

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

March 26, 2020

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

Staff Present: Dan Letellier, Richard King, and Kristin Elgersma

Guests Present: Brad Greguson – Standard Parking, Eric Hanson - HDR

Guest Present via Phone: Steve Steinhorst – KLJ Engineers

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 12:07 pm.

1. **Minutes-** Julie Schnaible moved and Dave Nelson seconded approval of the minutes of February 27, 2020. Motion carried.
2. **Bills for Approval-** Lon Stroschein moved and Dave Nelson seconded approval of the bills as presented. Motion carried.
3. **Consent Agenda-** Report on Consent Agenda items by the Executive Director. Eric Ellefson moved and Lon Stroschein seconded approval of the Consent Agenda. Motion carried.
 - A. Lease Agreement with Scott Ecklund for airport T-Hangar #T1-9.
 - B. Advertise for construction bids for our Northwest Hangar Taxi-lane/Perimeter Road Partial Reconstruction Project.
4. **Report by Executive Director-**
 - A. Corona Virus Update – Airport Impacts – Passenger traffic is well under 100 each day if those Airlines are even operating. Lobby gift shop and lobby restaurant are closed with Subway operating at limited hours. The restaurant reported wasting a lot of product as they are having little to no customers each day.
 - B. Passenger Enplanement and Concession Revenue Update – Passenger Enplanements increased 10.8% in February with total traffic up 11.6% for another great month. Unfortunately it will be all downhill from here. Enplanements for February totaled 50,225 which was a record for the month. Available seats were up 10.7% vs. 2019 contributing to the up-tick in traffic. Car Rental, Gift Shop, Parking, and Food/Beverage all saw an increase in revenue.

C. Construction Update:

- A. Rental Car QTA – Building is nearing completion and they are turning it over to the Rental Car Agency's on March 30th. Demo of the old building will start soon along with the parking lot, curb and gutter. The project looks to be wrapped up by mid-July.
- B. Economy Lot Expansion – Hoogendoorn construction was awarded the bid and they hope to get started mid-late April.
- C. 2020 Asphalt Project – Advertising for bids in the next few weeks.

5. **Old Business –**

No Items

6. **New Business -**

- A. Award Bid for new Snowplow/Sander to MB Companies for \$488,756.00. Bids were opening on March 24th for the purchase of a replacement snow plow/sander to replace a truck that is 32 years old. Funding for this truck will come from our balance in Fuel Tax funds held by the state. Julie Schnaible moved and Dave Nelson seconded a motion one opposed and four motioned to move forward with the purchase of the Snowplow/Sander from MB Companies. Motion Carried.
- B. Selection of Design Team for Future Parking Structure. Proposals were received from design teams led by KLJ Engineers, Walker Consulting, and HDR Engineers. Interviews with the selection committee took place on March 18th. After much debate the selection committee is recommending the team led by KLJ Engineers who is partnering with Kimley-Horne and TSP Architects. While the project may be pushed back a year it was determined to move forward with the Pre-design phase. Lon Stroschein moved and Dave Nelson seconded a motion to award the pre-design for the parking structure to KLJ Engineers. Motion carried
- C. Discussion on waiving Minimum Annual Guarantees (Mag) – The dramatic drop in passenger traffic and concession revenue has brought a request from our rental car operators about waiving our minimum annual guarantees. Our lease agreements require a minimum concession fee payment every year, despite potential downturn in traffic. They would still be required to make payment for their actual 10.5% fee for gross revenue but would do away with the yearly minimum. Eric Ellefson moved and Lon Stroschein seconded the denial of waiving the MAG for current year 2020 until they get a better picture at the financial situation that may happen as well as the Government bailout. Motion Carried.
- D. Budget Adjustments due to change in economic conditions. The corona virus has dramatically changed the transportation/travel industry in just a few short weeks. We have gone from record traffic levels in January and February trying to figure out where to park all of our cars, to wondering what is going to happen next. We can expect around a 50% drop in revenue for the year based on the short and long-term impacts from this epidemic. Dan had a few cost savings ideas that were run by the board which included the following:

- a. Parking Revenue – Increasing the long term and economy rate earlier than expected.
- b. Payroll – Solicit voluntary unpaid leave of 1 week at a time, or even 1 day at a time to reduce payroll.
- c. Payroll – Consider a 5% pay reduction for 2020 but making that up in 2021.
- d. Advertising budget reduced by over \$80,000.
- e. 5% reduction for maintenance and supplies.
- f. Discontinue all Travel for training/conferences.
- g. Parking management fee reduction.

These are all things for the board to think about for in the future if changes need to happen.

7. Open Segment-

Lon Stroschein moved to adjourn at 1:54 pm. Julie Schnaible seconded. Motion Carried.

Date

Secretary

Next Board Meeting: April 23, 2020 12:00 pm