

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

November 18, 2021

Members Present: Dave Nelson, Lon Stroschein, Eric Ellefson, and Kent Cutler

Member Present via phone: Blake Curd

Staff Present: Dan Letellier, Richard King and Kristin Elgersma

Guests Present: Mark Wiederrich and Jake Braunagel– KLJ Engineers, Eric Hanson – HDR Engineers, Elizabeth Hertz – Davenport Evans Law Firm, Joy Feige – Eide Bailly, Brad Greguson – Standard Parking, Craig Ellerbroek – Ace Advertising

Guest Present via phone: Kristin Taffe and Brian Stavenger – Eide Bailly

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 12:04 pm.

1. **Minutes-** Eric Ellefson moved and Kent Cutler seconded approval of the minutes of October 28, 2021. Motion carried.
2. **Bills for Approval-** Kent Cutler moved and Lon Stroschein 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 Eric Ellefson seconded approval of the Consent Agenda. Motion carried.
 - A. Lease agreement with John Schreurs for airport t-hangar 3-1.
 - B. 2nd Amendment to the Operating Agreement with Lyft, Inc.

4. New Business

- a. Presentation by Eide Bailly of cash flow and financial impacts from construction of a parking garage- Ms. Taffe presented to the board her findings on the financial forecast for the parking garage. A cash flow analysis for the next 20 years was presented with four scenarios reflecting different economic assumptions. The expected cash balance for each year was determined based on passenger volume, parking lot usage, daily rates charged as well as capital projects planned. Under three of the scenarios the parking structure could be funded with cash reserves, under the most pessimistic assumption a small short-term loan may be necessary. The Board did request a rate of return analysis to understand the stand-alone financial impact the garage would have on airport finances.

5. Report by Executive Director-

- A. Passenger Traffic and Concession Revenue – Passenger enplanements were down 1.4% compared to 2019 with a total of 51,254 departing passengers. The total for the month registered the 2nd busiest October on record. Year to date traffic is down 14.6% compared to the same time period in 2019. Food Beverage/Gift Shop, Car Rental, and hotel concessions were all up while parking saw a slight improvement.
- B. Holiday Symphony Performances – The SD Symphony will be out at the Airport for Holiday Performances on November 23rd 10am – Dakota String Quartet and 12p Dakota Wind Quintet. December 14&16, 10:00 am Dakota Wind Quintet, December 15 & 17, 10:00 am Dakota String Quartet.
- C. Joint – Use Agreement with the SD Air National Guard – Negotiations have continued with the National Guard Bureau for a new Joint-Use Agreement with the SD Air National Guard. No movement on the Guard’s part to remove environmental indemnification language added from previous agreement. A draft agreement has been developed that would shorten the term to two years and verbiage indicating new provisions only apply to the new agreement going forward. Director Letellier will continue to work with legal counsel on further modifications if possible, by November 30th. Eric Ellefson moved and Kent Cutler seconded a motion to provide the Executive Director authority to approve the new agreement by December 1st but to continue to work with all parties to modify the hold harmless language. Motion Carried.

6. Old Business –

- A. Review and Approval of the 2022 Operating Budget. Final Budget for our 2022 Operating Plan. Major revenue and expenses change for 2022 are listed below.

Revenue

- 1. Air Flight Property Tax – Increase in revenue of 34% from 2021 budget due to increased cargo activity and aircraft size in 2020.
- 2. Landing Fees - Increase in rate from \$1.05 to \$1.20/1,000 lbs. landing weight.
- 3. Airline Rent - Rate increased from \$20.00 sf to \$22.50 sf charged for terminal space to the airlines.
- 4. Ground Rent - Ground leases increased 8%
- 5. Concessions Revenue – Revenue forecast for concessions including food/beverage, hotel, retail increased to mirror revenue received in 2019.
- 6. Parking Revenue- . Long-term increase from \$8 to \$9/day and Economy \$7 to \$8/day.

