

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

October 22, 2025

Members Present: Blake Curd, John Taylor, Dan Statema, Eric Ellefson, and Kent Cutler

Staff Present: Dan Letellier, Richard King and Kristin Elgersma

Guests Present: Jake Braunagel– KLJ Engineers, Brad Greguson– SP Plus Parking, Tom Grimmond – Colliers Securities, Mitch Walker – Mead & Hunt, Tom Hurlbert – CO-OP Architecture, Bob Mundt and Carlotta Ungaro – Forward Sioux Falls, Nate Snyder – Weitz Company

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

Vice Chair Taylor called the meeting to order at 11:01 am.

1. Minutes- Kent Cutler moved and Eric Ellefson seconded a motion to approve the minutes of September 24, 2025. Motion Carried.

2. Bills for Approval- John Taylor moved and Dan Statema seconded approval of the bills as presented. Motion carried.

3. Consent Agenda- Report on Consent Agenda items by the Executive Director. John Taylor moved, and Eric Ellefson seconded approval of the Consent Agenda. Motion carried.

- A. Change Order #2 with BX Civil & Construction for a reduction to the Terminal Apron – Phase 1 project. -<\$25,692.00>
- B. Task Order with KLJ Engineers for design of a project to correct the safety areas along runway 15/33 - \$94,382.25
- C. Purchase of Kubota tractor – mower/rotary broom from Pfeifer Implement - \$44,419.67
- D. Change Order #2 with Soukup Construction for additional work associated with the RSA Correction - \$17,048.80

4. Report by Executive Director-

- A. Passenger Traffic – September 2025– September reflected a modest increase of 2.4% for the month (another record), however that was despite a 5.3% reduction in available seats. Enplanements totaled 56,927 with total passengers of 113,310. Load factor increased to 91.1%, which was the highest mark all year. Very full flights for a month that is typically one of the slowest. Parking revenue increased 28.6% with all concessions improving from the year prior except for car rental concessions.

B. Construction Project Update –

- a. Cargo Apron Expansion – Work is wrapping-up on the final phase of the project, targeting Oct. 31st for final completion.
- b. Terminal Apron Expansion – Phase 2 – Work has transitioned to phase 2 of the project focusing on underground utilities for this Fall.
- c. Well Decommissioning – Contractor has begun filling the well with gravel along with the demo of the well-head structure. Completion is expected in two weeks.
- d. Concourse Construction – Focus of construction for the past few weeks has been the installation of underground utilities. Sanitary, stormwater and water service underground work is ongoing with foundations and footings for the base build planned for the next few weeks.

Blake Curd joined the meeting at 11:08 am

C. RFP Issued for convenience store/office building development– Steve Watson with Teton Ridge has distributed a RFQ to for any interested developer for space along Minnesota Ave and Hangar St. Teton Ridge has identified several potential options for this site including a convenience store and office building. Date for plans to be returned is December 5th. The Board will then have an opportunity to review the proposals at our December meeting.

D. Art Selection Committee – The airport's art consultants with the Washington Pavilion have received proposals from Scott Parsons, Rachel Hayes and Wes Eisenhower. The next step in the selection process will be to schedule interviews with the artists and work towards a final selection to present to the Board. Director Letellier requested two Commissioners volunteer to be apart of the selection committee. Commissioners Ellefson and Cutler volunteered and were selected. Next step is to schedule interviews with the artist and refine their proposals for review and selection. Letellier anticipates a final proposal and artist selection for Board consideration at the December meeting.

E. Global Entry Enrollment Center to Open - Customs and Board Protection officials have announced that FSD will participate as a Global Entry enrollment center. The local Port Officers will be able to conduct the in-person interview necessary to finalize the Global Entry verification process. This capability will be a welcome addition for many of our international travelers who have had to navigate this process waiting for months to schedule appointments which typically are required in Minneapolis, Chicago or Omaha. Official start-up is tentatively scheduled for October 29th.

5. Old Business –

A. Discussion/Decision on Forward SF Funding: At the August and September meetings the Board discussed a funding request from Forward Sioux Falls (FSF)

for the current campaign years 2026-2030. The request from FSF is to maintain our current level of support of \$250,000/yr or campaign pledge of \$1,250,000. Several Commissioners have voiced concern about not only the impact on our finances, but the public perception of seeking funding support for our concourse project from all levels of government and yet continue to support this program. Director Letellier met with Bob Mundt, Executive Director with the SF Dev. Foundation and Carlotta Ungaro, Campaign Chair, FSF about a modification to our support. A revised pledge was proposed to reduce the annual contribution to \$100,000 for years 2026 and 2027, then resume at a \$250,000 level for years 2028-2030 for a total pledge of \$950,000 for the campaign. Kent Cutler recused himself from this discussion. Commissioner Taylor commented that he still felt this funding level was too high given the funding challenges ahead with the concourse and proposed a pledge of \$100,000/yr for a total of \$500,000 would be more appropriate. Commissioner Statema also agreed and felt the reduction during could be adjusted in year 3-5. John Taylor made a motion to pledge \$100,000 per year for the 5-year campaign for a total of \$500,000 with an option to reconsider our level of support in year 2027 and beyond. Dan Statema second. Motion Carried.

