

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

February 22, 2018

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

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

Guests Present: Jared Nesje – TSP Architects

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 12:01 pm.

1. **Minutes-** Julie Schnaible moved and Raquel Blount seconded approval of the minutes of January 25, 2018. Motion carried.
2. **Bills for Approval-** Dave Nelson moved and Raquel Blount seconded approval of the bills as presented. Motion carried.
3. **Consent Agenda-** Report on Consent Agenda items by the Executive Director. Raquel Blount moved and Mike Luce seconded approval of the Consent Agenda. Motion carried.

- A. Approve travel for two managers to attend the SDDOT Airports Conference, April 11-12, Deadwood.
- B. Approve advertisement to solicit construction bids for the Baggage Claim Expansion Project.
- C. Offices & Directors Liability Coverage renewal – SD Public Assurance Alliance. - \$635.00/yr.

4. Report by Executive Director-

- A. Passenger Traffic and Concessions Revenue for January – Enplanements increased 2.54% in January despite a 2% reduction in available seats and several days of flight cancellations due to weather. Total passengers for the month came to 81,491 an increase of 1.9% compared with 2017. Parking, Car Rental, and Hotel revenue were down for the month with the Gift Shop up slightly. Parking revenue declined 3.4% even though enplanements increased 2.5%. Early indications are that Lyft usage is beginning to impact parking revenue as indicated by a decline in parking revenue per passenger from \$10.35 in 2017 to \$9.927 in 2018. We will continue to monitor this trend to get a better understanding of the long-term effects from Lyft & Uber use by passengers utilizing FSD.

5. Old Business

- A. Property and Liability Insurance Renewals.

- The Liability Insurance renewal was confirmed with Starr Companies at the rate of \$29,455.00 as approved at the January meeting. No additional carriers submitted proposals and no change in premium from what was first proposed.
- Holmes Murphy solicited and received quotes from several carriers for our Property Insurance with Chubb Insurance coming in with a quote 11.1% lower than our current provider, Allianz. The Executive Director confirmed with our insurance broker to initiate coverage with Chubb effective March 1 and renew our auto coverage with our current provider, Acuity. The new monthly premium for property, auto and employee bond coverage comes \$74,882.41.

6. New Business

- A. Our electrical engineer has identified an issue with the reliability of transformers for our centerline lighting system on Runway 3-21. The transformers are 11 years old and due to exposure to moisture over that time have become a maintenance concern which could cause a serious failure of the lighting system. The Executive Director is recommending the replacement of these transformers during the construction project taking place this summer. The estimate for 180 transformers comes to \$21,106. A similar concern has been raised with transformers for the edge lights of runway 15-33. These lights are 16 years old and have an older style transformer likely to fail in the near future. Pricing was received to replace these transformers at a cost of \$10,200. The Executive Director recommended the purchase of new transformers for this lighting system as well. Raquel Blount moved and Julie Schnaible seconded a motion to purchase up to \$32k for new transformers to replace this component of the two lighting system. Motion carried.
- B. Last month our Field Maintenance crew received training from a runway lighting expert on how to properly conduct monthly and quarterly inspections of our Precision Approach Path Indicator (PAPI) approach lighting system on both ends of Runway 15-33. Upon conducting the actual inspection of the equipment he raised serious concern about the future operation of the 24 year old equipment. He strongly recommended replacing the units before the entire system failed. Since that time the Executive Director has received quotes to replace the system with Halogen lights similar to what is installed or replaced with new technology using LED lights. The Halogen lights could be replaced fairly simply and come at a cost of \$27,695. Newer LED units are priced at \$48,690 plus require installation by an electrician. The lights would be eligible for FAA reimbursement in 2018 but would require a formal bid process that follows Federal Grant reimbursement guidelines adding to the length of time to replace the units. The Board debated the merits of expediting the replacement using current technology and using airport funds vs. opting for new technology that would require less maintenance over time but with a higher cost and longer lead-time to acquire and install.

The Executive Director recommended the purchase of the LED units using FAA Grant dollars in next year's grant program. Mike Luce moved and Dave Nelson seconded a motion to solicit formal proposals for the purchase of LED PAPI equipment that could be reimbursed with Federal Funding. Motion carried with a vote of 4-1 with Commissioner Blount voting no.

7. Open Segment-

Julie Schnaible moved to adjourn at 12:48 pm. Raquel Blount seconded. Motion Carried.

Date

Secretary

Next Board Meeting: March 22, 2018