**Sioux Falls Regional Airport Authority**

**Board Meeting Minutes**

**April 24, 2025**

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

Members Present via phone: Blake Curd

Staff Present: Dan Letellier, Richard King and Kristin Elgersma

Guests Present: Aaron Storm and Brady Brockel– KLJ Engineers, Tony Harms and Brad Greguson– SP Plus Parking, Mitchell Walker – Mead & Hunt, Craig Ellerbroek – Ace Media, and Elizabeth Hertz – Davenport Evans, Jana Anderson and Camero Ostrom – Washington Pavillion Arts

Guests Present via phone: Tom Schauer – Mead & Hunt, Justin McCarthy – Weitz Construction, and Jesse Davie – Journey Group

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

Chairman Cutler called the meeting to order at 12:00 pm.

1. **Minutes**- Eric Ellefson moved and John Taylor seconded a motion to approve the minutes of March 27 and Special Session of March 25, 2025. Motion Carried.
2. **Bills for Approval**- Blake Curd moved and John Taylor seconded approval of the bills as presented. Motion carried.
3. **Consent Agenda**- Report on Consent Agenda items by the Executive Director. Dan Statema moved, and Eric Ellefson seconded approval of the Consent Agenda. Motion carried.

1. Replacement carpeting in queuing area of screening check point by Flooring American - $17,246.01.
2. Replacement of three poles (9 LED heads) for the west side of the General Aviation Ramp with Sioux Falls Electric - $49,591.93.
3. **Report by Executive Director**-
4. Passenger Traffic – March 2025– March set a new high watermark for enplanements up 7.1% to a new all-time record of 60,689 passengers. Arrivals were even higher with 70,460 inbound passengers with a total for the month of 137,149, 7.36% higher than March of 2024. Available seats increased 8% for the month, which helped drive increased traffic. Parking revenue again jumped 34% exceeding $1M in revenue for the month, a new record. All concessions reflected the increase for the month except for the hotel and gift shop revenue.
5. Construction Project Update – Cargo Apron Expansion – The cargo apron expansion project is set to officially begin on Monday April 28th. Work on the project has been ongoing since the fall rerouting FAA cabling to allow for the new apron. Work has also focused on a new glycol collection and storage system for the apron.
6. Update on Parking Garage Video Wall Sponsorship - An RFI was distributed in January to solicit interest in placing ads on the new video walls of the parking garage. The airport has selected two proposals, one from First Premier Bank for a one-year sponsorship and a second with the Sioux Falls Specialty Hospital for a six-month partnership. Eric Ellefson moved, and John Taylor seconded a motion to move forward with formal agreements for the sponsorships. Motion carried.
7. **Old Business –**
8. MOU with the City of Sioux Falls for the procurement and demolition of water well #15 - $2,089,740: The Board has previously reviewed an MOU the City that would allow the Authority to decommission and cap Well #15 which is in the middle of the new terminal apron expansion. The Board has debated the valuation method applied by the City and Water Department to turn the well over to the Authority at previous meetings. Since that time Director Letellier has proposed two modifications to the MOU that would 1) make the MOU contingent on the Authority moving forward with the concourse expansion project and 2) defer payment to the City until October 2026 and October 2027. The deferred payment will better align with our cash availability and give us additional time to negotiate a funding plan with the city for the project. Dan Statema moved, and John Taylor seconded a motion to approve the modified MOU with the City of Sioux Falls. Motion Carried.
9. **New Business**-
10. Discussion/Approval of 3-year consultation agreement with the Washington Pavillion- Director Letellier provided a summary of a proposal by the Washington Pavilion Arts Council to provide assist to the Authority to refresh the existing artwork on display and with the procurement of new pieces for the terminal. Camero Ostrom and Kristin Chrisopulos with the Washington Pavillion were on hand as well to answer questions about the proposal. The proposal includes a 3-year agreement with an annual budget of approximately $75k to repair/upgrade our existing artwork and provide the path for future purchases. The plan is broken into four parts for the first year:
	* 1. Restoration of existing artwork. High Priority – After conduction an inventory of the existing artwork, numerous pieces were found to require repairs, primarily new framing and security hardware. Estimate - $10,000-$15,000
		2. Restoration of existing artwork – Low Priority – Additional pieces were found to need some minor restoration or relocation including security hardware. Estimate - $3,500 - $4,000.
		3. Refresh FSD Gallery – Three options were proposed: A) remove existing exhibits and replace them with professional printed and framed photography. Estimate of $9,000-$12,000. B) remove existing exhibits and replace them with rotating exhibits of original art. Estimate of $10,000 annually. C) Replace with originals that fill out the space via a Call for Art submissions process or hand-picked by their curators. Estimate of $40,000-$100,000 depending on the number of pieces. We could also utilize an artist for a full wall mural in the $15,000-$20,000 range.
		4. The final phase includes engagement with up to three artist to develop signature pieces in the new terminal addition as well as the terminal lobby. Funding to engage these artists could range up to $5,000 for the three artists identified.

