**Sioux Falls Regional Airport Authority**

**Board Meeting Minutes**

**May 23, 2024**

Members Present: Eric Ellefson, Kent Cutler, Blake Curd, John Taylor, and Lon Stroschein

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

Guests Present: Jake Braunagel – KLJ Engineers, Mike Mulroney and Brad Greguson– SP Plus Parking, Elizabeth Hertz – Davenport Evans, Eric Hanson – HDR Engineering, and Brian Stavenger – Eide Bailly

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 10:32 am.

1. **Minutes**- John Taylor moved and Kent Cutler seconded a motion to approve the minutes of April 25, 2024. 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. Kent Cutler moved and John Taylor seconded approval of the Consent Agenda. Motion carried.

1. Change Order #14 with Henry Carlson Const. for modifications to the Parking Garage Project. - $0
2. Lease Agreement with Gary Petterson for T-Hangar 2-19.
3. **Report by Executive Director**-
4. Passenger Traffic – April 2024 – April traffic increased 0.3% which was just enough to set a record for the month with 53,205 departing passengers. Total travelers also set a record up 0.9% or 109,609 passengers. Available seats were down 6% boosting the load factor to 82.6% for the month. Parking Revenue, car rental, hotel, and Gift Shop were up while Food/Beverage was slightly down.

1. Construction Update –
	1. Parking Garage: Exterior precast skin installation complete with ongoing patching and joint sealing. Framing and drywall work is the focus in the parking garage lobby. Terminal addition skylights and roof have been installed enclosing the addition. Framing, electrical and HVAC installation continues in the Skyway and terminal addition. Commercial lanes have been closed and they are working to extend the second lane curb and gutter.
	2. SRE – Last couple of items are being completed. The gasket trim on the building is being replaced with a hard metal trim. We are waiting on the additional materials to arrive so that can be completed.
	3. Concourse Expansion – The design development phase has been completed. Currently working on construction documents but the pace has been slowed until the FAA gives final approval to the CMAR selection process.
2. Fargo Airport Board Tour – Last week the members of the Fargo Airport Board visited FSD for a tour of the terminal and new parking garage. The Fargo Board also had questions regarding the FSD Airport Authority finances and planning for the new parking garage. Director Letellier and staff provided a familiarization presentation and tour of the facility.
3. **Old Business –**
4. First Reading of an Ordinance to prohibit the introduction of unauthorized items in the secured area – At the April meeting the Board discussed a new TSA requirement for airports to begin performing random employee screening by September of 2024. FSD is unique in that Federal, State and local statues/ordinances do not clearly prohibit an employee from carrying a firearm into the secured area. An ordinance has been developed which would prohibit an aviation worker from bring a firearm or other listed unauthorized items into the secured area. The secured area is defined as the passenger terminal apron where aircraft are parked for loading and unloading passengers and luggage. The Board had numerous comments regarding the proposed ordinance and required additional input before reaching a final version. Blake Curd moved to defer the First Reading until the June meeting for a final review. Lon Stroschein seconded the motion. Motion carried.

1. **New Business**-
2. Ground Lease agreement with Blue Sky Leasing, LLC to construct a new hangar. Justin Kuipers, owner of Blue Sky Leasing, LLC is planning to construct a new 15,000 sf hangar to expand his aircraft maintenance business. The location of the new hangar is adjacent to his existing hangar along Hangar Street. The agreement is a 30-year ground lease with a few changes from previous leases. First is a 10-year renewal option at the end of the 30-years with mutual agreement. The second is a provision for the airport to purchase the hangar if the leased area is required for a different purpose prior to the termination of the agreement. The lease provides a process to determine the fair market value and appraisal process. This agreement will terminate the current ground lease with the existing hangar and merge both properties into one lease. John Taylor abstained from the discussion and the vote. Lon Stroschein moved to approve the new ground lease with Blue Sky Leasing, LLC. Blake Curd seconded the motion. Motion Carried.
3. Presentation of Audit of 2023 Financial Statements, FAA Grant and PFC Single Audits – Brian Stavenger with Eide Bailly was present to discuss the completion of the annual financial audit as well as the required audits of our handling of Federal grants and Passenger Facility Charge (PFC) Revenue. The audits have been reviewed and approved by the State of South Dakota. Similar items from previous audits were identified but overall, a good report. Kent Cutler moved; Blake Curd seconded a motion to accept the Audit Report as presented. Motion Carried.
4. RFP for Advertising Concessionaire – ACE Airport Media has operated as the airport advertising concessionaire since 2009. In 2014 the airport formally solicited proposals from all interested firms and was reselected for a seven-year agreement. The agreement and been extended on two different occasions based on Covid related impacts to their business and the desire by the airport to extend. The RFP will identify locations within the existing concourse/terminal for advertising opportunities. This RFP will not include any potential revenue streams from the new video walls on the parking garage. Lon Stroschein moved, and John Taylor seconded the motion to prepare an RFP for Advertising Concessionaries. Motion Carried
5. Proposal by Via Transportation to provide scheduled and on-demand bus service to the Airport – The City of Sioux Falls has transferred the operation of the public transit bus system to Via Transportation. Director Letellier met with several individuals with Via a few weeks ago to discuss the option of providing scheduled and on-demand service to the airport. Via would provide daily service every hour beginning at 6am to 7pm from the downtown bus terminal to the airport. Any other individuals who need transportation outside of these times would be able to schedule an on-demand trip to the airport. The primary customers for this service would be employees working at the airport. Via would like to begin the route later this year in the October/November time. Lon Stroschein moved and Eric Ellefson seconded the motion for Director Letellier to move forward with contract negotiations with Via. Motion Carried.
6. Election of Officers to serve the upcoming year – June 1, 2024 – May 31, 2025.

 Kent Cutler - Chairman

 Blake Curd - Vice-Chairman

 Dan Letellier- Secretary

Lon Stroschein moved and John Taylor seconded the appointment of the Officers to begin June 1, 2024. Motion carried.

F. Recognition of Lon Stroschein’s 10 years of service to the Airport Authority and welcome incoming Commissioner Dan Statema – Lon Stroschein is completing his second and final 5-year term. Lon has been an outstanding advocate for the airport during his tenure and his input and advice will surely be missed. We also welcome our new incoming Commissioner Dan Statema. Many of you know and have worked with Dan on other projects and would agree he will be a great addition to the Board.

1. **Open Segment**
	* No Comments

Lon Stroschein moved and John Taylor seconded a motion to adjourn the meeting at 11:38 am.

 Date Secretary

Next Board Meeting: June 27, 2024 – 12:00 pm