

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

May 25, 2023

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

Staff Present: Dan Letellier, Richard King and Kristin Elgersma

Guests Present: Jake Braunagel – KLJ Engineers, Brad Greguson and Mike Maloney – SP Plus Parking

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 10:30 am.

1. **Minutes-** Eric Ellefson moved and Kent Cutler seconded a motion to approve the minutes of April 27, 2023. Motion Carried.
2. **Bills for Approval-** Eric Ellefson moved and Blake Curd 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.
 - A. Replacement of compressor for terminal chiller unit #2 by Trane - \$56,682.00.
 - B. Relining cast iron main sewer line out of lobby men's restroom by SF Lining Solutions - \$22,380.00
 - C. Change Order #3 with Soukup Construction for additional work associated with Economy Lot. - \$6,230.50.
4. **Report by Executive Director-**
 - A. Passenger Traffic and Concession Revenue – April enplanements increased 5.8% setting a new monthly record with 53,030 enplaned passengers. Total traffic also improved 5.8% and year to date enplanements are up 10.9%. Traffic is slightly down from what we have witnessed the first three months of the year, but still a very busy month for what is usually one of our slowest months of the year. Parking and Food/Beverage saw an increase while the Car Rental, Gift Shop, and Hotel all posted slight decreases.
 - B. Construction Update –
 - a. Parking Garage: The second construction crane is up and the remaining concrete columns are installed to support the new 2nd floor. They will begin pouring lanes in the center of the 2nd level beginning June 6th.

- b. Economy Lot Expansion: Significant progress continues to be made as asphalt paving is complete. Storm water retention ponds are getting final grades as well as the berms. Line painting will begin in a couple weeks with overhead lighting not scheduled until late summer.
- c. Employee Screening – The TSA recently issued a National Amendment to airport security plans that will require airports to conduct employee screening at all Category II airports (FSD and RAP size and larger) no later than September 25, 2023 and install explosive detection equipment by April 26, 2026. Airports must implement random employee screening no fewer than 16 hours/week and randomly at all 12 of our secured area access doors. Several significant issues have been raised as a result of this requirement including cost and liability. We have discussed the issue with Sen. Thune and Congressman Johnson and their staff.

5. Old Business –

- A. Acceptance of Final Audit Report for 2022 Financial Statements and FAA Single Audit. Last month Eide Bailly reviewed the draft audit reports for our financial statements and Single Audit for our federal grant handling. Since that time the State of South Dakota Legislative Audit has reviewed and formally approved them. Kent Cutler moved and Blake Curd seconded a motion to accept the 2022 annual audit. Motion Carried.

6. New Business –

- A. Resolution #2023-01. Declaration of Official Intent to Reimburse. – In consultation with our legal team at Davenport/Evans, attorney Doug Hajek recommended the Board adopt a resolution to confirm our intent to reimburse construction costs associated with the parking garage project with a loan. Mr. Hajek prepared a resolution for the Board to review and approve. Several Commissioners questioned the need for a resolution and requested Director Letellier receive a clarifying document from our legal counsel on the purpose of the resolution. Item was deferred until the next Board meeting.
- B. Selection of financial institution to secure \$10 million loan to assist with the Parking Garage Project – Director Letellier has met with five local financial institutions to obtain proposals for a \$10 million short-term loan (5-year) to provide supplemental funding for the construction of the parking garage. Local banks providing term sheets included First Premier, First National, Liberty, CorTrust and Dacotah Banks. The bank with the most competitive proposal was First Premier. Director Letellier recommended to the Board we continue to work on a loan with First Premier to close by the end of 2023. Kent Cutler moved and Eric Ellefson approved the motion to select First Premier Bank to secure the \$10 million in financing. Motion Carried
- C. Approval to solicit proposals for a design firm to construct a concourse expansion. Director Letellier informed the Board the recently completed Terminal Study identifies the need for an increase from 7 to 14 gates over the next 15-20 years. An urgent need exists for the addition of at least 2-3 gates in the next 3-5 years. In order to

secure currently available federal funding for a project that is expected to exceed \$130 million, design of the new concourse needs to begin as soon as possible. The first step in the process is the selection of a design team. Letellier requested Board approval to begin the solicitation process for design firms and a timeline for selection. John Taylor moved and Eric Ellefson seconded a motion to solicit proposals for a design firm. Motion Carried.

- D. Design agreement with KLJ Engineers for a project to expand the cell phone lot. – Director Letellier informed the Board that additional temporary parking is expected to be necessary next February and March due to the loss of parking associated with the parking garage construction. A total of 600 spaces will be out of service with 500 replaced by the addition to the Economy Lot, however that still is 100 spaces fewer than was available this past winter. Letellier requested approval to add up to 100 spaces on to the cell phone lot to use temporarily if necessary. The lot will be constructed using asphalt millings to reduce cost. The work to design the project performed by KLJ Engineers is \$38,875.52. The estimated construction costs are \$125,000. Blake Curd moved and Kent Cutler seconded a motion to approve the design agreement with KLJ Engineers in the amount of \$38,875.52. Stroschein, Ellefson, Cutler, Curd - Aye. John Taylor - Nay. Motion Carried.
- E. Approval to solicit construction bids to repair/modify Charlie 2 taxiway. – Director Letellier informed the Board of a situation with failing concrete on the radius between Taxiway C2 and Runway 15-33. The intersection of the taxiway and runway is non-standard with the section not providing a functional purpose and is a holder-over from the early layout of the airfield. The solution is to remove the deteriorated corner and move the taxiway lights for the new configuration. The local Air Traffic Control Tower and Air National Guard are in agreement to remove the radius. Proposals for the work will be received and selection made to complete the work as soon as possible. Estimate for the repair is between \$50,000-\$80,000. Kent Cutler moved and Eric Ellefson seconded a motion to solicit construction bids to repair/modify Charlie 2 Taxiway. Motion Carried.
- F. Discussion to oppose efforts in upcoming FAA Reauthorization that would remove Reagan National Airport's Perimeter Rule policy. – Commissioner Curd requested the Board consider drafting a letter confirming our support for the current rule that limits commercial flights to Washington D.C.'s Reagan National Airport to within a 1,250 miles radius. A few airlines and large west-coast cities have approached Congress to include language in the upcoming FAA Reauthorization Bill that would remove this limitation opening up more flights to D.C. from across the U.S. and Europe. The concern with removing this rule is the already slot constrained airport would only become worse with regional flying into D.C. replaced with flights to London, Paris, Los Angeles and San Francisco. That would impact FSD by reducing the likelihood we would ever have a non-stop flight as the limited slots would be taken by other high-yield, high population destinations. FSD is 1,074 air miles from DCA and would be allowed to serve our Capital if an airline were to add service. Blake Curd moved and Kent Cutler seconded a motion to oppose efforts in the upcoming FAA Reauthorization that would remove Reagan National Airport's

Perimeter Rule Policy and to send a joint letter to Sen. Thune stating the Board's position. Motion Carried.

G. Election of Officers to serve for the upcoming year- June 1, 2023 – May 31, 2024.

Eric Ellefson - Chairman

Kent Cutler- Vice-Chairman

Dan Letellier- Secretary

John Taylor moved and Blake Curd seconded the appointment of the Officers to begin June 1, 2023. Motion carried.

7. Open Segment

None

Blake Curd moved and John Taylor seconded a motion to adjourned the meeting at 11:42 am.

Date

Secretary

Next Board Meeting: June 22, 2023 12:00 pm