

# SCRAA Airport Authority Committee – Meeting Minutes

Thursday, May 6<sup>th</sup>, 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 3:06 pm.

## **Agenda Items:**

- 1) Call to Order
- 2) Additions to the Agenda
  - a. Strategic Planning
  - b. General Consultant Selection
- 3) Public Comment Period (not to exceed 15 minutes for the entire period)
  - a. There will be a two-minute time limit per person.
  - b. Additional comments need to be new in nature, not duplicated from prior comments.
- 4) Consent Agenda – Minutes
  - a. Ms. Bestgen moved to approve the additions to the agenda as well as the last meeting minutes, Mr. Quade seconded. It was suggested to strike names and be more general. Motion carried unanimously.
- 5) Discussion of Various Reports
  - a. Financials: Ms. Hodel and Ms. Fah will review airport operating and construction funds so the budget equals out. Construction grants typically run 90 [FAA]/5 [state] /5 [local]. There's a dedicated sales tax balance.
    - i. 12/31/21 revenue to include PFCs: \$4.50/PAX goes into construction fund.
    - ii. Finance Committee will refine what's to be presented at the board and sub-committee level and how often.
    - iii. What are future needs at official transfer? Financial support, staffing levels, etc. Some services are still needed from City (ie: SCFD).
  - b. Airline Operations
    - i. United needed 72% load factor. Allegiant would like it closer to 90%, however, Mr. Towle assured they are happy with STC at 80+%. Allegiant's business model allows them to charge more if the load factor is lower. When Allegiant was in Duluth and Rochester, they had to lower fares and weren't productive. The extra services charged generates an average of \$42/PAX. Allegiant graphs showed PAX load factor, takeoffs and landings, and what airplanes were used,

mostly A320's, some 319's. The fixed costs are the same, but A320 has more PAX, so even if enplanements are low, the load factor is most important based on the entire airplane and available seats. Sometimes Allegiant doesn't fly certain months.

- c. Airport Operations
  - i. ATCT reports all takeoffs and landings. Weather significantly impacts these numbers.
- d. Construction Projects
  - i. St. Cloud City Council approved the Water and Sewer Project. Even though the estimate was a bit over the consulting engineer's estimate, it was certainly reasonable. RL Larson was the successful low bidder.
  - ii. The Taxiway Reconfiguration Project is a federal project estimated at \$5M. JR Ferche was the low bidder. This will now be placed for City Council approval. American Association of Airport Executives (AAAE) lobbies in D.C. and has been a great advocate in obtaining additional funding for airports. STC was granted 100% funding as part of the latest CARES Act. Mr. Towle explained this reconfiguration project is due to the taxiway intersection being non-standard and it's unusual to have Taxiways C and D intersect in this way. Taxiway signage will be updated as well.

## 6) Old Business

- a. Airport Hangars
  - i. Mead and Hunt estimated \$750,000-\$1M for a new hangar. There's a waiting list of 25. It's not an emergency for everyone like the 2-3 that were waiting on the ramp. Mr. Towle worked with current tenants to assist in finding space, even subleasing during times when a tenant has their plane somewhere else. It was suggested to research rents and figure current construction costs but save this decision until strategic planning is done. There may be other improvements needed before launching new projects. Some folks might seem unhappy, but it's important to go slower as it can complicate things during transition and would require City Council approval.
- b. Airport Parking
  - i. Information was pulled from the Optimization Study. The newly suggested system includes pay-by-plate and two pay stations (one inside and another outside with an enclosure for customers). Folks can use the Park Mobile app or manually pay at the airport. With Park Mobile and Flobird, it sounded as if the name and authority change would not affect the transaction fee structure. A regional airport in Portland, Oregon indicated it takes 10-15 minutes to drive around for compliance checks (not done daily). Discussion revolved around whether there should be separate rates for paved vs. gravel parking lots. It appears it would be easier and less complicated to start with one rate for all. Additionally, the initial rate will likely be \$5/day as the gravel lot is comparable to the main lot. MSP is \$26/day onsite and \$12/day offsite. Grand Island, Nebraska's airport had a total roll out where media was involved. STC would likely use SCPD/Community Service Officers to do ticketing and towing. It was asked if there will be parking for board members during in-person meetings if the lot is full? Mr. Towle said the airport will ensure there are accommodations. Lead time is 4-6 weeks for installation and programming and 8-10 weeks for communication/marketing. Mr. Staehling says it's up to the board to recommend it to City Council. Mr. Quade made a motion to proceed, Ms. Bestgen seconded. Motion carried unanimously.

