

SCRAA Airport Authority Committee – Meeting Minutes

Thursday, June 3rd, 2021 (3:00 PM)

- Board:** King Banaian, Jami Bestgen, Ryan Daniel, Marshall Grams, Kurt Hunstiger, Brian Myres, Angela Olson, John Quade, David Weeres
- Staff:** DeAnna Fah – Assistant Finance Director, Tracy Hodel – Public Services Director, Lynn Hoff – Airport Secretary, Matt Staehling – City Administrator, Bill Towle – Airport Director
- Additional:** Michelle Baird – Mead and Hunt, Paul Strege – Mead and Hunt

The virtual Microsoft Teams meeting was called to order at 3:03 pm.

Agenda Items:

- 1) Call to Order
- 2) Additions to the Agenda
- 3) Public Comment Period
- 4) Consent Agenda – Minutes
 - a. Mr. Quade moved to approve the last meeting’s minutes. Mr. Hunstiger seconded. Motion carried unanimously.
- 5) Discussion of Various Reports
 - a. Financials
235/Operating Budget: reduction due to 1.5 people less, Expenses YTD \$348K, Revenue YTD \$71K. 405/Construction Account: Expenses YTD \$250K, Revenue YTD \$360K, year-end Construction Account checkbook balance estimated at 1.4M
 - b. Airline Operations
Reporting will lag a bit. Enplanements: 1K, Deplanements: 1.9K, PAX: 3K, Landings: 14. Load Factor: 58%. It’s uncommon that Allegiant had no May flights. Due to COVID, Allegiant is making some changes and doing unique things at other airports (ie: Sturgis flight). They have typically discontinued in August for annual aircraft maintenance. Destin starts 6/6/21 for seven weeks.
 - c. Aircraft Operations
February dipped, yet March and April have done well and should continue into July with good weather, then decrease through December. Good trends.
 - d. Construction Projects
 - i. Exhibit A: \$165K/100% local funds, draft likely completed by October. With no major concerns, the FAA will likely approve the sponsor change even if the final report is not complete.
 - ii. Water and Sewer: \$1.3M/100% local funds. Construction Administration adds \$300K. It should start mid-July and go through October to be ready for development. Materials are backordered. Total \$1.65M.

- iii. Taxiway C Reconfiguration and Taxiway D Reconstruction: \$4.3M/100% FAA funded due to CARES. Taxiway Delta will be done first, then Taxiways Charlie and Echo will be done when Delta is fully cured (25 days). The Phase 3/filet may need to be done in 2022.
- iv. Master Plan Update: \$700K-\$1M: Strategic Planning, Business Planning, and Capital Improvement Planning
- v. Wildlife Hazard Assessment: \$100K into 2022 and takes 12 months.

6) Old Business

- a. Airport Parking (need memo)

With the anticipated increase in air traffic, limited parking space will be a problem. Derived from the Optimization Study, the Executive Committee presented a memo indicating a total cost of \$28,528 for infrastructure, pay stations/enclosure, annual charge, installation, and signs. Committee recommends that the project proceed to be done with good weather and ready for Fall implementation. Mr. Myres will contact the Mayor before Board submits to the City Council.
- b. Committee Structure (Mr. Banian, Mr. Daniel, Mr. Grams, Mr. Myres, Mr. Quade, Mr. Towle)

Executive Committee members reviewed the Metropolitan Airport Committee (MAC) bylaws. There would be two committees: Operations, Finance and Administration (finance, daily operations) and Planning, Development and Environment (future planning, new air service, marketing). The Chair of Committee A would be on Committee B and vice versa. There would be four on each committee and everyone's expected to serve on a committee. Committee charter will be presented at next meeting. Refer to the MAC Bylaws sent out to each board member to review responsibilities best to choose from according to expertise. Bill will send Roles and Responsibilities (page 3 only) as well as a synopsis of their first meeting.
- c. Lifelink Hangar

Bill is working with SCPD and made initial contact with Mr. Sannerud/LifeLink to start negotiations. SCPD's Chief Anderson and Commander Sayre couldn't attend the last meeting, the day of the Wells Fargo hostage situation.
- d. Strategic Plan Proposal

