**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.
4. 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.

1. **Report by Executive Director**-
2. 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.
3. Construction Update –
	1. 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.
	2. 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.
	3. 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.
4. Aviation Issues Conference Report – Director Letellier provided a summary to the Board of topics discussed at the annual AAAE- Aviation Issues Conference.
	1. Congressional items:
		1. 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.
	2. Environmental Challenges
		1. Sustainability / SAF
	3. 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.
	4. ATC Staffing – Shortage of air traffic controllers and bottleneck in training resulting in flight reductions in the northeast and Florida airspace.
	5. Staffing / Diversity – Sourcing a more diverse workforce a challenge for airports, airlines and government agencies.
5. **Old Business –**
6. No Items

1. **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.

1. 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

1. **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