

**Sioux Falls Regional Airport Authority
Board Meeting Minutes**

January 25, 2024

Members Present: Eric Ellefson and Lon Stroschein

Members Present Via Phone: Blake Curd, John Taylor, Kent Cutler

Staff Present: Dan Letellier, Richard King, and Kristin Elgersma

Guests Present: Jake Braunagel – KLJ Engineers, Mike Mulroney Brad Greguson– SP Plus Parking, Craig Ellerbroek – Ace Media, Elizabeth Hertz – Davenport Evans, Eric Hanson – HDR Engineers

Ayes and nays were taken on all motions and all motions were passed unanimously unless otherwise noted.

Chairman Ellefson called the meeting to order at 12:02 pm.

1. **Minutes-** Blake Curd moved and Lon Stroschein seconded a motion to approve the minutes of December 21, 2023. Motion Carried.
2. **Bills for Approval-** Lon Stroschein moved and John Taylor seconded approval of the bills as presented. Motion carried.
3. **Consent Agenda-** Report on Consent Agenda items by the Executive Director. Lon Stroschein moved, and John Taylor seconded approval of the Consent Agenda. Motion carried.
 - A. Change Order #20-21, 23, 25-26 with Sunkota Construction for modifications to the SRE Building project. (\$4,081.65)

Kent Cutler joined via phone at 12:10 pm.

4. Report by Executive Director-

- A. Passenger Traffic – December 2023 – December passenger traffic jumped 17.8% from the previous year setting a December record with 56,993 passengers. Total traffic for the month increased 16.9% for a total of 111,476. Total traffic in 2023 increased 9% over 2022 setting a new enplanement record of 667,038, an increase of 55,000 passengers. Available seats increased 9.02% for the year resulting in a load factor of 82.5%. Gift Shop, Food/Beverage, Car Rental, and Parking saw increases while Hotel revenue decreased slightly.
- B. Construction Update –
 - a. Parking Garage: Work has slowed due to the extreme cold and snow. Work is picking up again as temperatures have warmed with the

installation of precast concrete on the garage lobby. Installation of pre-cast stairs also ongoing.

- b. SRE – North Addition is close to completion while some concerns with the structure integrity being raised by a former Sunkota employee. Sunkota is working on scheduling a structural expert to review numerous areas of concern. The sand storage building is also making progress with the last section of exterior panels being installed. Once it is fully enclosed, work will continue on the interior electrical and HVAC systems.
- c. Concourse Expansion – The schematic design phase has been completed. Work continues with design development with on-site owner meetings planned for Feb. 7-8. These meetings will provide a closer look at structural elements as well as aircraft parking and ramp design. Construction Manager at Risk (CMAR) selection process continues with three out of four firms selected to move forward with formal proposals and interviews which are scheduled for February 23rd.

C. Aviation Issues Conference Report – Director Letellier provided a summary to the Board of topics discussed at the annual AAAE- Aviation Issues Conference.

- a. Congressional items:
 - i. FAA Reauthorization Update- Waiting for Senate to move bill forward with differences to be ironed out with House version. Issues holding up legislation include 1,500-hour rule modifications for pilot licenses and retirement age for pilots.
- b. Environmental Challenges
 - i. Sustainability / SAF
- c. Aviation Workforce – Shortage of pilots as well as aircraft mechanics, ramp agents, etc. are becoming more of an issue. Heavy aircraft maintenance inspections delaying availability of aircraft.
- d. ATC Staffing – Shortage of air traffic controllers and bottleneck in training resulting in flight reductions in the northeast and Florida airspace.
- e. Staffing / Diversity – Sourcing a more diverse workforce a challenge for airports, airlines and government agencies.

5. Old Business –

A. No Items

6. New Business-

Landline/Sun Country Proposal. – Director Letellier reported on a proposal received from Landline in partnership with Sun Country Airlines to begin service from Sioux Falls to Minneapolis. The connection from FSD to MSP would be on a Landline passenger bus that would connect to a Sun Country aircraft in Minneapolis to other Sun Country destinations. Buses would run once per day, 4-5 times week.

Anticipated departure time out of FSD would be around 9am arriving in MSP at 1pm. Connecting flight options proposed:

- 26 destinations including: Orlando, Reno, Toronto, Ft. Walton Beach, Nashville, Houston, LA, and San Francisco.

