**Sioux Falls Regional Airport Authority**

**Board Meeting Minutes**

**February 22, 2024**

Members Present: Eric Ellefson, John Taylor, and Blake Curd

Members Present Via Phone: 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, Brad Wilson – Claims Associates

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 John Taylor seconded a motion to approve the minutes of January 25, 2024. Motion Carried.
2. **Bills for Approval**- Blake Curd 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. Blake Curd moved, and Kent Cutler seconded approval of the Consent Agenda. Motion carried. John Taylor abstained from the vote and discussion due to a potential conflict of interest.

1. Change order #12 with Henry Carlson Construction for modifications to the Parking Garage Project - $0.
2. Lease Agreement with John Brosius for airport T-Hangar 1-5.
3. Lease Agreement with Taylor Family Properties for airport T-Hangar 1-9.
4. Amendment #4 to Task Order with KLJ Engineers for the design of the cargo apron expansion. $68,732.26.
5. **Report by Executive Director**-
6. Passenger Traffic – January 2024 – Slight dip in enplanements for the month down 0.1% or 77 passengers to 53,054. Total passengers were also down 0.2% to 103,453. Passenger volume stayed flat despite a reduction in seats of 8.23%. The result was fuller flights with load factor increasing from 79.2 to 86.2%. Gift Shop and Food/Beverage saw increases while Hotel, Rental Car, and Parking revenue decreased slightly.
7. Construction Update –
	1. Parking Garage: Precast panels on the exterior of the garage has been the main focus. The curtainwall installation will start next week. The terminal side precast is scheduled to start next week starting at the North side and moving to the South Side. Mid-April will bring more changes with the closing of the commercial lane so they can reconstruct the curbside by the parking garage. Additionally in April they will have a 1-day closure of Jaycee Lane to place the skywalk connecting the garage to the terminal building.
	2. SRE – North Addition is substantially complete with the punch list walk through on 2/21/2024. AET also did a structural inspection of the new addition with some items that need to be addressed before occupancy. The Sand Storage building is enclosed and work continues on installing the heating system as well as electrical. There are also structural concerns on this building so an additional study will need to be completed before give occupancy of the space.
	3. Concourse Expansion – Work continues with the design/development phase of the expansion. An onsite facilitation meeting was held two week ago to review interior finishes as well as structural design. Interviews have been scheduled for Feb. 27th for CMAR selection. The FAA has also reviewed our RFQ/RFP process and came back with numerous questions and comments. We are working through those issues which could delay the result in awarding the project.
8. Parking Demand – Director Letellier provided a summary of the projected parking demand in March. A 3% increase in seats will lead to full lots around March 12-13th. Overflow into the Cell Phone Lot may be necessary for that weekend.
9. **Old Business –**
10. Landline/Sun Country Proposal- At the January Board meeting, a presentation was provided by Landline/Sun Country on a proposal to provide bus service to Minneapolis that would connect to Sun Country flights. The Board had additional questions regarding the service and deferred a decision for one month. Since that time, Director Letellier had conversations with Nick Johnson of Landline to go over some of the questions that were brought up:
	* 1. Marketing Plan – After an initial earned media push, typical spending of $4-$5k/month on social/digital ads driving awareness to the service.
		2. Length of Service – Plan to start service in late May early June for at least 12 months in order to create awareness of the service in the community.
		3. Sun Country to pay $4.50/passenger fee plus the use of the ticket counter.
		4. The bus service would run 4-5 days a week from FSD – MSP where passengers would be able to connect to over 25 destinations.

Director Letellier also spoke with the Airport Affairs manager with Allegiant Airlines about their thoughts about the Landline/Sun Country Operation and he wasn’t concerned as he believes they offer a better product for their passengers. John Taylor moved to decline the proposal from Landline to operate out of the Sioux Falls Regional Airport, Kent Cutler Seconded. Motion Carried.

1. **New Business**-
2. Airport Authority Title VI Policy. – The FAA requires all airports to develop and implement a Title VI Policy to meet our federal grant assurances. The Policy requires the Airport to develop policies and practices to ensure nondiscrimination in all our programs and activities, whether those programs are federally funded or not. The policy is fairly standard with some modifications to reflect our current practices. Blake Curd moved, and John Taylor seconded a motion to approve the Title VI Policy as presented. Motion Carried.
3. Liability Insurance Renewal – Liability Insurance renewal quote for 2024 was presented to the Board. Only two quotes were received, one from our current provider, Starr Companies, and another from Old Republic.

 **Starr (current) Old Republic**

 Premium ($150m Coverage) $59,343 $70,217.00

 Includes $50m War Liability Yes No

 Bodily Injury Deductible $0 $5,000.00

The new premium with Starr reflects a $2,692 rate increase or 4.8%. Director Letellier recommended renewing with Starr at the same level of coverage as 2023. Black Curd moved and John Taylor seconded the motion to renew with Starr Companies at the same coverage level. Motion Carried.

1. **Open Segment**

 None

1. Special Session to award construction bid to expand the cargo apron (March 7th – 12n)

Blake Curd moved and John Taylor seconded a motion to adjourn the meeting at 1:04 pm.

 Date Secretary

Next Board Meeting: March 7, 2024: 12:00 pm Special Session

 March 28, 2024: 12:00pm