c. Committee Structure

- i. Patti Garland of the Greater St. Cloud Development Corporation (GSDC) shared their bylaws and committee structure with Mr. Myres. There's a committee for current finance and operations and another committee for construction building and growth. Mr. Quade, Mr. Myres, Mr. Daniels, and Mr. Grams will review the bylaws and committee function to provide the board with their thoughts.

7) New Business

a. Life Link Hangar

- i. A 15-year lease was signed with a five-year option, which expires in September 2021. Lifelink moved to Alexandra, needing to be further away to compete with ambulance service. The hangar was used for storage and brick building used for training by CentraCare, which has subleased it the past 5-6 years. Lifelink owns the hangar on city land. It was asked whether the hangar needs to be sold? Purchase price would range between \$20,000-\$60,000. Multiple SCPD agencies needed a training area and storage, so Lifelink is currently sub-leasing to SCPD and seems pleased with that over a private business. It was asked whether this could be used for aircraft storage. It was built for helicopters and doesn't have a connection to the runway/taxiway system. It would be difficult to find another tenant with aeronautical use and it's nice to see law enforcement presence. Expansion is not needed in that direction in the near future, but rather is planned back toward the SE closer to other hangars at this time. Related to a question about whether the airport should own the hangar, maintenance costs are better used in different areas, but this could be re-examined. How much space is needed for hangar development before the property is needed? There could be a reversionary clause in the lease that the airport owns it at the end of the lease or in ten years, etc. If STC needed the space, they could give notice. Mead and Hunt can assist to analyze the layout to ensure the airport is utilizing the space well. STC will work with the City Attorney to start negotiations and make recommendations. Board was happy with SCPD and turned it over for staff to make suggestions, reviewing the pros and cons of each option. The lease should be written that SCPD would have first right of refusal and the airport owns the building in 10-15 years. Ideally, it should be airport-owned with control to be leased to parties, otherwise SCPD could own it and would need to maintain it, including utilities.

b. Strategic Planning

- i. A strategic plan helps define the future and formulates a road map from to guide the organization from its current state to its vision for the future. These plans should be completed in this order: Strategic Planning (vision and goals), Business Planning (finances), and Master Planning. Mead and Hunt would orchestrate the planning effort but may sub-out parts of the Strategic Planning. Master Planning/Strategic Planning are probably covered under the Master Agreement, but Ms. Baird needs to review the proposal from five-years ago. Inasmuch as they could align interests and engage stakeholders, Mr. Strege recommended getting an outside facilitator. The Airport Authority supports this effort. If covered under Mead and Hunt's Master Agreement, then they'll provide a Task Order proposal to the board. No federal grant funds are available for this.

c. General Consultant Selection

- i. FAA allows a General Consultant to serve for five years since the selection process can be timely and costly if completed for every airport project. Ms. Hodel and Mr. Staehling from the City and Ms. Bestgen and Mr. Marshall from the board will make up the Selection Committee to choose the General Consultant.

Regarding minutes, Mr. Steahling referred to the Resolution and open meeting law. As a public body, names are included with a motion when recording the votes, but not during general discussion. Some others liked the amount of detail at this stage of the process but did not need the names being used in such detail. In person meetings at the airport were requested.

- 8) Adjournment – Ms. Bestgen made a motion to adjourn at 4:45 pm, Mr. Quade seconded. Motion carried unanimously.

- 9) Next Board Meeting - Thursday, June 3<sup>rd</sup>, 2021 at 3:00 pm (*correction from printed agenda*)

Respectfully submitted,  
Lynn Hoff, Airport Secretary