

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

October 27, 2016

Members Present: Dave Nelson, Lon Stroschein, Mike Luce, Julie Schnaible, Raquel Blount

Staff Present: Dan Letellier, Richard King, Kristin Elgersma

Guests Present: Mark Weiderrich- Goldsmith Heck, Jared Nesje-TSP Architects, Scott Froemming – Walker Parking Consultants, Elizabeth Hertz – 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 12:01 pm.

1. **Minutes-** Lon Stroschein moved and Julie Schnaible seconded approval of the minutes of September 22, 2016. Motion carried.
2. **Bills for Approval-** Mike Luce moved and Raquel Blount seconded approval of the bills as presented. Motion carried.

Chairman Nelson informed the Board that Commissioner Julie Schnaible was recently reappointed by the Mayor and approved by the City Council for a 2nd five year term. Commissioner Schnaible's term will run from October 1, 2016 through September 30, 2021.

3. **Consent Agenda-** Report on Consent Agenda items by the Executive Director. Julie Schnaible moved and Lon Stroschein seconded approval of the Consent Agenda. Motion carried.
 - A** – An agreement with Eide Bailly, LLP to conduct our annual financial and single audit for 2016 in the amount of \$18,750. This is the same fee that we have paid for the past two years.
 - B-** An agreement with the State of South Dakota, Department of Transportation to provide funding for our runway reconstruction project in 2017 totaling \$391,568.91 under FAA Grant #3-46-0050-50-2016. This state grant will cover 5% of the eligible construction costs for Runway 3-21 reconstruction-Phase 1.
 - C** – Task Order #50 with Goldsmith/Heck Engineers to provide design services for the following projects:
 - Realignment and rehabilitation of National Guard Drive.
 - Realignment of 600 ft. of perimeter road on the west side of the airfield.
 - Rehab Hangar St. and Aviation Ave.
 - Replace a 100 ft. section of G.A. taxiway next to Signature Flight hangar.Total for these design services is \$135,978.00.
 - D** – Request to approve travel by Executive Director and one interested Board Member to attend the annual American Association of Airport Executives (AAAE) Aviation Issues Conference in Kauai, HI, January 8-12, 2017

E – Change Orders prepared for each contractor reflecting additions /deletions to their contracts for construction of the Security Checkpoint/Lobby.

A. Change Order #13 – Hoogendoorn Construction	Checkpoint Renovation Project	\$ 8,307.00
Change Order # 9 – Valhalla Painting	Checkpoint Renovation Project	\$ 1,010.00
Change Order #12- Olympic Drywall	Checkpoint Renovation Project	\$ 3,230.00
Change Order #13– Thompson Electric	Checkpoint Renovation Project	\$ 3,240.00
Change Order #5- Commercial Int. Décor	Checkpoint Renovation Project	\$ 655.00
Change Order #6- MJ Dalsin	Checkpoint Renovation Project	\$ 880.00
Change Order #5- Midwestern Mechanical	Checkpoint Renovation Project	\$ 450.00
Change Order #9- Krier and Blain	Checkpoint Renovation Project	\$ 11,042.00
Change Order #1- Record USA	Checkpoint Renovation Project	<u>(\$ 375.00)</u>
	Total of Combined C.O.s	\$ 28,439.00

4. Report by Executive Director-

A. Construction Updates

1. Checkpoint / Lobby Renovation – Punch list items are being worked on this week with column covers /wraps to be wrapped up by end of November. Furniture has been ordered and it set to arrive in the next 6-7 weeks.

5. Old Business

- A. Discussion and request for approval of changes recommend by our legal counsel for the Employee Handbook. Updates to the Employee Handbook will become effective 11/1/2016. Raquel Blount moved and Mike Luce seconded a motion to accept the changes to Employee Handbook. Motion carried
- B. In June the Board approved an increase in funding to bring our Customs area into compliance with standards for a General Aviation Facility (GAF). (\$300k) Since that time we have received a Memorandum of Agreement (MOA) to reimburse CBP for new IT equipment required for the GAF. The new IT equipment along with new fiber connection to the GAF total \$65,000. Executive Director Letellier met with officials from Forward Sioux Falls to determine if they would assist with this funding. Mark Schlanta of Forward Sioux Falls agreed to provide this funding pending approval of the Forward SF Executive Board. Mike Luce moved and Julie Schnaible seconded a motion to approve the MOA with Customs to purchase the requested IT equipment. Lon Stroschein amended the original motion to approve the expenses contingent on Forward Sioux Falls providing funding. Amendment seconded by Mike Luce. Original motion and amendment were both approved.

6. New Business

- A. Walker Parking Consultants has completed the Parking Garage Pre-Design report which looked at our current parking availability and compared that to our needs in the 10-20 year planning horizon. The Board requested an opinion on when/or if a parking structure would become necessary, and if so, the appropriate location, size and estimated construction costs. Scott Froemming of Walker Parking Consultants presented the results of the report to the Board. Highlights of the report:

- a. Current parking stall count is at an 85 space deficit in the peak months of February –March, and will only continue to grow as passenger traffic increases.
- b. A 4-story parking structure located where the current short-term lot would be the desired location with a total stall count of 1080, or a net increase of 741 spaces.
- c. Construction should take place by 2021 at a current estimated construction cost of \$22-\$24 million.

The Board instructed the Executive Director to identify a firm that could provide a financial analysis on how a parking structure would affect parking rates as well as the economics (construction & operating costs vs. projected revenue) and the impacts to the Authority’s financial condition.

- B. A new use and Lease agreement with UPS was presented to the Board for review that would replace the existing ground lease that expires November 30th. The current lease (ten years old) only accounts for a small portion of the ramp space currently utilized to store equipment as well as load/unload semi-trailers and containers. The new agreement would expand the leased area to reflect the current space used.
- C. Gov. Daugaard’s office has inquired about installing a Historic Marker at the airport that commemorates Joe Foss’s time as Governor. They would like the board to fund the purchase and install a historical plaque/marker with an estimated cost of \$2,260. Mike Luce moved and Raquel Blount seconded a motion to provide funding for the marker. Lon Stroschein amended the original motion to only fund the marker if it could be installed inside the terminal. Julie Schnaible seconded the amendment to the original motion and the original motion and amendment were approved.
- D. First draft of our 2017 Operating Budget was presented to the Board. The draft operating budget does not include any airline rent/fee increases nor parking lot rate adjustments. Executive Director Letellier will survey surrounding airports to provide a review of parking rates of other airports in the upper Midwest. Final draft with revenue enhancement options will be provided to the Board for review at the November meeting.

7. **Open Segment-** No discussion

Mike Luce left the meeting at 2:00 pm

Dave Nelson moved to adjourn at 2:06 p.m. Lon Stroschein seconded. Motion carried.

Date

Secretary

Next Board Meeting on November 17, 2016