Mr. Towle shared Task Order 2021-4 and re-introduced Ms. Baird and Mr. Strege of Mead and Hunt. Much research and effort has gone into past planning. With the administration change and formation of the new authority, it's a good time to align priorities, objectives, mission, vision, goals, and values with a scope that utilizes past info and current assessment (using GSDC study as the backbone). Mr. Strege mentioned Ms. Kim Kenville, Ph.D., Professor at the University of North Dakota, who's assisted many airports (ie: Thief River Falls, Bemidji) to transition from city owned to airport authority. She will facilitate discussions regarding the airport's mission, vision, values, strategic objectives, and the action items needed. The airport would be provided with a concise, executive report after 2-3 months. Mr. Schauer, a member of Mead and Hunt's Midwest Aviation Team/Bismarck has experience working in the FAA and a good handle on airport do's/don'ts, policies, procedures, maximizing funding, and enhancing revenue.

 - i. Is competitive comparison part of the bid? It's not currently part of the proposal but Mr. Strege doesn't see that as a large effort. Discussion ensued of how we will measure our competition, inclusive of provided amenities at STC.

- ii. We don't have to consider international traffic (no customs/too close to MSP), but for transients, it was mentioned that some feel 98% is dependent on fuel price. Rural is a much different market than urban. The State Aviation System Plan of MN covers MN Airports, but what about comparing STC to airports in the five-state area, considering the airport is a monopoly and public service in the St. Cloud area.
 - iii. Ms. Bestgen made a motion to recommend this to the City Council with the addition of a comparison benchmarking piece to the study. Mr. Myres proposed an amendment that price does not exceed a 10% price increase. Ms. Bestgen accepted that friendly amendment. Mr. Banian seconded as amended. Motion carried unanimously.
- e. Consultant Selection (Ms. Bestgen, Mr. Glaseman, Ms. Hodel, Mr. Grams, Mr. Towle) Members reviewed the Request for Qualification and set deadlines to ultimately be done by November. It's typically a 2-2½ month process.
 - f. Airport Authority Process Update
Exhibit A (Mead and Hunt) is the largest item of the 15. Goal is January 1, 2022. The City Attorney's office has assisted to insure the transfer of property with good title. Financial audit is updated. MNDOT has verbally accepted the Approval of Other Government Agencies. Part 139 Airport Certification Manual updates will be done to insure correct names/titles. Compatible Land Use Plan is N/A. The optional Business Plan was last done 2014. National Environmental Policy Act (NEPA) is not needed. Clerk Certificate of no Remonstrance indicates there's not a party in St. Cloud against the airport authority. An optional FBO Lease Agreement ensures it's a fair market value lease. This committee meets monthly with FAA and MNDOT. Bill will provide monthly progress and note if anything needs special attention.

7) New/Other Business

- a. Mr. Myres shared that Angela Olson recused herself from the Airport Consultant Selection Committee and any related discussions and decisions.
- b. Per request, everyone's contact info to be distributed. Mr. Towle will do after the meeting.
- c. The in-person meeting requirements and recent CDC policy changes didn't work with this meeting date; however, it sounds as if we'll be able to meet in person in July. Mr. Towle would welcome tours before or after meeting. Is there a shuttle available?
- d. Do members feel more educated and adequately informed? Inasmuch as a lot of work has been done, there's labor issues, insurance, legal activity, bank accounts, etc. that become SCRAA responsibility on January 1st, which means more to do. Face-to-face detailed discussion (not Zoom) of the financials should start in July. Mr. Grams recommended a balance sheet, income statement, ledger of major vendors, and two years audit reports. Future accounting resources will be determined with the accounting firm different from the audit firm.

8) Adjournment

- a. Mr. Quade made a motion to adjourn at 4:05 pm, Mr. Huntstiger seconded. Motion carried unanimously.

9) Next Board Meeting - Thursday, July 1st, 2021 at 3:00 pm

Respectfully submitted, Lynn Hoff, Airport Secretary