6. New Business-

- A. Draft of 2026 Operating Budget – Review draft of 2026 Operating Budget.** First draft of the 2026 Operating Budget was provided for Board review. The budget provides an increase in revenue of 9.5% from the 2025 budget and 12.9% increase in expenses resulting in a surplus of \$7,754. Summary of significant changes:

Revenue

Airline Rent - Increase of \$605,000 or 49.2%. Increase the result of new airline lease agreement.

Parking Rev.- Increase of \$425,000 or 4.3% higher than 2025 actual. Increase driven by a change in daily long-term covered parking rate from \$16 to \$18/day.

Expenses

Salary/Benefits- Reduction of \$585,000 or 15.4% from 2025 budget a result in outsourcing custodial services.

Security - Increase of \$84,000 or 7.6% from 25 budget due to full year of new security agreement with Sioux Merchant Patrol.

Job Performance- Increase of \$840,000 or 559% for new service agreement with FCS to perform janitorial services in the terminal.

Depreciation- Increase of \$297,000 in depreciation expense for the addition of the parking garage and SRE building to our asset list.

Letellier commented that the bond repayment schedule was included in the operating budget increasing expenses a total of \$1,582,9862.

The draft is provided for Board review and comments. Final budget will be presented at the November meeting.

- B. Resolution to approve the sale of airport revenue bonds in the amount of \$20 million. The Board was provided a resolution for approval that would authorize the sale of \$20 million in Airport Revenue Bonds, Series 2025A to pay the cost of a portion of the concourse expansion project. Director Letellier recommended the issuance of \$20m vs. \$30m in bonds at this time due to the possibility of other funding sources becoming available in the near future. Kent Cutler moved and Eric Ellefson second a motion to approve the resolution calling for the sale of \$20 million in Airport Revenue Bonds. Motion carried.
- C. Agreement with Eide Bailly to provide our year-end financial and federal funding audits for 2025-2027. The agreement with Eide Bailly provides audit services for the next three years to accomplish our year-end financial audit, along with audits of our federal grant programs and PFC collections. The airport received two quotes, one from Eide Bailly and another from Brady Martz, with Eide Bailly providing a more competitive fee. Director Letellier recommended moving forward with Eide Bailly for 2025-2027 yearly audits. John Taylor moved, and Kent Cutler seconded the motion. Motion carried.
- D. Review of the South Dakota Open Meetings Law Brochure – During the 2025 legislative session, Senate Bill 74 was passed which requires all municipalities and government bodies to review the State Open Meetings law and specifically review the Open Meetings Law Brochure that has been developed. Letellier did review numerous requirements of open meetings to ensure compliance. The Board has received and reviewed the Open Meetings Law Brochure.
- E. Change Order # 1 with Weitz/Journey for additions to GMP #1 of the concourse expansion project \$272,852.00 – Change order #1 has been prepared that includes two price request changes. Those are:

PR-01 – Storage Room addition and misc. structure updates - \$186,436.11

PR-02 – Second/redundant electrical feed for the concourse - \$ 86,415.89

PR-1 costs are primarily associated with the addition of a 25' x 25' storage room to replace a room that is currently utilized by the concourse restaurant for food/beverage items. This room is being displaced with the construction project and replacing the space below the new kitchen will allow them to continue to operate as they did prior to construction. PR-1 also includes other structure modifications required by City planners totaling approximately \$30,000.

PR-2 will provide a second electrical connection to the concourse to provide redundancy and to ensure an adequate level of service. The price for this change is \$86,415.89.

Several Commissioners voiced concern about the significant changes requested in the early stages of construction. Commissioner Cutler questioned the design team at Mead & Hunt as well as the CMAR-Weitz/Journey why some of these costs weren't absorbed under the construction contingency allowance. Nate

Synder with Weitz explained some of the uses for the contingency allowance and that the current change order costs were driven by additional work outside the original scope of construction or required by City code. Future change orders will be closely reviewed to ensure the contingency allowance is utilized when appropriate.

John Taylor moved, and Dan Statema seconded the motion to approve Change Order #1 with Weitz/Journey for \$272,852.00. Motion carried.

- F. Establish an owner contingency allowance for the concourse expansion project - \$500,000** – Director Letellier proposed to the Board establishing an owner's contingency allowance for the base build of the concourse project in the amount of \$500,000 that would provide airport management the flexibility in approving change orders that require a timely approval in order to reduce schedule impacts to construction. The Board discussed the proposal and the purpose behind it, but requested Director Letellier to revise the request and return with an alternate proposal at the November meeting.

7. Open Segment -

None

Kent Cutler moved, and Eric Ellefson seconded a motion to adjourn the meeting at 12:41 pm.

Date

Secretary

Next Board Meeting: November 19, 2025 – 11:00 am