

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

March 23, 2017

Members Present: Dave Nelson, Raquel Blount, and Julie Schnaible (Via teleconference)

Staff Present: Dan Letellier, Richard King, Kristin Elgersma

Guests Present: Mark Weiderrich- Goldsmith Heck, Jared Nesje –TSP, Elizabeth Hurtz – Davenport/Evans

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- Raquel Blount moved and Julie Schnaible seconded approval of the minutes of February 23, 2017. Motion carried.

2. Bills for Approval- Julie Schnaible moved and Raquel Blount seconded approval of the bills as presented. Motion carried.

3. Consent Agenda- Report on Consent Agenda items by the Executive Director. Raquel Blount moved and Julie Schnaible seconded approval of the Consent Agenda. Motion carried.

A. Task Order #51 with Goldsmith/Heck Engineers for Const. Admin. Services for the West General Aviation Ramp Expansion project. - \$94,199.00. Reimbursement of 90% of these costs will be requested through an AIP grant in 2018.

B. Approve advertisement to solicit construction bids to remodel the Customs and Border Protection General Aviation Facility. Last estimate for the project was \$295,000 however could be lower due to some security requirement changes.

4. Report by Executive Director-

A. Passenger Traffic and Concession Revenue Report

1. FSD passenger enplanements are up 5.63% for the first two months of the year. February enplanements were 6.5% higher than last year and overall traffic increased by 6.2%. Enplanements forecasted to increase at least 3-5% over the next six months with available seats increasing 11.7% in that time frame.

Parking revenue is up 14.1%, with Food, Gift, and Car Rental up over 5%. Hotel Revenue has been increasing over the last two years and Chairman Nelson asked if they would be willing to provide us with an update at an upcoming board meeting.

B. Construction Update

1. Lobby Lights – TSP, Hoogendoorn, as well as Thompson Electric were out looking at the column lighting in the ticketing area. Four columns are being

evaluated for adding an LED strip to enhance the lighting. An estimate to provide the additional lighting will be submitted for consideration in the next few weeks.

2. Runway 3-21 Reconstruction Phase 1 –Pre-construction meeting held with T&R Contracting as well as subcontractors with a construction start date of April 17th, two weeks ahead of schedule if weather cooperates.
3. W. GA Apron Extension – Bids opened March 7th with an anticipated start date of May 1st.
4. National Guard Drive Rehabilitation – Bids opened March 21st with a start date planned for April 17th.

C. Federal Program Update

1. LEO Reimbursement Program – The recently released budget from the White House has removed funding for the Law Enforcement Officer (LEO) Reimbursement Program. Since 2003, the TSA has required airports to have a LEO present during passenger screening checkpoint operations. In order to assist with this requirement the TSA has provided the LEO Reimbursement Program to offset these expenses. FSD currently received \$125,000 of the \$175,000 expense for this requirement. If the program is not funded the total cost plus expected increases from the Sioux Falls Police Department (provides the service) could top \$225,000 annually. This cost would likely have to be passed on to the airlines and ultimately the customers.
2. Essential Air Service (EAS) Program – Another program important to small commercial service airports is the EAS Program. Since deregulation of the airline industry in 1978, Congress has provided funding to assist airlines in flying to smaller cities to offset the low volume of travelers. The Budget proposed would eliminate this program that provides funding to 173 communities around the country. The savings of \$175 million annually would likely result in the loss of air service to Pierre, Watertown, Aberdeen and even Sioux City.
3. Air Traffic Control (ATC) Privatization – The House Transportation Committee Chairman has proposed removing the ATC division from the FAA and privatizing that function to expedite development of new technologies and increase flight operations, especially in congested airspaces in the northeast and southern California. Concerns have been raised on how this new private organization would be funded (current plan is to impose user fees for each aircraft that lands at an airport) which could negatively impact general and business aviation users. Funds in a private organization could be directed to large airports leaving small communities with inadequate staffing and equipment in those airports.

5. Old Business

- A. No Items

6. New Business

- A. Construction Bids were opened March 7th for the W. GA ramp expansion. Three bids were received with Dakota Contracting coming in with the lowest responsible bid. Raquel Blount moved and Julie Schnaible seconded a motion to awarding Dakota Contracting the project in the amount of \$1,032,949.53. Motion Carried.

- B. Construction bids were also opened on March 21st for the project to realign and replace National Guard Drive as well as repave Hangar Street and Aviation Avenue. Nine bids were received with Soukup Construction coming in with the lowest responsible bid. Julie Schnaible moved and Raquel Blount seconded a motion to award Soukup Construction the project in the amount of \$1,599,999.00. Motion Carried. It was noted that a portion of the project in the amount of \$402,663.24 will be funded by the South Dakota Army National Guard for work specific to their leased area.

- C. A request to the Board to approve a Settlement Agreement between Beckman Construction and Matz Painting for a contract dispute involving work to remodel the interior of the baggage claim and ticketing areas in 2015-2016. Agreement will provide Matz with payment of \$1,500 from Beckman and \$2,104 from the Authority. The payment to Matz will be subtracted from the final retainage balance of \$10,000 due to Beckman to close out the contract for this work. Elizabeth Hurtz with Davenport/Evans recommends board approval for the settlement. Raquel Blount moved and Julie Schnaible seconded a motion to approve the Settlement Agreement. Motion Carried.

7. Open Segment- No discussion

Julie Schnaible moved to adjourn at 12:35 p.m. Raquel Blount seconded. Motion carried.

Date

Secretary

Next Board Meeting on April 27, 2017