Expenses

Payroll – Payroll increased 14% from 2021 budget based on the following actions:

- ✓ Addition of 1 FT Field Maint./1 FT Build Maint.. position to accommodate increase in passenger traffic and flight operations as well as staffing 1 over compliment to take into account the lag time incurred on replacing existing staff.

- ✓ 2.5% Cost of living adjustment to mirror cola increase planned for City employees.
- ✓ \$1/hr increase over City step pay scale to provide a 5-6% premium over City rates in order to be more competitive with limited employee base.
- ✓ Adjustment to pay ranges for management employees based on the results of a recently completed salary compensation report. Only 2 positions to be adjusted.

Group Insurance- We are currently receiving quotes from several carriers on health insurance for 2022. Our current provider (SDML) has quoted us a 5% rate increase for 2022 which will be tough to match.

Security - Add 2nd officer 12 hours/. This additional coverage will generate and additional \$130,000/yr in security expense. The additional officer is necessary due several factors:

- ✓ Increase in passenger traffic doubling in the past twenty years.
- ✓ Increase in security requirements and inspections required of officer.
- ✓ Need to improve mask compliance in the terminal area.
- ✓ Requirement to conduct random screening of airport employees.

Depreciation – Increase with the additional of our \$10 million runway reconstruction project.

Kent Cutler moved and Lon Stroschein seconded a motion to approve the 2022 Operating Budget as presented. Motion Carried.

7. New Business –

B. Employee Health Insurance Review and selection of 2022 – Renewal premiums were received from our current health insurance provider, The Health Pool of South Dakota with a 5% increase. Quotes were provided by Holmes Murphy from Health Partners, Sanford and Avera. Health Partners had the most competitive plan compared to the SD Health Pool, however the higher co-insurance and out-of-pocket maximum coverage could result in higher costs to the Authority over the long-term. Kent Cutler moved and Eric Ellefson seconded a motion to renew with the South Dakota Health Pool/Wellmark for 2022. Motion Carried. Dave Nelson abstained from the vote and discussion due to a potential conflict of interest

C. Open Segment

A. Craig Ellerbroek was present for discussion about additional advertising opportunities for the airport. Craig is going to look at different locations in the airport for additional advertising and come back in January with alternatives for the Board to consider.

Kent Cutler left the meeting at 1:40 pm

Lon Stroschein moved and Eric Ellefson seconded a motion to adjourned the meeting at 1:47pm.