Return trip would leave MSP at 4:35p arriving at FSD at 8:30p. Passengers would be required to transfer their luggage from the bus to a Sun Country agent to check-in upon arrival in MSP. Tickets purchased include both the land and air segments of service. Sun Country currently has this agreement with Fargo/Grand Forks, Duluth and Rochester.

Fargo currently has about 500-600 passengers using the service to MSP on a monthly basis and collects a \$4.50 fee (similar to PFC collection) from Sun Country for each passenger. Passengers also can purchase a ticket directly with Landline for a ride just to MSP. Letellier outlined expected airport revenue that could be generated and the potential for future Sun Country air service depending on the success of the land service. Some concerns related to the impact on Allegiant air routes and how fewer travelers may impact future route options. Other concerns included the impact on curb congestion both for pick-up and drop-off of travelers.

The Board deferred a decision and asked Letellier to provide additional information from Landline and other airports they operate in.

- A. Property Insurance Renewal – Director Letellier reported on the Property/ Auto insurance renewal quote for 2024. Premium increased 13% to \$159,786.

The increase in overall premium is a result of a 5% inflation adjustment for property value covered along with a standard 12% increase for all policies. Auto premium also increased 6% making up the overall 13% change. Current coverage reflects a \$25,000 deductible except for wind/hail damage which is a \$100,000 deductible – per building/per storm. Optional adjustments to reduce premium:

- Increase deductible from \$25k to \$50k - savings of \$5,500.
- Increase deductible from \$25k to \$100k- savings of \$12,000.

An option to add flood insurance which would provide coverage of \$500,000 for building damage and \$500,000 for contents with the following deductibles:

- | | | |
|-----------------------|-----|---------|
| - \$25,000 deductible | add | \$4,572 |
| - \$50,000 deductible | add | \$4,288 |

T.J. Rolfing with Holmes Murphy inquired with 2 other insurance carriers (only 3 providing airport coverage) and they declined to provide a quote.

Kent Cutler moved to accept coverage with a \$50,000 deductible but decline the flood coverage. Lon Stroschein seconded the motion. Motion carried.

Blake Curd left the call at 1:00 pm

John Taylor left the call at 1:03pm

7. Open Segment

None

Kent Culter left the call at 1:05 pm.

Lon Stroschein moved and Eric Ellefson seconded a motion to adjourn the meeting at 1:06 pm.

Date

Secretary

Next Board Meeting: February 22, 2024: 12:00 pm

Sioux Falls Regional Airport
Bills to be Approved
February 22, 2024

Check	Vendor	Description	Amount	Date
46212	AeroStay	Other Current Expense - Hotel Room	\$ 161.07	1/25/2024
46213	Baldwin Supply	Machine Maint - Baggage Claim Belt	\$ 1,631.24	"
46214	Bargain Barn	Tires - Caster Wheels	\$ 63.95	"
46215	Batteries Plus	Electrical Supplies - Light bulbs	\$ 487.50	"
46216	Transwest Trucks	Machine Maint - Filters	\$ 75.10	"
46217	Century Link	Utilities - Telephone	\$ 1,149.07	"
46218	Office of Child Support	PPE 01/21/2024	\$ 282.92	"
46219	Cole Papers	Janitorial Supplies	\$ 1,161.61	"
46220	D&K Doors	QTA Maint	\$ 610.00	"
46221	DMI	Machine Maint - Loader 18	\$ 721.24	"
46222	Epicosity	Advertising - December	\$ 9,427.74	"
46223	Equipment Blades	Machine Maint - Blades	\$ 4,048.36	"
46224	FedEx	postage	\$ 68.42	"
46225	Henry Carlson Construction	Parking Garage	\$ 683,917.36	"
46226	Hillyard	Janitorial Supplies	\$ 2,481.32	"
46227	Interstate Battery	Machine and Building maint - Batteries	\$ 547.55	"
46228	John Taylor	Travel	\$ 1,097.20	"
46229	KLJ Engineers	Engineering Projects	\$ 133,623.84	"
46230	Lacey Rental	Other Current Expense - Toilet Rental	\$ 170.00	"
46231	Dan Letellier	Travel	\$ 604.51	"
46232	Macs inc	Plumbing Supplies / Machine maint	\$ 23.18	"
46233	Master Blaster	QTA Maint	\$ 9,194.21	"
46234	Mead and Hunt	Master Plan	\$ 4,378.16	"
46235	Midwest Equipment Repair	Machine Maint - Sand Storage Loader	\$ 1,353.57	"
46236	Minnehaha County	Airport Security - Dec LEO	\$ 20,104.88	"
46237	Mood Media	Passenger Services	\$ 82.45	"
46238	Oreilly	Machine Maint	\$ 73.75	"
46239	Pomps Tire	Crash 12 Tires	\$ 16,607.36	"
46240	Richard Lane	Emp Benefits - Cell Reimb/MachineMain	\$ 268.64	"
46241	Roto Rooter	Plumbing Maint - Drains	\$ 605.00	"
46242	Scott Conner	Uniform - Boot Allowance / Office Suppli	\$ 199.99	"
46243	SD Airport Management	Memberships - Jonathon	\$ 50.00	"
46244	SDSRP	Supplemental Retirement	\$ 600.00	"
46245	SF Utilities	Utilities - Water / Sewer	\$ 7,813.00	"
46246	Sioux merchant	Airport Security - 1/14-1/20	\$ 6,306.31	"
46247	Standard Parking	Parking Pass Reimbursement	\$ 1,400.00	"
46248	Sunkota Construction	SRE Building	\$ 269,428.94	"
46249	Tri-State Garage Door	Building Maint - Fix Door/Openers	\$ 996.20	"
46250	TSP	Parking Garage Art	\$ 529.94	"
46251	Verizon Wireless	Utilities - Telephone	\$ 452.00	"
46252	Vidtronix	Passenger Services	\$ 318.00	"
46253	AAAE	Memberships -Letellier	\$ 275.00	2/1/2024
46254	AET	Testing-Parking Garage	\$ 1,000.00	"
46255	Argus Leader	Board Minutes	\$ 143.98	"

