

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

October 27, 2017

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

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

Guests Present: Mark Weiderrich- KLJ, Elizabeth Hurtz – Davenport/Evans

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

Chairman Stroschein called the meeting to order at 12:02 pm.

1. **Minutes-** Mike Luce moved and Raquel Blount seconded approval of the minutes of September 28, 2017. Motion carried.
2. **Bills for Approval-** Dave Nelson moved and Julie Schnaible 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 Mike Luce seconded approval of the Consent Agenda. Motion carried.
 - A. T- Hangar Lease with Richard Damian for hangar T2-17.
 - B. T-Hangar Lease with Eric Hartung for hangar T3-10.
 - C. Change Order #1 with Golden Rule Construction for additions to the Customs Remodel Project - \$967.00.
 - D. Change Order #3 with Soukup Construction for additions to the National Guard Dr. Rehab Project. \$81,358.90
 - E. Travel by Executive Director and Board Member to attend the American Association of Airport Executives Aviation Issues Conference in Kona, HI – January 7-10, 2018.
4. **Report by Executive Director-**
 - A. Review of Passenger Enplanements and Concession Revenue.
 1. Passenger traffic up 6.0% for the January – September time frame. Passenger enplanements for September were 7.1% higher than last year. Parking, Restaurant, Car Rentals, Gift Shop, and the Hotel all saw an increase in revenue.
 - B. Construction Update:
 1. *Runway 3-21 Reconstruction* – Complete and open. Some runway lighting still needs to be addressed.

2. *National Guard Drive Rehabilitation* – A section of National Guard Dr. next to Minnesota Ave. is being replaced with concrete. Work is ongoing with an expected completion date of November 10th. Additional drainage improvements in the area are also underway and should be complete by the end of November.
3. *Customs Remodel* – Remodel work is complete with a few IT issues remaining that are being coordinated by Customs. Expect CBP to move into the remodeled space by November 3.
- C. Conditional Use permit – Great Bear Sand and Gravel Co- A conditional use permit was filed by Great Bear Sand & Gravel Co (First Rate Construction) to develop a sand and gravel excavation operation north of the Airport. The Minnehaha County and City of Sioux Falls joint Planning Committee reviewed the application on October 23rd. After receiving public input as well as airport opposition the permit was denied.

5. Old Business

- A. No Items

6. New Business

- A. Agreement with Eide Bailly to complete annual audit of Financial Statements. Mike Luce moved and Julie Schnaible seconded a motion to approve a new three year agreement with Eide Bailly to continue to conduct required annual audits. Motion carried.
- B. Discussion and Request for approval of an Operating Agreement with Transportation Network Companies (TNC) – Lyft has received approval to begin operations in Sioux Falls as a ride share company. As a result the Airport Authority has been approached by Lyft to secure an Operating Agreement to pick-up and drop-off at the airport. The request for an agreement raises several issues for the Airport, primarily how TNCs will impact parking and rental car concessions revenue the airport receives to operate the airport. TNCs have impacted other airports revenue and they have responded by requiring a fee for every pick-up and/or drop-off (trip fee). After much discussion and forecasts of expected revenue loss as a result of TNCs serving the airport, the Board determined to impose a trip fee for every TNC pick-up of no less than \$2.00 per trip. The Board strongly felt that a higher fee should be collected and that the fee should be extended to drop-offs as well, but was willing to see how revenues are impacted over the next year. The Board approved the following motions: 1) Julie Schnaible and Dave Nelson moved to draft an Ordinance which would require ground transportations companies to obtain an operating permit if transporting customers to/from the airport for a fee. Motion Carried. 2) Mike Luce moved and Raquel Blount seconded a motion to approve a one year operating agreement with Lyft which includes a Pick-up Fee of no less than \$2 per trip. Motion Carried.
- C. Agreement with Transportation Security Clearinghouse Services to provide TNC Tracking. – The Executive Director presented an agreement with the Transportation Security Clearinghouse, a subsidiary of the American Association of Airport

Executives (AAAE) who would provide software and programming that would independently track the number of TNC trips (both drop-off and pick-up) at the airport. This 3rd party vendor will ensure accurate reporting of trips and revenue to the Airport on a monthly basis. They would impose a 3% fee on revenue with a one year agreement. Raquel Blount moved and Julie Schnaible seconded a motion to approve the agreement with the Transportation Security Clearing House as specified above. Motion carried.

Dave Nelson left the meeting 1:15 pm

- D. Discussion and review of proposed Operating Budget for 2018. – The Executive Director provided a draft of the 2018 Operating Budget for the Board to review. Passenger Traffic is forecasted to be flat in 2018 and as a result parking and concession revenue is also not expected to increase over 2017. A slight increase in the landing fee rate from .90/1000 lbs to .95/1000 lbs is recommended. Also the revenue previously received from the TSA for LEO expenses has been pulled due to funding uncertainty. Expenses are up slightly, due primarily to an increase in Payroll and Depreciation. The Board will consider the final Operating Budget at the November meeting.

7. Open Segment- No discussion

Mike Luce moved to adjourn at 1:33 pm. Julie Schnaible seconded. Motion carried.

Date

Secretary

Next Board Meeting: November 16, 2017