

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

**January 26, 2023**

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

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

Guests Present: Jake Braunagel– KLJ Engineers, Brad Greguson– SP Plus, Elizabeth Hurtz – Davenport Evans, TJ Roling – Holmes Murphy, Brad Wilson – Insurance Benefits, Evan Barrett – Mead and Hunt

Guests Present Via Phone: Tom Schauer, Justin Anderson and Colleen Bosold – Mead and Hunt, Mark Wiederrich – KLJ Engineers

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

Chairman Stroschein called the meeting to order at 12:00 pm.

1. **Minutes-** Kent Cutler moved and Eric Ellefson seconded a motion to approve the minutes of December 15, 2022. Motion Carried.
2. **Bills for Approval-** Kent Cutler 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. Eric Ellefson moved and John Taylor seconded approval of the Consent Agenda. Motion carried.
  - A. Task Order with KLJ Engineers to prepare new FAA-PFC application for applicable projects. \$62,793.65.
  - B. Award emergency generator replacement project to Thompson Electric in the amount of \$657,361.69.
  - C. Approve proposal solicitation for bids to replace airport waterlines on the eastside of the airfield.
4. **Report by Executive Director-**
  - A. Passenger Traffic and Concession Revenue – December passenger traffic was significantly impacted from winter weather in the latter half of the month. Airport closures on December 22-23 and again on the 27-28 impacted heavy travel days resulting in over 5,000 fewer passengers vs. booked. The result is a decline in enplanement of 6.7% vs 2021 and 11.7% vs 2019 figures. Total passengers for the month hit 95,114 which was 5.3% behind 2021 levels. Total traffic for 2022 was 20.9% higher than 2021 and set an all-time record with 611,933 enplaned passengers. Parking, Food/Beverage, Car Rental, and Hotel all saw increases while the gift shop saw a slight decrease in sales.

- B. Summary of the AAAE Aviation Issues Conference – Director Letellier provided a summary of items discussed at the AAAE- Aviation Issues Conference he recently attended.
- a. Congressional items:
    - i. FAA Reauthorization – Development of new five-year bill
      - 1. AIP Funding – Increased funding for airport infrastructure.
      - 2. Advance Air Mobility regulations
      - 3. Air Traffic Control update/staffing
    - ii. Debt Limit – Possible Government shutdown
  - b. Environmental Challenges
    - i. Sustainability / SAF
  - c. Airport Future
    - i. New technology to improve experience / processing at Airports –
  - d. Aviation Workforce – Shortage of pilots as well as aircraft mechanics, ramp agents, etc. are becoming an issue.
  - e. Aviation Security / International Processing
  - f. Air service Development.

## 5. Old Business –

- A. No Items.

## 6. New Business –

- A. Property Insurance Renewal - 2023 - The airport recently received the renewal premium for property insurance with Chubb. New premium reflects a 3% increase in property values as well as a 5% rate adjustment totaling 8%. TJ Roling with Holmes Murphy was present for discussion and the board was given some cost saving measures such as increasing the deductible for property and equipment damage from 10k to 25k which would provide a savings of over \$3,000 a year. Eric Ellefson moved and Kent Cutler seconded a motion to renew with Chubb Insurance and allow Director Letellier the discretion to modify the deductible limits as necessary. Motion Carried
- B. Liability Insurance Renewal – 2023 – The airport also received the renewal quote from Starr Indemnity for our liability insurance. The airport’s current policy is for coverage of up to \$150 million with an annual premium of \$49,261. The new quote from Starr for 2023 reflects a 14% increase totaling \$56,651/yr. Brad Wilson with Insurance Benefits also presented a quote from AIG Insurance at a lower rate of \$46,688 for similar coverage. One primary difference is the deductible for bodily injury claims. The current Starr coverage has no deductible for these medical claims and AIG would impose up to a \$5,000 deductible per claim. Based on the number of average injury claims incurred per year and the potential for payments over the premium difference the Board felt the higher premium and zero deductible was a better financial decision. Eric Ellefson moved and Kent Cutler seconded a motion to renew with Starr Indemnity at the \$56,651 rate proposed. Motion Carried.

- C. Master Plan Update – Evan Barrett with Mead and Hunt was on-hand to provide an overview of the Master Plan progress to date. Mead & Hunt has conducted several focus group meetings over the past week providing updates on specific aspects of the airport operation. The overview included updates to the terminal facility, cargo, airfield improvements, general aviation, air traffic control, compatible land use and sustainability. Work will continue to develop an implementation and financing plan for the identified projects over the next five, ten, fifteen year periods.

**7. Open Segment**

None

Eric Ellefson moved and John Taylor seconded a motion to adjourned the meeting at 1:32 pm.

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Date

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Secretary

Next Board Meeting: February 23, 2023 12:00 pm