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Check	Vendor	Description	Amount	Date
46256	Asphalt Surfacing	Final Pay App #5-Eastside Water main	\$ 40,997.98	2/1/2024
46257	Bierschbach Equipment	Door-Skid Steer	\$ 463.35	"
46258	Direct Tv	Passenger Services	\$ 171.99	"
46259	DMI	Machine Maint-Loader 23	\$ 53.76	"
46260	Kristin Elgersma	Employee Rec.-Billy Gregg	\$ 54.54	"
46261	Tom Ensz	Uniform - Boot Allowance / Office Suppli	\$ 150.00	"
46262	Hillyard	Janitorial Supplies	\$ 1,405.52	"
46263	Howes Oil	Fuel	\$ 12,928.80	"
46264	SD Health Pool	Health Ins-Feb	\$ 54,748.84	"
46265	Interstate Battery	Machine Maint.	\$ 24.65	"
46266	Janitors Closet	Janitorial Supplies	\$ 2,850.75	"
46267	Brady, Martz & Assoc.	Accounting	\$ 3,170.00	"
46268	Lawncrafters	Snow Removal	\$ 27,136.55	"
46269	Dan Letellier	Travel-Air Fare-DCA	\$ 987.00	"
46270	LT Companies	Final Pay App #2-Cell Lot Expansion	\$ 27,963.80	"
46271	Macs inc	Building Maint.	\$ 184.23	"
46272	Malloy Electric Bearing	Building Maint.	\$ 11.13	"
46273	Capital One-Menards	Building Maint.	\$ 2,225.81	"
46274	MidAmerican Energy	Utilities-Natural Gas	\$ 9,408.14	"
46275	NAS Industrial	Solid/Liquid Runway Deicer	\$ 24,911.76	"
46277	Panther Printing	Office Supplies	\$ 629.00	"
46278	RDO Equipment	Machine Maint.	\$ 2,441.32	"
46279	Roto Rooter	Building Maint.	\$ 435.00	"
46280	Ryan Diestch	Uniform - Boot Allowance / Office Suppli	\$ 150.00	"
46281	SDSRP	Supplemental Retirement	\$ 600.00	"
46282	SF Utilities	Sewer	\$ 65.77	"
46283	Sioux Merchant Patrol	Security 1/21 - 1/27/24	\$ 6,317.50	"
46284	Voltaire Aviation	Feb Air Service Retainer	\$ 2,500.00	"
46285	Amadeus	Psgr Svc	\$ 1,029.00	2/8/2024
46286	AT&T	Telephone-Long Distance	\$ 64.93	"
46287	Transwest Trucks	Machine Maint.	\$ 611.30	"
46288	Building Sprinkler	Building Maint.	\$ 534.87	"
46289	Office of Child Support	Child Support Pay	\$ 282.92	"
46290	Click Rain	Travel Reimb-Ellefson	\$ 1,529.36	"
46291	Cummins Central Power	Generator Replacement-Crane	\$ 5,844.16	"
46292	Dex Media	Advertising -Final Yellow Pages	\$ 77.75	"
46293	Diesel Machinery Inc.	Machine Maint.-Loader 18	\$ 232.27	"
46294	Dakota Supply Group	Machine Maint.	\$ 7.51	"
46295	Dustin Wagern	Uniform - Boot Allowance	\$ 150.00	"
46296	Epicosity	Feb. Advertising Projects	\$ 7,678.27	"
46297	Flash Parking	Parking Mgmt	\$ 196.00	"
46298	FleetPride Truck	Machine Maint.	\$ 33.42	"
46299	Grainger	Building Maint.	\$ 60.30	"
46300	Hillyard	Janitorial Supplies	\$ 138.50	"