Date

Secretary

Next Board Meeting: December 16,2021 12:00 pm

**Sioux Falls Regional Airport
Bills to be Approved
December 16, 2021**

Check	Vendor	Description	Amount	Date
43081	Advantage Communications	Communications Maint - Paging	\$ 90.00	11/18/2021
43082	Office of Child Support	PPE 11/14/2021	\$ 282.92	"
43083	City of Sioux Falls	Waste Water Discharge	\$ 20.00	"
43084	Cryotech	Aircraft Decier	\$ 52,518.60	"
43085	Graybar	Electrical Supplies - Marker and Tape	\$ 79.90	"
43086	Kabel Business Solutions	Emp Benefits - October HRA	\$ 1,129.00	"
43087	KLJ Engineering	Engineering Projects	\$ 290,940.82	"
43088	Matthew Hall	Building Maint - Extra Keys	\$ 37.50	"
43089	Metro Construction	Northside Water Main Construction	\$ 59,885.15	"
43090	R&L Supply	Plumbing Maint - Drain Parts	\$ 85.68	"
43091	SDSRP	Supplemental Retirement	\$ 710.00	"
43092	Sioux Falls Utilities	Utilities - Water / Sewer	\$ 4,438.01	"
43093	Signature Flight	Other Current Expense - Rental	\$ 257.50	"
43094	Sioux Falls Electric	Electrical Maint - Lights	\$ 6,345.73	"
43095	Sioux Merchant	Airport Security - 11/7-11/13	\$ 3,688.91	"
43096	Standard Parking	October Parking Management, Amano	\$ 43,159.87	"
43097	Standard Signs	Field Maint - Lighting Parts	\$ 1,604.47	"
43098	T&R Contracting	Runway 3/21 Phase 3 Construction	\$ 888,442.83	"
43099	Tri State Garage Door	Building Maint - Door Springs	\$ 532.00	"
43100	TSP Inc	Concourse Remodel	\$ 1,201.20	"
43101	Verizon	utilities - Telephone	\$ 807.65	"
43102	Vidtronix	Passenger Service - Boarding Pass/Bag	\$ 269.00	"
43103	Century Link	utilities - Telephone	\$ 1,105.63	11/24/2021
43104	Chubb	Prepaid insurance	\$ 588.00	"
43105	Cole Papers	Janitorial Supplies	\$ 255.46	"
43106	Crescent Electric	Electrical Supplies - Baggage Belt	\$ 276.06	"
43107	Hillyard	Janitorial Supplies	\$ 733.18	"
43108	Howes Oil	QTA Fuel	\$ 21,641.02	"
43109	JCL Solutions	Janitorial Supplies	\$ 86.00	"
43110	JBT Aerotech	Roller Kits for 3 Jetbridges	\$ 30,892.73	"
43111	Metlife	Emp Benefits -LTD, STD, AD&D, Life, Den	\$ 5,143.72	"
43112	Midcontinent	Passenger Services	\$ 648.00	"
43113	Vollan Oil	QTA Fuel - Resale Unleaded and Diesel	\$ 28,357.07	"
43114	Minnehaha County	Airport Security - October Leo Reimb	\$ 17,362.10	"
43115	Panther Premier	Office Supplies - Envelopes	\$ 219.00	"
43116	Pheasantland Ind	Field Maint - Field Signs	\$ 181.44	"
43117	Priority Repair	Machine Maint - John Deere	\$ 330.00	"
43118	R&L Supply	Plumbing Maint - Drain Parts	\$ 596.74	"
43119	Sioux Falls Utilities	Utilities - Electrical	\$ 32,247.10	"
43120	Sioux Falls Utilities	Utilities - Water / Sewer	\$ 3,760.32	"
43121	Sioux Merchant	Airport Security - 11/14-11/20	\$ 3,695.42	"
43122	A-1 Septic	Sewage - pumping	\$ 150.00	12/2/2021
43123	AAAE	Executive Membership - 2022	\$ 275.00	"
43124	ABC Rentals	Other Current Expense - Chairs	\$ 33.00	"

