies. They want to capture all revenues and costs on a "cost center" or program basis. This is especially important for those who receive a great deal of grant money. The BOCC wants to be able to see the complete financial picture for each agency and they feel they need to recognize if tax money is leveraging other funds. That will be the case with the airport fund. In order to do that the BOCC needs to have a look at the true cost. All debt is obviously backed by the county; all of the debt service has been levied in a debt service fund and a mill levy imposed that covers it. That is not going to change. Most assuredly, we are going to be under another tax lid, and although debt service has been exempt, the present governor feels nothing should be exempt from a tax lid. It's a case of seeing our total budget cost.

Mr. Winn said that we are dependent on the county providing sufficient monies to cover debt service on g.o. bond issues. If the county decided to drop that we would have to pick that up out of airport revenues. That would be our first priority and something else would have to be eliminated.

Mr. Meyer mentioned that it might be a good idea to have a cost center statement. Mr. Metcalfe reminded the board that the reports presented to them are reorganized from the format we get from the county finance department. We report it on a cost center basis, but it's accounted for in the County's books differently. The revenue from the t-hangars are actually accounted for in a special account.

Mr. Nolte suggested that in the future budget we might choose to designate more money toward debt service.

Mr. Nohe would like to see a complete profit and loss report.

No action required.

MOVED BY MR. NOHE, SECONDED BY MR. MEYERS TO ADJOURN TO EXECUTIVE SESSION AT 9:40 A.M. FOR 10 MINUTES TO DISCUSS WITH LEGAL COUNSEL THE CURRENT STATUS OF THE LAND ACQUISITION NORTH OF THE AIRPORT. APPROVED (5-0).

The meeting reconvened at 9:50 a.m. No formal action was taken as a result of the executive session discussion.

VI. BUSINESS FROM THE FLOOR:

Mr. Sellers asked who the final three companies are that are being considered for the water system rehab engineering study. Ms. Smyth responded that they are George Butler Assoc., Larkin Assoc. and Bucher, Willis Ratliff & Assoc. The interviews will be held January 15, 1993. The selection committee consisted of Mr. Metcalfe, Mr. Howard, Ms. Smyth, Mr. Metzler, (Chief Engineer of Wastewater) and Ms. Randall, (Dede's counterpart at Public Works).

Mr. Michael Perkins of the Kansas City Aviation Center thanked Mr. Metcalfe and Mr. Fredrichs for getting the rotating beacon at Executive Airport operational. He also announced that KCAC is going to be hosting the Olathe Expo the first weekend in March.

Chairman Winn directed the executive assistant to send a memo to all board members reminding them of the Development Committee meeting to be held January 23, 1993. The next Airport Commission monthly meeting is scheduled for Wednesday, January 27, 1993 at 9:00 am.

MOVED BY MR. NOHE, SECONDED BY MR. SELLERS TO ADJOURN. APPROVED UNANIMOUSLY (5-0).

Phyllis Thomen, Secretary

R. Lee Metcalfe, Executive Director

Revision "A"
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, January 22, 1992 - 9:00 A.M.

TAB

- A** I. **APPROVAL OF MINUTES** of December 18, 1991 meeting.
- II. **REPORT OF THE CHAIRMAN:**
- B** III. **REPORT OF THE TREASURER:**
- A. Disbursements for December 1991.
- B. Receivables report.
- C. December 1991 actuals vs. budget report.
- D. End-of-year projections.
- C** IV. **COMMITTEE REPORTS:**
- A. **Administrative Committee:**
- B. **Industrial Committee:**
1. Review water source proposals.
2. Discuss proposed lease of property at Hwy 56 and Moonlight Road for a Hardees Restaurant.
3. Discuss addendum to Crow-Spaulding land lease at Industrial Airport.
4. Discuss Grindsted expansion proposal.
5. Budget discussion.
- D** V. **STAFF REPORTS:**
- A. **Report of the Director, Aviation:**
- B. **Report of the Director, Fire/Rescue Services:**
1. Report on discussions between Fire District No. 1 and City of Gardner.
2. Status of ambulance bids.
- C. **Report of the Director, Planning & Administration:**
1. Update on t-hangar bond refianncing.

D. Report of the Director, Property Management:

1. Introduce "Extra Mile" award.

E. Report of Legal Counsel:

F. Report of the Executive Director:

1. Status of Industrial Park Master Plan.

E

VI. UNFINISHED BUSINESS:

A. Consider approval of a one cent increase in the fuel flowage fee for Industrial and Executive Airports.

E

VII. NEW BUSINESS:

A. Consider approval of an addendum to the Crow-Spaulding No. 7 ground lease at Industrial Airport.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT

Revision "B"
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, February 26, 1992 - 9:00 A.M.