Director Letellier recommended to the board to move forward with the $75,000 budget this year which will incorporate their suggestions this year and the following two years. Eric Ellefson moved, and Dan Statema seconded the motion to approve the agreement with the Washington Pavillion for a three-year contract. Motion Carried.

1. Approval of consulting agreement with BCI Integrated Solutions to design a replacement public address system. – Deputy Director Richard King has been working with various vendors over the past year to design and replace our existing public address system which is over 20-years old. King recommended the approval of an agreement with BCI Integrated Solutions to design the system that will replace our existing equipment for $11,840.00. Director Letellier will follow up with an agreement to replace the equipment in the next few months with an estimated cost of $133k. John Taylor moved, and Blake Curd seconded a motion to approve the consulting agreement with BCI Integrated Solutions. Motion carried.
2. Approval to solicit bids for the base plan of the Concourse Expansion Project - On March 27th the Board met to review the plans and next steps regarding the concourse expansion project. During that meeting the Board requested an updated cost estimate for construction, as well as follow-up with our congressional delegation on the potential for future funding, or specifically Congressionally Designated Spending (CDS). Since that time, an updated construction estimate has been received for the base plan and alternates one and two. The base plan has increased slightly, up $297,262 to $57,562,581 or 0.5%. The alternates also reflected a slight increase for a full build increase of $960,841 to $79,787,559. Letellier also provided an updated cash balance forecast utilizing the latest cost estimates along with an anticipated draw schedule for construction. Letellier advised the Board that a decision to proceed with soliciting bids for the initial bid package #1 for the base plan was needed to ensure bids were received in time for the award and submission of a grant application utilizing $8M available through the Airport Terminal Program. The decision to advertise for bids does not obligate the Authority but does move the project forward to evaluate actual construction costs and to make a final decision to move forward with the initial stage of construction at the June meeting.

Several Boards members commented that they desired to have all the financing in place before moving forward, but the current uncertainty regarding Federal and State funding sources does require moving forward without knowing the exact funding allocation. However, airport financing along with the strong potential for future grants provides sufficient confidence to move forward. All agreed that the project is needed to ensure the airport has the capacity to continue growth in flight operations and passenger traffic for the future. Eric Ellefson moved, and Blake Curd seconded a motion to solicit bids for Phase 1 of the concourse expansion. Motion carried.

1. Agreement with attorney Jennifer Hanson to provide bond counsel for the issue of revenue bonds – Letellier presented an engagement agreement with attorney Jennifer Hanson to provide bound counsel to secure funding for the concourse expansion project. Dan Statema moved, and John Taylor seconded the motion to work with Jennifer Hanson. Motion Carried.
2. Award bid to BX Civil & Contracting for phase 1 of the terminal expansion project. Bids were opened on April 22nd for phase 1 of the terminal apron expansion. This project will allow aircraft to operate safely into gate #3 during construction as well as aircraft pushed back from the gate. The project will also include construction of a service road to the project along with a stormwater retention pond necessary for the full apron when built. Bids were received from three contractors, with the low bid belonging to BX Civil & Contracting in the amount of $2,475,000. The bid was 13% below the engineer’s estimate. Eric Ellefson moved, and John Taylor seconded a motion to award the contract to BX Civil & Contracting in the amount of $2,475.000. Motion carried.
3. **Executive Session -** John Taylor moved, and Dan Statema seconded a motion to enter into Executive Session at 1:24 pm. Eric Ellefson moved, and John Taylor seconded the motion to end the Executive Session at 1:30 pm.

John Taylor moved, and Dan Statema seconded a motion to approve a settlement with Betty Quarve for injuries sustained from a slip and fall injury. Motion carried.

1. **Open Segment -**

 None

Eric Ellefson moved, and John Taylor seconded a motion to adjourn the meeting at 1:31 pm.

 Date Secretary

Next Board Meeting: May 22, 2025 – 10:00 am