**Sioux Falls Regional Airport Authority**

**Board Meeting Minutes**

**February 27, 2025**

Members Present: Blake Curd, John Taylor, and Eric Ellefson

Member Present via Phone: Kent Cutler

Staff Present: Dan Letellier, Richard King and Kristin Elgersma

Guests Present: Jake Braunagel and Brady Brockel– KLJ Engineers, Tony Harms and Christi Sunde– SP Plus Parking, Brad Wilson – Insurance Benefits, Elizabeth Hertz – Davenport Evans, Craig Ellerbroek – Ace Advertising, Tom Grimmond – Colliers Securities, Chris Meyers and Nick Borns – City of Sioux Falls.

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

Vice Chairman Curd 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 January 23, 2025. Motion Carried.
2. **Bills for Approval**- Eric Ellefson 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. John Taylor moved, and Eric Ellefson seconded approval of the Consent Agenda. Motion carried.

1. Task Order with KLJ Engineers to design a new airfield access road for snow removal equipment. $84,661.56
2. Purchase new 20’ rotary mower from Phifer Implement to replace existing flail mower - $28,362.12
3. Baggage Handling System Maintenance Agreement with Daifuku Services America Co.
4. Lease agreement with Caleb Koopmans for airport T-Hangar #2-16
5. **Report by Executive Director**-
6. Passenger Traffic – January 2025– January enplanements were up 12.5% from the year prior totaling 59,675 passengers. Total passengers increased 13.3% to 117,219, getting the year off to a great start. Available seats increased 14.7% for the month, which helped increase passenger enplanements. Parking Revenue again jumped 49.4% with just under $950,000 in revenue, which was the highest on record. All concessions reflected an increase for the month except for Hotel Revenue which was impacted by the warmer / dryer winter weather.
7. SD Legislative Update – Director Letellier provided a summary to the Board on three bills that are currently working their way through the legislature.
	1. Senate Bill 132: A one-time appropriation of $30 million for terminal related construction projects in the State. Amended in Joint Appropriations Committee to $100 and was passed. Will be considered on last day of the session pending funding availability.
	2. Senate Bill 178: A bill to increase the fuel tax on Avgas and Jet Fuel from .04 to .07. It passed the Senate and goes to the House Taxation committee next. Good support for the bill, however commercial airlines have objected to the increase.
	3. Senate Bill 1189: A bill to extend the expiration of funding to provide marketing dollars that will help attract new airlines and destinations in South Dakota. It passed the House and the Senate and will go to the Governor for signature.

1. Effort to generate interest in the development of a convenience store/travel stop on airport property: In December an RFP was advertised for any interested party to develop and operate a convenience store on the corner of Minnesota Ave. and Hangar St. No proposals were received by the deadline, but since that time representatives from Gil Haugen Const. have approached airport management about their interest. They have been given time to put together a proposal to present to the airport for review. Once this has been received it will be shared with the Airport Board.
2. Update on the concourse expansion project as well as funding plan development: Work on design continues through the Construction Documents phase which is at 60% completion. Target date for final drawings is May 1st. The CMAR has been advised to hold solicitation of the first bid packages until the status of Federal funding is more understood. Director Letellier provided a spreadsheet which projected the Authority’s cash balance over the next three years if the concourse project moves forward. Two versions provided, one with full Federal funding and full concourse build and a second with limited Federal assistance and the base bid only constructed for the concourse. Vice-Chair Curd requested Letellier put together a recommendation to the Board on a policy which outlines minimum cash balances to ensure adequate funds are available to maintain airport operations.
3. **Old Business –**
4. MOU with the City of Sioux Falls for the procurement and demolition of water well #15 - $2,089,740: Several months ago, Director Letellier informed the board of discussions with the City Water Department and City Engineering about decommissioning well #15 which if not removed would sit on the edge of our new terminal apron and impact airline operations if it remains. Chris Meyers from the Water Dept. and Nick Borns with City Engineering were on-hand to answer questions from the Board regarding the MOU that has been developed to allow the well to be decommissioned. The valuation assigned by the city is $2,089,740. Which would be paid by the airport. The valuation is based on future revenue received from water pumped from the well. This well is currently in a standby state and has not operated since 2016. The board would like to continue discussions with the city and determine if they have any interest in providing financial support for the construction of the new terminal and how the cost of decommissioning this well may factor in this future support. Letellier will meet with city officials and report back to the Board at next month’s meeting.
5. **New Business**-
6. Liability Insurance Renewal – Brad Wilson with Insurance Benefits provided the renewal quote for airport liability coverage. Only one firm provided a quote which was the incumbent Starr Indemnity Insurance. The new premium for $150m in general liability coverage is $62,319, a 5% increase over the current $59,343. Eric Ellefson moved, and John Taylor seconded a motion to approve the liability insurance renewal with Star Indemnity Insurance for 2025. Motion Carried.
7. Municipal Advisor Agreement with Collier’s Securities: Director Letellier has had discussions with Tom Grimmond with Collier’s Securities about assisting the Authority with future borrowing needs to help fund the new concourse construction. Mr. Grimmond will provide assistance in obtaining a credit rating, developing an RFP to distribute to banks and underwrites for borrowing in the $25-$30m range. The estimated fee for this assistance is in the $35,000 range. Eric Ellefson moved, and Blake Curd seconded the motion to work with Collier’s Securities. Motion Carried.
8. **Open Segment**

 None

Kent Cutler moved, and John Taylor seconded a motion to adjourn the meeting at 1:00 pm.

 Date Secretary

Next Board Meeting: March 27, 2025 – 12:00 pm