

MINUTES

ABERDEEN AIRPORT BOARD

Regular Meeting

April 6, 2020

MEMBERS PRESENT: Lon Gellhaus, Tom Seyer, Mike Erickson, Carl Perry, John Aman

MEMBERS ABSENT:

OTHERS PRESENT: Rich Krokkel, Ron Wager (City Attorney), Alan Johnson (Councilor),
Mike Schmit (Helms & Associates), Scott Meier (Avis), Rolf Johnson,
Rhea Ketterling

Chairman Gellhaus called the monthly scheduled meeting of the Aberdeen Airport Board to order at 10:30AM on Thursday, April 6, 2020.

Item #2 Approval of Minutes from the March 5th, 2020 Regular Meeting – Moved by Perry, seconded by Aman. **MOTION CARRIED.**

Item #3 - Adoption of the Agenda – Moved by Perry, seconded by Aman. **MOTION CARRIED.**

Item #4 Schedule Next Meeting – Thursday, May 7th at 10:30AM.

Old Business:

New Business:

Item #5 Bills for the Month of March – Moved by Aman, seconded by Erickson. **MOTION CARRIED.**

Item #6 March Financial Report – Moved by Perry, seconded by Erickson. **MOTION CARRIED.**

Item #7 Recommendation to pay Helms & Associates Invoice #20 in the amount of \$24,256.89 on AIP Proj. #3-46-0001-39-2018 Airport Master Plan 83.5% complete, ALP 72.5% complete and work on Aerial Approach Survey 92% complete - Moved by Perry, seconded by Aman. **MOTION CARRIED.**

Work continues on the Master Plan; work have been focused on the ALP to get to a point for discussions and have another Public Meeting to start looking at alternatives for future development.

Item #8 Recommendation to pay Helms & Associates Invoice #18 in the amount of \$6,548.09 for Administration and Resident Engineering services on AIP Proj. #3-46-0001-40-2019, Reconstruction of Taxiway C – Moved by Perry, seconded by Erickson. **MOTION CARRIED.**

Met with Reede Construction and B&B Construction last Friday. Weather permitting, contractors will start hauling materials for the storm sewer work between txy D and rwy 13/31. This work will not affect air traffic or close the runway. With the COVID-19 medical supplies flights, we have been communicating with 3M weekly to bi-weekly as we do not want to interrupt the need of US jets from flying in and getting the necessary supplies out. If we're to change the Plans and Specs and the Safety Plan to accommodate the supplies shipment, Schmit stated in his opinion the contractors may be entitled to additional compensation. As of now, we are moving forward with the project as planned and looking at starting construction on May 1st.

Item#9 Recommendation to pay Helms & Associates Invoice #6 in the amount of \$12,264.20 on AIP #3-46-0001-41-2020 Design stage of Taxiway Geometry Improvements/GA Apron project - Moved by Seyer, seconded by Perry. **MOTION CARRIED.**

Schmit is working with Airport staff on the Construction Safety Phasing Plan. This project is for the geometry fix, to construct a new connector to rwy 13, reconstruct a small portion of txy D, and realign and reconstruct txy B. There's a potential for supplemental/discretionary funding which is 100% Federal share, but the availability is unknown at this time.

Item #10 Discussions and possible approval of proposed Car Rental Concessions – due to late distribution of the documents to the concessionaires, Krokkel asked to remove the “possible approval” of the proposed Car Rental Concessions. The approval portion of the Car Rental Concessions can be on next month's agenda. Moved by Aman, to discuss the Car Rental Concessions, seconded by Erickson. **MOTION CARRIED.**

