

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

February 25, 2021

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

Staff Present: Dan Letellier and Kristin Elgersma

Staff Present via video conference: Richard King

Guests Present via video conference: Mark Weiderich – KLJ Engineers

Guest Present: Brad Wilson – Insurance Benefits

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

Chairwoman Schnaible called the meeting to order at 12:02 pm.

1. **Minutes-** Raquel Blount moved and Eric Ellefson seconded approval of the minutes of January 28, 2021. 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 Raquel Blount seconded approval of the Consent Agenda. Motion carried.
 - A. Task Order with KLJ Engineers to design a project to replace a section of water line. \$61,841.91
 - B. Solicit Requests for Proposal for Airport Marketing.
 - C. Advertise for construction bids for the terminal renovation project.
4. **New Business**
 - A. Liability Insurance Renewal – Director Letellier received a quote for renewal with Starr Indemnity & Liability Co. for Liability Insurance Coverage. Several years ago, we raised our coverage from \$100,000 million to \$150 million. The rate change for maintaining the same level of coverage increased 9.2% resulting in a new annual rate of \$43,224.00. The board was presented with the option to reject War Liability coverage and save \$2,059 a year however it would remove the coverage of any incidents identified as terrorism. Eric Ellefson moved and Raquel Blount seconded the motion to continue with current coverage levels for Liability Insurance Coverage in the amount of \$43,224.00. Motion Carried.

5. Report by Executive Director-

- A. Passenger Traffic and Concession Revenue – Passenger enplanements in January continued to be impacted by COVID-19 and the limits placed on testing internationally as well as the closures/restrictions in many warm weather destinations. Enplanements were down 51.7% at 23,207 and total traffic was also down 49.4% with 47,248 travelers compared to 2020. Parking, Restaurant, Car Rental, Gift Shop, and Hotel were all down similar percentage.
- B. State Bill #162 – Air Service Recovery and Development – Director Letellier has attended a few sessions in Pierre in regards to State Bill #162 which was to provide \$2 million dollars to airports in South Dakota. The original bill was amended to provide \$5 million to 5 commercial airports with Sioux Falls and Rapid City each receiving the most at \$1.9 million in funding. This money is to be used to actively recruit new service to destinations as well as bring back service to cities airlines may have pulled out of during COVID in 2020. The decision is expected to be made on Monday March 1, 2021.
- C. Cargo Expansion Options / Landing Fee break-down cargo vs. passenger: Cargo activity at the airport has continued to increase which has made decisions for us to start thinking about expanding the Cargo Apron. This would require demolition of some other buildings in the area to make room for UPS to build a new cargo facility that is in the works for 2023. We would also be looking to expand the Apron to the south for smaller aircrafts. New buildings will in turn need to be built up by our current airport Maintenance Shop to accommodate the loss of storage. Apron expansion was also discussed out by Maverick Air Center if the need would arise for more space. Cargo Revenue has slowly increased over the year with 2020 being 44.9% of the total landing fee revenue.

6. Old Business –

- A. Property Insurance Renewal – Chubb/Acuity Insurance – Our last month meeting TJ Roling was present and we were presented with the renewal quotes for our Property and Auto Coverage from our current provider, Chubb Insurance. Rates for property coverage increased 23% plus an increase in total valuation with the addition of the rental car facility. Holmes Murphy did solicit quotes from nine other carriers but they either refused or would have been exceedingly more expensive than Chubb. Allianz, who has provided insurance for us in the past quoted a rate of \$126,000 vs the Chubb rate of \$103,302.00. Dave Nelson moved and Lon Stroschein seconded the motion to stay with Chubb insurance and the rate of \$103,302 for 2021 insurance coverage. Motion Moved.

7. New Business -

- B. Task Order – Parking Garage Design Task Order from KLJ Engineers and our parking garage design team for the design of a new parking structure and skybridge. Our initial agreement with KLJ identified the fee as 6.5% of estimated construction costs. Preliminary design report estimated construction costs for this project to come to \$37,898,200 which includes the skybridge design (this will be an alternate for construction) The fee would then be \$2,463,383. It was agreed upon to leave the fee

at 6.5% of the design estimate but if any additional work outside the scope is identified in the preliminary design, we may receive an amendment asking for additional fees. Dave Nelson moved and Raquel Blount seconded the approval of Task Order with KLJ Engineers in the amount of 6.5%. Motion Carried.

- C. Geotechnical Agreement – Parking Garage – In conjunction with the above item, we have received two proposal to conduct the geotechnical testing necessary for the design and construction of the parking structure. Proposals were received from American Engineering Testing and Geotek, with the proposal from AET coming in lower at \$12,995 vs \$17,000. Director Letellier recommended awarding the geotechnical work for the parking structure to AET. Dave Nelson moved the approval to award the work to AET in the amount of \$12,995 Raquel Blount seconded. Motion Carried.

8. Open Segment

Lon Stroschein moved to adjourn at 12:59 pm. Eric Ellefson seconded. Motion Carried.

Date

Secretary

Next Board Meeting: March 25, 2021 12:00 pm