

# SCRAA Airport Authority Committee – Meeting Minutes

Thursday, February 25<sup>th</sup>, 2021 (3:00 PM)

**Participants:** *King Banaian, Jami Bestgen, Ryan Daniel, Lisa Fobbe, Marshall Grams, Steve Heinen, Tracy Hodel, Monty Headley, Lynn Hoff, Kurt Hunstiger, Dave Kleis, Leigh Lenzmeier, Bruce Messelt, Brian Myres, John Pearson, John Quade, Matthew Staehling, William Towle, David Weeres, Michael Williams*  
  
*= newly appointed*

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

## **Agenda Items:**

- 1) Welcome and Introductions
  - a. Name/Affiliation/Background
  - b. Airport Optimization Planning Study/Brian Myres  
(found on airport's website at <https://stcloudairport.com/167/Airport-Studies>)
    - i. 2018 state funded one-year project with Steve Baldwin and Associates with purpose to understand STC's economic impact/potential, including benchmarks, organization assessment, financial review, air service development, parking operations, governance model
    - ii. Findings:
      1. STC has significant economic impact, 2017: \$44.2M, 289 jobs, \$17M wages, \$2.3M taxes between counties
      2. Multiple opportunities to improve
      3. Recommended changing governance model from municipal to regional and move application forward with FAA
      4. Also showed substantial deficit, need to reduce over time and enhance marketing efforts
- 2) Joint Resolution Review – Roles and Responsibilities/Mike Williams, Bruce Messelt
  - a. City of St. Cloud/Stearns/Sherburne/Benton created Ad Hoc committee
  - b. Appointment of nine members to be commissioned after FAA approval, unpaid position, immediate action can be taken with five-member quorum and majority
  - c. 10-year transitional period, transfer and conveyance of property, operating, maintenance, leasing, insurance, revenue collection, transfer ownership of leases and agreements, has taxing authority, can sue and be sued, execute, buy and sell personal property, grants and loans, bylaws, rules and regulations, can appoint/remove Executive Director, has custody and control of money, bonds, etc.
  - d. Enabling Resolution: City has committed to current funding over ten years at \$620,200/two installments annually, local option sales tax: voters approved \$4M to go

to airport: \$200,000 thru 2038 with some for capital expenditures and improvements, City will continue staff support (public safety, fire, and police at the current level), authority will have fiduciary and fiscal responsibilities, insurance, annual audit, asset transfer, legal agreements/contracts, in-kind services continue with agreements

- e. Once the authority is in place, they can incur debt, secure bonds, will not require the approval of the four entities, interim is an advisory body to the city (ie: Metro Bus), developed from state statutes and referenced with state law
  - f. Obtained info on airport authorities (Duluth, Fargo) re: legal and administrative support
- 3) Election of Chair, Vice-Chair, Secretary, and Treasurer
- a. Advisory body provides consent and acknowledges to delay office election until next meeting. Jami Bestgen moved, Leigh Lenzmeier seconded. Motion carried.
- 4) FAA Airport Sponsor Change Update/Bill Towle
- a. Enabling legislation, ability to tax, proof of good title, complete Exhibit A (10-12 month study, goal of 12/31/21). Hope to have consultant agreement soon.
  - b. Sponsor Change Checklist - assigns and assumptions from City of St. Cloud to new Airport Authority on all certificates and certification manual (Part 139), attorney legal representative, audited financial statements, obtain record of all grants, good title, provide map of each property parcel and how it was conveyed, obtain approval from MNDOT Aeronautics, environmental impacts, NEPA , FBO lease
- 5) Airport Overview/Bill Towle
- a. Current organizational chart (unfilled Assistant Maintenance Supervisor), 1,400 acres, two runways 7500x150 and 3000x75, two precision instrument landing systems, ATCT, 92 based aircraft (plus 12 at AASF), Allegiant is commercial airline “less then daily” with three destinations, daily service discontinued 2010, Sun Country Laughlin charters, Landline ground shuttle partners with Sun Country to MSP
  - b. General Aviation: Corporate, Training, Personal, Medical, Public Use, Government, Maintenance, Agricultural
  - c. Funding:
    - i. Federal, typically larger projects, set by congressional law, funded by PAX (7.5% of each ticket to trust fund, cargo, fuel sales) which FAA distributes to airport for improvements, distributed by entitlements (# of PAX on commercial airliner), 10,000 enplanements=approx. \$1M/year project eligibility (\$3M/max). Discretionary funds available for emergencies or safety upgrades
    - ii. State, smaller projects like equipment, apportionment funding from FAA based on population (State of MN-\$6M) which MNDOT distributes to high priority projects ,PFC revenue that FAA approves (\$4.50/person on commercial airliner) with local match (local option sales tax \$200,000/year until 2038), there are aviation excise and use taxes so MNDOT can provide funding for various projects, fuel tax, aircraft registration (in/over MN) and flight line property tax (airlines)
    - iii. NPIAS (National Plan of Integrated Airport Systems): Airport and Project Priority

6) Airport Discussion Items

a. Airport Budget Process – Operating and Capital

- i. Operating budget-\$1.1M, \$620,000/prop tax, \$138,000/grants, user leases/fees/charges, 2016-2020 fund balance has made up the difference

Bill to work with the board members to submit information about the airport budget process and how the board can be involved. Bill's emailed presentation and STC's current budget requested. Hoping to improve airport efficiencies, Bill encouraged one-on-one (est. two hours) to be scheduled with board members. Member profiles/directory requested.

b. Capital Projects 2021

- i. Water and Sewer/North Building GA: design 95% complete, bids 4/1/21, construction 7/1/21, 100% local option sales tax
- ii. Taxiway Reconfiguration and Reconstruction

As the counties and City pledge resources, the individual letter in support of adding T-hangars will be included. Jami requested to review hangar rent revenue and agreements, rate of increase, and the FBO agreement. St. Cloud Aviation owns four large hangars, STC has one large hangar, and the SCSU Aero Club owns a 10-unit T-hangar leased on STC property. The Capital budget is set in October in conjunction with FAA. CIP projects are approved by the City in February. The current CIP includes various projects, projected year, and cost estimates. A new T-hangar was discussed and would be a local cost this year.

Optimization study consultants showed a declining deficit over the years. If there's a deficit after 10 years, there's a special taxing district to be applied to all three counties as a regional asset, not only levied on city residents. Leigh suggested to work with smaller area airports to highlight the benefits of remote airports to help residents support a possible tax increase.

7) Identify Meeting Schedule

- a. Monthly – Doodle Poll to best coordinate schedules; Bill and Lynn convening
- b. Draft resolution to administrators and clerks, Stearns meets 3/23/21, Benton 3/16/21

David Weeres shared that STC is safe and run extremely well. The City and Bill have done a great job in airport development. Aviation is high profile, and the City has provided great resources and great employees. Mike Williams added he was thankful to have great members serve in this capacity and is excited to move forward.

Adjournment at 4:46 pm.

Respectfully submitted,  
Lynn Hoff, Airport Secretary