Meier from Avis an operator in the terminal acknowledged receipt of the proposed documents. He stated not just for this year's, but based on his last year's sales he would be locked into \$566,000 sales based on 85% MAG. He informed the Board that he will not be submitting a bid if a revolving MAG is left on the RFP. He has a shop across the road from the airport, he will move offsite and will operate out of that location. This year have been way catastrophic than what it has been any other time. His March 2020 sales is down 37% and so far April 2020 sales is down 95%. Krokell stated they came up with the 85% MAG for the RFP based on an average of what the other airports are asking. This is presented as a recommendation to the Board. Seyer stated the Board appreciates Meier's input as it's not our intent to put them out of business. The Board discussed how they can do this differently. Options from basing it on deplanements, having minimum guarantee of \$25,000, retro audit of sales, and reaching out to other airports, etc. Meier stated he understands reaching out to the other airports, but we also have to take into consideration that those other airports are growing faster than we are. His operation has no control over what would boost their business. His Minot location has taken a loss as he had locked into an agreement that he can't change. He also questioned the language we have on page 9 of 15 in the lease agreement as this Board or the City Council that approves the lease now might not be here in a couple of years, then he's locked in again. They are already paying the City 7% of the business that they have been doing and is not opposed to 10% and having a MAG that is not revolving. Wager stated it's the Board's decision if they want to eliminate or adjust the numbers, but they also have the obligation to be fiscally responsible. The Board can set a MAG dollar amount that they are comfortable with. and can also wait until July, as this was our target time. Don't make a decision based on today's situation. Wager will present another draft recommendation next month; removing the MAG, revising page 9 of 15 of the lease agreement.

Item #11 Manager's Report (Krokell)

Airline Operations 2020:

March: Due to COVID-19 pandemic, enplanements is down 49.02%, deplanements is down 39.28%, total March Pax Traffic is down 43.98%, March Load factor is at 38.93%.

YTD - March: Enplanements down 13.51%, Deplanements down 9.19%, Total YTD Pax Traffic down 11.36%.

March Cancellations and Major Delays – 8 events: 0-WX, 3-MX, and 5-Others

Sun Country (SY) – Flights: Future scheduled charter flights have been cancelled due to the COVID-19 pandemic.

2020 Monthly Total Fuel Statistics: March 2020 compare to March 2019 up 23.67%. Total YTD 2020 vs 2019 up 20.14%

2020 Car Rental – February: Total February Gross Sales up 3.1% compare to February 2020.

Construction, projects, and other notes:

- SkyWest Marketing is currently suspended due to COVID-19 pandemic.
- Air Kraft Spraying – Krokell worked with and received a letter from ADO approving the proposed correction to the direct access issue on Kraft/Hillestad leased area. The documents had been sent to Jake Kraft and Darrell Hillestad. All construction costs is their expense. There will not be any financial input from ABR. We want them to do this project when we have the runway closed during our txy C project. They will need to file a 7460 which will take about 45 days.
- Total of 5 medical flights for COVID-19 medical supplies flight.
- The Board received a copy of Kim Kenville Strategic Plan to review.
- Had a Conference call with SkyWest and USDOT last week. USDOT is recommending Airport Authority on supporting SkyWest to reduce one flight per day. The Board is in support of writing the Letter of Support of the reducing to one flight and prefers to have the morning departure.
- Submitted to the FAA aircraft storage plan for airlines.
- GA Apron Project is a multi-year funding slated for 2022-2023.

- **Maintenance Report:**

Weather Event – #13 had 9 hours of closure due to ice on the runways.

Terminal – is being sanitized twice a day.

Other - Due to an issue in the parking lot a couple of months ago, the curve stops have been moved back 10' and is now anchored by smooth round stock instead of rebar.

Update from SD Aeronautics Commission. Johnson stated the State is concern about revenue matching funds, i.e. Supplemental funds. The State just does not have mechanism to calculate match for money they did not anticipate. The Commission has a meeting in two weeks.

There being no other business before the Board, Erickson moved to adjourn, seconded by Aman. The meeting adjourned at 11:47AM.

APPROVED BY :
ABERDEEN AIRPORT BOARD
Donald L. Seeham