

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

March 24, 2022

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

Staff Present: Dan Letellier, Richard King and Kristin Elgersma

Guests Present: Eric Hanson – HDR Engineers, Jake Braunagel and Mark Wiederrich – KLJ Engineers, and Michelle Klobassa – TSP Architects

Guests Present via phone: Tom Schauer – Mead and Hunt

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 12:00 pm.

1. **Minutes-** Eric Ellefson moved and Lon Stroschein seconded approval of the minutes of February 24, 2022 and Special Session of March 2, 2022. Motion carried.
2. **Bills for Approval-** Lon Stroschein 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 Lon Stroschein seconded approval of the Consent Agenda. Motion carried.
 - A. Change Order #4 with Sunkota Construction for additional cost associated with Concourse Remodel - \$1,919.71.
 - B. Change Order #5 with Sunkota Construction for additional cost associated with Concourse Remodel - \$11,193.74.
 - C. Reimbursable Agreement with the FAA to conduct a commissioning flight for the new Precision Approach Path Indicated (PAPI) equipment - \$10,098.00
 - D. Reimbursable Agreement with the FAA to conduct a commissioning flight for the inspection of the new Runway End Identifier Lights (REILS) for runway 15/33 - \$10,098.00
 - E. Task Order with KLJ Engineers to design a project to extend the Cargo Apron. - \$276,071.96
 - F. Travel request by Executive Director to attend the annual AAAE Conference in Seattle, June 5-8.

4. Report by Executive Director-

- A. Passenger Traffic and Concession Revenue – February continued a trend of strong passenger traffic in 2022. Passenger Enplanements totaled 47,849 which was an increase of 65.3% over 2021 and 5.6% higher than 2019. Total Passengers through the terminal came to 94,416 or 67.7% higher than the previous year. A big jump in parking revenue for the month was driven by increased passenger traffic along with a rate increase that was implemented at the beginning of the year. Food/Beverage, Car Rental, Gift Shop, and Hotel all saw an increase compared to 2021.
- B. House Bill 1281 – The South Dakota Legislature passed HB 1281 to add legislative oversight over Federal ARPA and infrastructure funds coming to the State. The legislation requires review by the Joint Appropriations committee when a program’s “policy” is changed in spending the federal funding. The SD DOT has raised concerns that this additional layer of oversight could significantly delay the distribution of federal funding to airports, cities and counties in the State. The Governor intends to veto the bill however the veto may be overridden by the House and Senate. Director Letellier has emailed Sioux Falls area legislatures about his concerns and the potential impacts to projects funded by these programs for the coming year.

5. Old Business –

- A. Employee Retention Initiative – Last month Director Letellier mentioned the City of Sioux Falls had submitted a plan to the City Council to help retain and recruit employees. This City has now passed this proposal which includes several key elements:
- \$2,000 Retention Bonus
 - 40 hours of vacation provided at time of hire
 - Increase in vacation accrual rates
 - A review of pay rates to determine market competitiveness in the region

Director Letellier asked the board to consider providing the same \$2,000 retention bonus as well as the 40-hour block of vacation for new-hire employees to utilize during the first year of service while they accrue vacation hours. The board would like to come up with more creative ideas on how to provide retention incentives rather than just providing a \$2,000 bonus. The Board did agree that providing a vacation block at time of hire made sense. Eric Ellefson moved and Lon Stroschein seconded a motion to table the retention bonus but to approve the 40 hours of vacation and higher accrual rates. Motion Carried.

6. New Business –

- A. Approval to advertise for bids to construct a parking structure. Director Letellier advised the Board that final design of a parking structure is nearing completion. The design team is requesting an advertisement for bids to go out beginning March 28th with a bid opening of May 6th. Latest construction estimate including all alternates is approximately \$45 million with an inflation index bringing the total to \$47million. The plan is to award the project in late May with construction to begin in April of 2023. Some preliminary projects will take place in 2022. Commissioner Stroschein commented that the review and planning for this project has been going on for

almost ten years but is finally coming to fruition. Lon Stroschein moved and Eric Ellefson seconded the motion to advertise for bids for a parking structure. Motion Carried.

- B. Purchase of replacement LED Runway Closure Markers - \$40,213.40 – Director Letellier advised the Board of the need to replace two runway lighted X closure markers to replace several that have been in heavy use for the past ten years. Three proposals were received with the low bid coming from Airport Lighting Systems in the amount of \$40,213.40. These markers are used to warn incoming pilots that the runway is closed and unsafe to use. Lon Stroschein moved and Eric Ellefson seconded a motion to purchase two LED Runway Closure signs from Airport Lighting Systems in the amount of \$40,213.40. Motion carried.
- C. Amendment #2 to the Parking Garage Design Agreement. The Board reviewed the request to amend the parking garage design agreement with KLJ Engineering to provide Resident Project Representative (RPR) services during construction. The RPR will be assigned to oversee the project and represent the Authority and act as a liaison between the airport and the contractor. KLJ has met with airport management to review the hours assigned to each individual on the KLJ team to support the proposed fee. Due to the planned 18- month construction window, the number of hours involved is fairly extensive. Eric Ellefson moved and Lon Stroschein seconded a motion to approve Amendment #2 to the Parking Garage Design Agreement to add RPR services in the amount of \$1,005,207.00. Motion carried.
- D. Amendment #1 to the Master Plan Agreement to add a Terminal Planning Study – Mead Hunt. Director Letellier provided a summary of the Master Plan and the review of facility needs, particularly the proposed expansion of the concourse area. The previous Master Plan identified a new concourse layout and the current Plan would only review and determine if that is still an appropriate layout. Director Letellier explained that with the recent growth in traffic and additional flights planned by Allegiant and Frontier Airlines that additional gates would be necessary as early as 2024, vs. 2026-27 as previously planned. The current planning effort would not go into the level of detail necessary to move forward with final design on a shortened timeline. Mead and Hunt has proposed adding a Terminal Planning Study that would go into much greater detail on expansion options not only for the concourse/gate area, but also ticketing, baggage make-up and the rental car area. Sections of the current Master Plan that would have reviewed terminal facilities would be removed to avoid duplication of fees associated with a Terminal Planning Study. The Terminal Plan would also identify two proposals for concourse expansion that could quickly move into design if the Board elected too. Lon Stroschein moved and Eric Ellefson seconded a motion to approve Amendment #1 with Mead & Hunt Engineers to conduct a Terminal Planning Study in conjunction with the Master Plan in the amount of \$394,580 with a deduct to the Master Plan of \$10,859. Motion carried.
- E. AAAE Federal Affairs Annual Support - \$18,000 – Director Letellier requested the Board provide support to the American Association of Airport Executives (AAA) Federal Affairs program. The Authority has provided financial support of \$5,000 per

year with an increase in 2021 to \$9,000. Director Letellier recommended the Board approve an increase over last year to \$10,000. Lon Stroschein moved and Eric Ellefson seconded a motion to provide Director Letellier the approval to use his discretion on the amount to be given to AAAE not to exceed \$18,000. Motion Carried

7. Open Segment

None

Lon Stroschein moved and Eric Ellefson seconded a motion to adjourned the meeting at 1:13pm.

Date

Secretary

Next Board Meeting: April 28,2022 12:00 pm