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46301	Howes Oil	Jan Fuel - Airline and Rental Car Resale	\$	34,582.31	2/8/2024
46302	Innovative Office Solutions	Building Maint. - Ice Melt	\$	877.10	"
46303	JCL Solutions	Janitorial Supplies	\$	736.34	"
46304	Jason Dykstra	Uniform-Boot Allowance	\$	148.90	"
46305	Jaymar	Office Supplies	\$	59.18	"
46306	L.G. Everist	Building Maint. - Quartz repl-column	\$	1,625.14	"
46307	Macs inc	Building Maint.	\$	16.99	"
46308	Mead and Hunt	January-Master Plan fee	\$	10,448.29	"
46309	Michael's Purple Petunia	Building Maint.	\$	285.00	"
46310	MidAmerican Energy	Utilities-Building gas	\$	14,856.81	"
46311	Vollan Oil	Fuel-DEF	\$	537.75	"
46312	Midwest Alarm Co.	Building Maint.	\$	1,305.50	"
46313	O'Reilly	Machine Maint.	\$	311.61	"
46314	RDO Equipment	Machine Maint.-Loader 19	\$	319.82	"
46315	SDN Technology	Wifi Support-Feb	\$	3,126.35	"
46316	SD Public Assurance Alliance	Insurance-Officers & Dir.	\$	642.47	"
46317	SD Retirement	Retirement Contrib-January	\$	28,072.56	"
46318	Sioux Merchant Patrol	Security 1/28-2/3/24	\$	6,279.01	"
46319	TK Elevator	Building Maint.	\$	223.80	"
46320	TMS	Time Management Support	\$	228.00	"
46321	Tri-State Garage Door	Building Maint.	\$	175.00	"
46322	Workplace IT Mgmt	IT Support	\$	2,330.89	"
		Total for 01/25/2024 - 02/21/2024		<u>\$ 1,533,181.13</u>	

<i>Payroll</i>	<i>pay period ending 1/21/2024</i>	\$	103,498.95	1/26/2024
	<i>pay period ending 02/04/2024</i>	\$	84,808.02	02/09/24

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<i>CC- Dan Letellier</i>	<i>Postage</i>	\$	6.21
	<i>Passenger Services</i>		
	<i>Vehicles</i>		
	<i>Membership</i>	\$	1,148.08
	<i>Travel</i>	\$	2,867.19
	<i>Clothing</i>		
	<i>Building Maint</i>		
	<i>Office Supplies</i>		
	<i>Other Current Expense</i>	\$	141.52
	<i>Fingerprinting</i>		
	<i>Fuel</i>	\$	130.39
	<i>Total</i>	\$	4,293.39
<i>CC-Jonathon Perout</i>	<i>Travel</i>	\$	539.45
	<i>Building Maint</i>	\$	-
		\$	539.45
<i>CC- Richard King</i>	<i>Fingerprinting</i>	\$	1,500.00
	<i>Plumbing Supplies</i>	\$	148.20
	<i>Office Supplies</i>	\$	54.65
	<i>Machine Maint</i>	\$	166.82
	<i>Other Current Expense</i>	\$	266.41
	<i>Travel</i>	\$	2,036.83
	<i>Total</i>	\$	4,172.91