

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

May 27, 2022

Members Present: Dave Nelson and Kent Cutler

Members Present Via Phone: Blake Curd, Eric Ellefson, Lon Stroschein

Staff Present: Dan Letellier, Richard King and Kristin Elgersma

Guests Present: Eric Hanson – HDR Engineers, Jake Braunagel and Mark Wiederrich – KLJ Engineers, Brad Greguson, Brad McAllister, and Greg Pierson – SP Plus, and Joy Fiege – Eide Bailly, John Taylor – Taylor Law Firm

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

Chairman Nelson called the meeting to order at 10:01 am.

1. **Minutes-** Kent Cutler moved and Blake Curd seconded approval of the minutes of April 28, 2022. Motion Carried. Kent Cutler moved and Eric Ellefson seconded approval of the minutes of the Special Session on May 12, 2022. Motion carried.
2. **Bills for Approval-** Kent Cutler moved and Eric Ellefson 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 Kent Cutler seconded approval of the Consent Agenda. Motion carried.
 - A. Accept FAA Airport Improvement Grant #3-46-0050-061-2022 in the amount of \$5,706,900.00 for 2022 projects.

4. Report by Executive Director-

- A. Passenger Traffic and Concession Revenue – April traffic hit a record for the month with 50,133 departing passengers which was 39.3% above last year's figure. Total passengers also increased 42% above 2021 reaching 102,889.
- B. Air Fare & Load Factor – Director Letellier provided a spreadsheet which reflected the significant increase in air fares over the past year. Average fares for the busy month of July averaged over \$550 round trip to the top 28 destinations out of Sioux Falls. Load Factor has also increased with March load factor totaling 85% and April reaching 80% which is on par with pre-pandemic percentages.
- C. Construction Updates -
 - a. Concourse Remodel – Substantially complete and currently working on punch list items. Some of the wall Panel material was defective and no timetable when replacement panels will be received to complete the project.

- b. Restaurant Remodel – Project is nearing completion with a June 15th completion date.
- c. PAPI install – PAPI equipment is installed but still waiting on a transformer which will hopefully be shipping the first week of June. Once they finish installing the transformer a FAA flight check will be scheduled to certify the equipment.
- d. Runway 15/33 – Project has been awarded to BX Civil & Contracting with construction to begin July 11th.
- e. SRE building bids were opened on May 24th and waiting on Board action to award the project.
- f. Parking Garage Bids were also opened on May 24th with a Special Session scheduled on June 9th to consider an award to the apparent low bidder.
- g. Cargo Apron – Preliminary concepts have been approved and design for the expansion will begin soon.

5. Old Business –
No Items

6. New Business –

- A. Presentation of Audit 2021 Financial Statements, FAA Grant and PFC Single Audits. Joy Fiege with Eide Bailly was present to talk about the findings identified during the 2021 Financial Audit as well as the audits conducted for our Federal Grant Administration and PFC Revenue. Blake Curd moved and Lon Stroschein seconded a motion to accept the audit report. Motion Carried.
- B. Review of Construction bids for the snow removal equipment building addition - Bids were opened bids on May 25th for an addition to our snow removal equipment building and the construction of a new sand storage building. Two bids were received with the low bid submitted by Sunkota Construction in the amount of \$5,906,570. Estimate for the project was \$6.2 million and will be funded utilizing the new BIL infrastructure grant program. Kent Cutler moved and Blake Curd seconded a motion to award the project to Sunkota Construction in the amount of \$5,906,570.00. Motion carried
- C. Review of Construction Bids for a new parking structure –Bids were opened on May 24th for the construction of a new parking structure. Two bids were received with the low bid coming from Henry Carlson Construction. The bid for the core garage was 35% above design team estimate along with the four other alternates including a skyway connection to the terminal. Director Letellier presented a cash balance forecast taking into account the current revenue climate and balance after construction as well as an alternative which assumed a 20% drop in revenue and the need to secure a loan to maintain cash reserves. The Board asked the design team to work with the contractor on potential value engineering savings as well as the

implications of not awarding and rebidding a year later. A Special Session has been scheduled for June 9th to review options and either accept or reject the bids presented.

- D. Election of Officers - New officers are appointed annually at the May Board meeting. Kent Cutler moved and Blake Curd seconded a motion to elect Lon Stroschein as Chairman and Eric Ellefson as Vice-Chair for the coming year along with Dan Letellier as Secretary. Motion Carried.

- E. Commissioner Stroschein recognized Chairman Dave Nelson's 10 years of service to the Airport Authority and the many accomplishments of the airport during his tenure and wished him well. The Board also welcomed incoming Commissioner John Taylor.

7. Open Segment
None

Kent Cutler moved and Eric Ellefson seconded a motion to adjourned the meeting at 11:27 am.

_____	_____
Date	Secretary
Next Board Meeting:	June 9, 2022 2:00 pm – Special Session
	June 23,2022 12:00 pm