TAB

A I. **APPROVAL OF MINUTES** of January 22, 1991 meeting.

II. **REPORT OF THE CHAIRMAN:**

B III. **REPORT OF THE TREASURER:**

A. Disbursements for January 1992.

B. Receivables report.

C. January 1992 actuals vs. budget report.

D. 1991 End-of-year actuals vs. budget.

C IV. **COMMITTEE REPORTS:**

A. Administrative Committee:

1. Discuss 1993 budget process.

A. 1992 budget republication.

B. 1993 operating budget.

C. 1993 capital improvements plan.

2. Review of recommended t-hangar policy.

3. Discuss procedure for Executive Director's annual performance evaluation.

4. Discuss schedule for developing rules and procedures.

B. Industrial Committee:

1. Schedule March committee meeting.

D V. **STAFF REPORTS:**

A. Report of the Director, Aviation:

B. Report of the Director, Fire/Rescue Services:

1. Status of situation between Fire District No. 1 and City of Gardner.

- C. Report of the Director, Planning & Administration:**
 - 1. Report on sale of t-hangar revenue bonds.
 - 2. Report on World War II Commemorative events.
- D. Report of the Director, Property Management:**
- E. Report of Legal Counsel:**
 - 1. Status of property tax legislation.
- F. Report of the Executive Director:**
 - 1. Status of Industrial Park Master Plan.
 - 2. Status of airport-area zoning.
 - 3. Status of retention of environmental attorney.
 - 4. Report on meeting with county appraiser.
 - 5. Report on proposals for golf course.

VI. UNFINISHED BUSINESS:

E VII. NEW BUSINESS:

A. Consider approval of Authorization No. 6 for Professional Services with HNTB for the design, preparation of construction documents and construction monitoring for the west t-hangars and apron rehabilitation at Executive Airport.

10:00 a.m.

B. Discuss proposal from American Aviation Consulting, Inc. to investigate the "air cargo" market for Industrial Airport.

10:15 a.m.

C. Presentation by Dave Larson, A.C. Kirkwood Associates, on water source proposals.

VIII. EXECUTIVE SESSION:

Executive Director's Performance Evaluation Standards.

IX. BUSINESS FROM THE FLOOR:

X. ADJOURNMENT

XI. Tour Building 45.

Revision "A"

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, March 25, 1992 - 9:00 A.M.

TAB

A

I. **APPROVAL OF MINUTES** of February 26, 1992 meeting.

II. **REPORT OF THE CHAIRMAN:**

B

III. **REPORT OF THE TREASURER:**

A. Disbursements for February 1992.

B. Receivables report.

C. February 1992 actuals vs. budget report.

C

IV. **COMMITTEE REPORTS:**

A. **Administrative Committee:**

B. **Industrial Committee:**

1. Discuss environmental audit.

2. Status of Dave Tripp review of Parsonitt situation.

3. Update on SB629.

4. Review contract with American Aviation Consulting,
Inc. for investigation of the air cargo market.

5. Discuss golf course proposal.

D

V. **STAFF REPORTS:**

A. **Report of the Director, Aviation:**

1. Status of quick response vehicle (crash truck).

2. Status of t-hangar construction.

3. Status of west FBO ramp relocation and t-hangar
apron rehabilitation.

- B. Report of the Director, Fire/Rescue Services:**
 - 1. Status of BoCC hearing regarding fire services in southwest Johnson County.
 - 2. Discuss ambulance replacement.
- C. Report of the Director, Planning & Administration:**
- D. Report of the Director, Property Management:**
- E. Report of Legal Counsel:**
- F. Report of the Executive Director:**
 - 1. Status of Industrial Park Master Plan.
 - 2. Status of airport-area zoning.
 - 3. Report on "Olathe Expo" participation.
 - 4. Report on "Leadership Overland Park" presentation.
 - 5. Report on water source negotiations.
 - 6. Status of property tax legislation.

E

VI. ACTION ITEMS:

- A.** Review and comment (pursuant to the Airport-Area Zoning Memorandum of Understanding) on a special use permit to develop a soccer complex on an eighty acre tract of land immediately adjacent to the Executive Airport on the southeast corner of 163rd and Pflumm.
- B.** Discuss proposed 1993 budget and 1993-1998 capital improvement plan.

