

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

April 23, 2020

Members Present via video conference: Raquel Blount, Julie Schnaible, Dave Nelson, Lon Stroschein, and Eric Ellefson

Staff Present: Dan Letellier and Kristin Elgersma

Staff Present via phone: Richard King

Guests Present: Brad Greguson – Standard Parking

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

Chairwoman Blount called the meeting to order at 12:01 pm.

1. **Minutes-** Dave Nelson moved and Julie Schnaible seconded approval of the minutes of March 26, 2020. Motion carried.
2. **Bills for Approval-** Julie Schnaible moved and Eric Ellefson seconded approval of the bills as presented. Motion carried.
3. **Consent Agenda-** Report on Consent Agenda items by the Executive Director. Dave Nelson moved and Lon Stroschein seconded approval of the Consent Agenda. Motion carried.
 - A. Change Order #3 with Hoogendoorn Construction for additions to the Rental Car QTA Project - \$42,954.00.
 - B. Task Order #71 with KLJ Engineers to provide Construction Admin. for the Economy Lot Expansion Project. \$ 104,701.17.
 - C. Amendment #1 to AIP Grant #3-46-0050-053-2019 adding \$3,794,868.00 to the grant issued in 2019.

4. Report by Executive Director-

- A. Corona Virus Update – Airport Impacts – Passenger traffic has dropped considerably since the outbreak with many flights being cancelled or operating with minimal passengers on board. The gift shops and restaurant have closed with the exception of Subway which is open from 9a-3p. Airport Authority staff schedules have been modified to avoid as much cross contact as possible. Thermometers have been ordered to implement wellness checks for staff each day to minimize the spread of the virus.
- B. Passenger Enplanement and Concession Revenue Update – Enplanements have dropped dramatically mid-March with the declaration of a national health emergency

reducing enplanements by 44.8% and total traffic down 38.3%. Enplanements for March totaled 28,272 roughly half what we normally would see in one of the busiest months. Available seats were up 8.9% vs. 2019 with most going unfilled. Parking, Restaurant, Car Rental, Gift shop, and hotel all were down significantly.

C. Construction Update:

- A. Rental Car QTA – Rental car operators have moved into the new QTA facility two weeks ago with the demolition of the old facilities taking place this week. New curb/gutter work is progressing on what will be the new storage lot. Expected completion date for the project is mid-July.
- B. Economy Lot Expansion – Hoogendoorn Construction is planning to begin construction/dirt work on Monday, May 4th pending weather. Completion date for the project is mid-August.
- C. 2020 Asphalt Project – This project involves the construction of a new GA Taxi lane as well as many asphalt repairs around the airfield and airport property including the perimeter road, Lein Place, and Jaycee Lane. The bid opening has been moved back to May 5th due to additional requirements needed for a project funded with a federal grant. Engineer's estimate is \$1.8 million with approximately \$1.1 million for asphalt repairs/maintenance. Bid opening is May 5th with a Special Board meeting scheduled for May 8th for review and potential award.

5. Old Business –
No Items

6. New Business -

- A. Discussion and Approval of the CARE Act Grant totaling \$22.5 million. The Federal Government has provided \$10 Billion to assist airports through the corona virus as part of the CARES Act. The funding has been allocated to airports across the country using a formula based on passenger enplanements, AIP entitlement allowance as well as debit to reserve fund ratio. The amount assigned to FSD totals \$22,454,505. The funding is intended to reimburse operating expenses and airport maintenance for 2020 and beyond. Funding must be used within four years and for approved expenses. Director Letellier has submitted an application for the funds with the grant coming in a few days for approval. Letellier requested the Board's approval of the grant once it has been awarded so funding can be available as soon as possible. Julie Schnaible moved and Dave Nelson seconded a motion to accept the CARES Act grant in the amount of \$22,454,505. Motion Carried.
- B. Updated Operational Budget for remainder of 2020. The Executive Director provided his estimate for passenger traffic and revenue decline to the board. He is forecasting a 50% drop in enplanements and corresponding drop in revenue for those affected revenue streams. A new operating budget was provided taking into account the 50% loss in revenue from commercial air service generated accounts. Board discussion centered around modifying revenue accounts for airline rent, FBO building rent and

rental car minimum rent prior to approving any rent discount, deferment or abatement. Opinion of the Board was to review each of these requests individually as time went on but was premature to make adjustment to the budget at this time. Lon Stroschein moved and Julie Schnaible seconded a motion updating the 2020 Operating Budget with those revenue and expense accounts that would not require separate approval for rent deferments or abatements at this time. Motion carried

- C. Rent/Concessions adjustments due t the Corona Virus – The dramatic drop in passenger traffic and concession revenue has brought a request from some of our tenants looking for modifications to rent as a result in the downturn in traffic. Executive Director Letellier proposed a 50% reduction in airline rent, FBO Building rent and Rental Car minimum annual rent guarantees. Letellier is anticipating more requests from these tenants as time goes on and as they become aware of the federal assistance provided to the airport. Letellier also proposed a screening/vetting process for these request to determine if they have exhausted all other forms of federal assistance or loan programs. The Board had concerns about providing relief so early in this downturn without knowing the true financial impacts to the airport and the tenants and that as more time passes more knowledge can be gained and better decisions made. A decision on offering any rent deferment or abatement was put on hold and will be review in the future on a case by case basis.

7. Open Segment-

Julie Schnaible moved to adjourn at 1:22 pm. Eric Ellefson seconded. Motion Carried.

Date

Secretary

Next Board Meeting: May 28, 2020 10:30 am