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Check	Vendor	Description	Amount	Date
43125	Accounts Management	Garnishment PPE 11/28/2021	\$ 239.37	"
43126	Argus Leader	Advertising Rebid of PAPI	\$ 77.30	"
43127	AT&T	Utilities - Telephone	\$ 46.70	"
43128	Batteries Plus	Electrical Supplies - Light Bulbs	\$ 478.25	"
43129	Building Sprinkler	Building Maint - Dry System	\$ 943.28	"
43130	Office of Child Support	PPE 11/28/2021	\$ 282.92	"
43131	Cole Papers	Janitorial Supplies	\$ 145.50	"
43132	Culligan	building Maint - Softener Salt	\$ 485.10	"
43133	Dakota Fluid Power	Machine Maint - Mower 22	\$ 731.78	"
43134	Davenport Evans	Attorney Fees	\$ 7,630.52	"
43135	Dex Media	Utilities - Advertisement	\$ 268.50	"
43136	Direct TV	Passenger Services	\$ 152.99	"
43137	Dockendorf Equipment	QTA Maint	\$ 544.75	"
43138	Kristin Elgersma	other current expense - Christmas Party	\$ 85.83	"
43139	Epicosity	Advertising	\$ 62,400.39	"
43140	FedEx	Postage	\$ 45.33	"
43141	Grainger	Small Tools - Heat Gun, ss band	\$ 201.74	"
43142	Hillyard	Janitorial Supplies	\$ 649.94	"
43143	Health Pool of SD	Emp Benefits - December Health	\$ 40,439.36	"
43144	Interstate Office	Office Supplies - Toner, misc items	\$ 185.82	"
43145	JBT Aerotech	Building Maint - Canopy Jetbridge 7	\$ 3,051.56	"
43146	Krier and Blain	Plumbing Maint - Security Breakroom	\$ 104.80	"
43147	MidAmerican Energy	Utilities - Natural Gas	\$ 19,913.29	"
43148	Mood Media	Passenger Services	\$ 75.24	"
43149	Northview Bait	Machine Maint - Propane	\$ 50.00	"
43150	SDN Technologies	December Fire Wall	\$ 1,022.00	"
43151	SDSRP	Supplemental Retirement	\$ 710.00	"
43152	Sioux Merchant	Security 11/21-11/27	\$ 3,714.98	"
43153	The Iris Companies	Badging Supplies	\$ 231.00	"
43154	Time Management System	Time keeping	\$ 200.50	"
43155	Volaire Aviation	Airline Startup	\$ 2,250.00	"
43156	Winter Equipment	Machine Maint - Push Box	\$ 4,287.64	"
43157	Kristin Elgersma	Other Current Expense	\$ 543.46	12/8/2021
43158	SDRS	November Retirement	\$ 16,726.96	"
43159	A&B Business	Office Equipment Maint	\$ 277.50	"
43160	Batteries Plus	Electrical Supplies - Bulbs	\$ 148.75	"
43161	building Sprinkler	Building Maint - Backflow Test	\$ 695.00	"
43162	Cole Papers	Janitorial Supplies	\$ 179.01	"
43163	Convergent Tech	Communications Maint - Gates	\$ 275.51	"
43164	Cryotech	Aircraft Decier	\$ 51,707.68	"
43165	Dakota Supply Group	Building maint - Water Fountain	\$ 113.38	"
43166	Eide Bailly	Parking Consulting	\$ 10,575.00	"
43167	Equipment Blades	Machine Maint - cutting edges	\$ 1,816.18	"
43168	Green Eggs and Ram	Office Equipment Maint	\$ 22.50	"

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43169	Hillyard	Janitorial Supplies	\$ 934.31	"
43170	Kabel Business Solutions	Emp Benefits - HRA November	\$ 3,889.64	"
43171	Kone	Building Maint - Elevator	\$ 828.88	"
43172	Mead and Hunt	Master Plan	\$ 95,642.07	"
43173	Oreilly	Machine Maint - Shop Supplys	\$ 286.26	"
43174	Priceless Events	Other Current Expense - Christmas	\$ 7,050.00	"
43175	SDML	Prepaid insurance - Workers Comp	\$ 29,504.00	"
43176	Sioux Falls Electric	Electrical Maint	\$ 3,922.84	"
43177	Sioux Merchant	Airport Security 11/28-12/04	\$ 3,708.46	"
43178	Waste Management	Airport Saniation	\$ 1,871.09	"
Total for 11/18/2021 - 12/15/2021			\$ 1,887,468.59	

<i>Payroll</i>	<i>pay period ending 11/14/2021</i>	\$ 56,742.55	11/19/2021
	<i>Bonus ending 11/22/2021</i>	\$ 1,616.04	11/23/21
	<i>pay period ending 11/28/2021</i>	\$ 55,290.54	12/03/21
	<i>Bonus ending 12/07/2021</i>	\$ 12,439.29	12/10/21

CC- Dan Letellier	<i>Postage</i>	\$ 9.80
	<i>Building Maint</i>	
	<i>Office Supplies</i>	\$ 106.16
	<i>Employee Training</i>	\$ 900.00
	<i>Advertising - Help wanted</i>	\$ 99.00
	<i>Membership</i>	\$ 1,520.00
	<i>Other Current Expense</i>	\$ 53.25
	<i>Janitorial</i>	\$ 123.40
	<i>Fuel</i>	\$ 158.45
CC- Richard King	Total	\$ 2,970.06

<i>Fingerprinting</i>	\$ 1,500.00
<i>Machine Maint</i>	
<i>other current expense</i>	\$ 15.98
<i>Office Supplies - ethernet surge protectoi</i>	\$ 438.79
<i>Travel</i>	\$ 422.40
<i>Memberships</i>	\$ 1,029.29
Total	\$ 3,406.46

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