VII. BUSINESS FROM THE FLOOR:

VIII. EXECUTIVE SESSION:

Personnel issues.

IX. ADJOURNMENT

X. Tour Building 45.

Revision "A"
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, April 22, 1992 - 9:00 A.M.

TAB

A I. **APPROVAL OF MINUTES** of March 25, 1992 meeting.

II. **REPORT OF THE CHAIRMAN:**

B III. **REPORT OF THE TREASURER:**

A. Disbursements for March 1992.

B. Receivables report.

C. March 1992 actuals vs. budget report.

IV. COMMITTEE REPORTS:

A. Administrative Committee:

1. Schedule meeting to discuss:

a. Rules of procedure

b. Airport-area zoning requests.

B. Industrial Committee:

1. Update on industrial park master plan.

C V. **STAFF REPORTS:**

A. Report of the Director, Aviation:

1. Status of t-hangar construction.

2. Status of Executive Airport land buy.

3. Status of FAA grant for Industrial Airport to purchase property for additional clear zone at the north end and for additional airfield signage.

B. Report of the Director, Fire/Rescue Services:

1. Status of ambulance purchase.

C. Report of the Director, Planning & Administration:

1. Report on "Swingin' Salute" show at Industrial Airport on June 13.

D. Report of the Director, Property Management:

1. Report on delivery of locomotive.
2. Report on new radio system.

E. Report of Legal Counsel:

F. Report of the Executive Director:

1. Report on discussion with United Cities Gas.
2. Report on discussion with Corps of Engineers.
3. Report on Industrial Airport land buy.
4. Report on water source negotiations.
5. Status of property tax legislation.

D

VI. ACTION ITEMS:

- A.** Consider approval of a resolution of finding and support for the 21st Century Parkway construction and the completion of 151st Street.
- B.** Consider recommending approval to the BoCC to accept a grant in the amount of \$208,156 for the purchase of a Quick Response Airport Rescue and Firefighting Vehicle (QRV).
- C.** Discuss the proposed Overland Park Comprehensive Master Plan Amendment.
- D.** Consider approval to authorize Kansas Aircraft Corporation to provide services addressed in the "Minimum Requirements for Airport Aeronautical Services."
- E.** Consider recommending approval to the BoCC to grant to United Cities Gas Company 12,609 feet of gas main easements at Industrial Airport, and to quit claim all piping United Cities Gas Company is operating in exchange for waiving the relocation cost of \$13,323.52 incurred by United Cities in 1991.

VII. BUSINESS FROM THE FLOOR:

VIII. ADJOURNMENT

IX. Tour Building 45.

Revision "B"
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, May 27, 1992 - 9:00 A.M.

TAB

- A** I. **APPROVAL OF MINUTES** of April 22, 1992 meeting.
- II. **REPORT OF THE CHAIRMAN:**
1. Schedule strategic planning retreat.
- B** III. **REPORT OF THE TREASURER:**
- A. Disbursements for April 1992.
- B. Receivables report.
- C. April 1992 actuals vs. budget report.
- C** IV. **COMMITTEE REPORTS:**
- A. Administrative Committee:**
1. Discuss Airport Commission procedure/level of authorities.
2. Discuss procedure for responding to requests regarding the Memorandum of Understanding for airport-area requests.
- B. Industrial Committee:**
- D** V. **STAFF REPORTS:**
- A. Report of the Director, Aviation:**
1. Status of east apron project at Executive Airport.
2. Status of t-hangar construction.
3. Status of Executive Airport land buy.
- B. Report of the Director, Fire/Rescue Services:**
1. Status of equipment purchase.
- A. Quick response vehicle.
- B. Ambulance.
- C. Report of the Director, Planning & Administration:**

D. Report of the Director, Property Management:

E. Report of Legal Counsel:

F. Report of the Executive Director:

1. Report on "Airport Orientation Day".
2. Report on water source negotiations.
3. Presentation from John Metzler, Wastewater regarding finance charges.
4. Status of Building 45 and Hangar 43.

10:30 a.m.

E VI. **ACTION ITEMS:**

9:30 a.m.

A. Presentation on Foreign Trade Zone.

Chris Vedros, President
Greater Kansas City Foreign Trade Zone.

B. Consider recommending to the BoCC granting of a utility easement to Kansas City Power and Light Company for a switching station located east of the airport railroad tracks in the western edge of the Van Den Bergh Foods lease tract.

VII. EXECUTIVE SESSION: Industrial Airport Land Buy

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT

Revision "A"
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, June 24, 1992 - 9:00 A.M.

TAB

I. **EXECUTIVE SESSION:** Discuss potential litigation.

A II. **APPROVAL OF MINUTES** of May 27, 1992 meeting.

III. **REPORT OF THE CHAIRMAN:**

1. Reschedule July Airport Commission meeting.

B IV. **REPORT OF THE TREASURER:**

A. Disbursements for May 1992.

B. Receivables report.

C. May 1992 actuals vs. budget report.

D. End of year projections.

1. Discuss budget republication.

V. **COMMITTEE REPORTS:**

A. **Administrative Committee:**

B. **Industrial Committee:**

C VI. **STAFF REPORTS:**

A. **Report of the Director, Aviation:**

1. Status of Executive Airport improvement projects.

a. T-hangar construction.

b. East t-hangar ramp, west transient ramp, west t-hangar rehab.

c. East apron construction.

B. **Report of the Director, Fire/Rescue Services:**

1. Status of quick response vehicle.

2. Status of ambulance.

3. Status of fire academy site.

4. Discuss Firefighters Relief Association.

C. Report of the Director, Planning & Administration:

D. Report of the Director, Property Management:

1. Status of Building 45 and Hangar 43.
2. Status of railroad repair project.

E. Report of Legal Counsel:

F. Report of the Executive Director:

1. Report on water source negotiations.
2. Discuss strategic planning retreat.
3. Report on budget presentation to BoCC
- July 13, 1992 2:30 p.m.

D

VII. ACTION ITEMS:

A. Consider reimbursing Howell Mouldings and Royal Tractor for expenses relating to sewer line clogging from oil and grease.

9:30 a.m. **B.** Consider participating with Kansas City Power and Light Company, in the cost to install a switching station near the Van Den Bergh lease tract.

C. Consider collection action against American Geotek Corporation to collect delinquent t-hangar rent in the amount of \$430.00.

D. Review and comment, if appropriate on proposed BoCC resolution for reorganization of county government structure.

E. Review draft HSGA report section on implementation, costs, financing, and marketing issues.

F. Consider recommending approving to the BoCC of a resolution authorizing the acceptance of a grant offer in the amount of \$239,475 from the Federal Aviation Administration, Grant Agreement No. 3-20-0062-10, for the purpose of constructing an apron, taxiway, and access road for the east t-hangars and to rehabilitate the west t-hangar taxiways at Executive Airport.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, July 29, 1992 - 9:00 A.M.

TAB

A

I. APPROVAL OF MINUTES of June 24, 1992 meeting.

II. REPORT OF THE CHAIRMAN:

B

III. REPORT OF THE TREASURER:

- A. Disbursements for June 1992.
- B. Receivables report.
- C. June 1992 actuals vs. budget report.
- D. End-of-year projections.

IV. COMMITTEE REPORTS:

- A. Administrative Committee:
- B. Industrial Committee:

C

V. STAFF REPORTS:

- A. Report of the Director, Aviation:
 - 1. Status of Executive Airport improvement projects.
 - a. T-hangar construction.
 - b. East t-hangar ramp, west transient ramp, west t-hangar rehab.
 - c. East apron construction.
- B. Report of the Director, Fire/Rescue Services:
 - 1. Status of quick response vehicle.
 - 2. Status of fire academy site.
 - 3. Discuss Firefighters Relief Association.
- C. Report of the Director, Planning & Administration:
- D. Report of the Director, Property Management:
 - 1. Status of Building 45 and Hangar 43.

2. Status of railroad repair project.

E. Report of Legal Counsel:

F. Report of the Executive Director:

D VI.

ACTION ITEMS:

10:00 a.m.

A. Presentation by Andy Schlagel, Planning Consultant, on proposed Overland Park Comprehensive Master Plan amendment to increase planned density on 500 acres southeast of Executive Airport.

10:15 a.m.

B. Consider conceptual approval of an agreement with the City of Gardner for the construction of a water main and the furnishing of treated water to the Industrial Airport.

C. Consider approval of a lease amendment to the Fixed Base Operation Lease with Michele S. Staufer (d/b/a Kansas Aircraft Corporation) to include language as required by the Federal Aviation Administration that tenant agrees to abide by certain federal regulations relating to airport use and nondiscrimination.

D.

VII. BUSINESS FROM THE FLOOR:

VIII. ADJOURNMENT