

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

**November 21, 2019**

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

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

Guests Present: Mark Weiderich – KLJ Engineers, 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 12:02pm.

1. **Minutes-** Julie Schnaible moved and Lon Stroschein seconded approval of the minutes of October 24, 2019. Motion carried.
2. **Bills for Approval-** Dave Nelson 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. Lon Stroschein moved and Dave Nelson seconded approval of the Consent Agenda. Motion carried.
  - A. Change Order #10 with Golden Rule for modifications to the Baggage Claim Project. -\$2,368.00
  - B. Change Order #3 with BX Civil Contracting for modifications to the Deicing Apron Project. - \$19,453.78.
  - C. SD Symphony marketing agreement for 2020-21 and 2021-22 season at \$12,500/year.
4. **Report by Executive Director-**
  - A. Holiday Symphony Performances – The SD Symphony will be performing at the Airport December 17-20 from 11 am – 12 pm. Performances by the Dakota Wind Quintet and the Dakota String Quartet.
  - B. Passenger Enplanement and Concession Revenue Update- Passenger Enplanements increased 9.9% in October with total traffic up 9.8%. Enplanements for October totaled 51,966 which was a record for the month. Available seats were down 3.8% versus 2018. Parking, Restaurant, Car Rental, Gift Shop, and Hotel all saw an increase in revenue for October.
  - C. Construction Updates:

*Baggage Claim Expansion:* Carousel #1 is scheduled to be operational November 22<sup>nd</sup> along with substantial completion of the remaining work. Construction walls/barricades will be removed as well.

*Rental Car Quick Turn Facility:* Facility is moving along. All the exterior walls and roof are complete as well as the exterior concrete. Crews will be moving forward on interior work of electrical, HVAC, and concrete.

*Deicing Apron Project* – Significant progress has been made on excavation and sand, gravel back-fill as well as installation of underground storm sewer lines and the new 25,000 gallon collection tank. Work will wrap up in the next few weeks for the winter returning in March/April.

## 5. New Business

- A. Review and request approval of Health Insurance provider for 2020. Renewal premiums were received from our current health insurance provider, The Health Pool of South Dakota. We had several significant claims in the past year which did drive an increase in premiums of 5.4%. We also reached out to Holmes Murphy to solicit quotes from Avera/Sanford/Wellmark and United Health. The only plan similar to ours was the Avera 2000 plan. Julie Schnaible moved and Eric Ellefson seconded a motion to stay with the current provider South Dakota Health Pool/Wellmark. Motion Carried. Dave Nelson abstained from the vote and discussion due to a potential conflict of interest.
- B. Adjustment to Hourly Parking Rates. The Executive Director provided a recommendation to the board to modify the hourly rate for the short Term and long term public parking lots. The proposal would provide free parking for the first 20 minutes in Short-Term then \$2/hr after. Current rate is \$1 for the first hour and \$2 hour after. The proposal would also increase the hourly rate in Long-Term from \$1hr to \$2hr with the maximum daily rate remaining at \$8/day. Director Letellier also recommended providing the first 90 minutes in Long-Term free to allow passengers whose flights were cancelled to leave the lot without charge. Lon Stroschein moved and Julie Schnaible seconded a motion to implement the hourly rate adjustment January 1, 2020 as well as the proposal to waive the first 90 minutes in the Long-Term lot for weather cancelled flights. Motion Carried.
- C. Employee Handbook Updates. Kristin has reviewed our employee handbook and has identified several sections that should be modified. The changes include the following:
- a. Clarification on overtime
  - b. All employee lunch breaks 30 minutes
  - c. Smoking only allowed in designated breaks and in designated areas. No vehicles.
  - d. Appearance – shirts must be tucked in and belt worn if necessary
  - e. Vacation – reduced accrual schedule from 12 levels down to 5
  - f. Clarify the use of Personal Time off for last minute/short duration time off request vs. vacation
  - g. Appendix A adjusted pay rates to reflect 3% COLA for 2020

Julie Schnaible moved and Dave Nelson seconded the approval for the Handbook updates as presented. Motion Carried.

D. Smart Cart Purchase: The airport as received numerous requests over the past few years about providing luggage carts for public use. Demand for carts at the ticket counter and in baggage claim is not significant but would be helpful. The Executive Director received pricing from Smart-Cart to provide two sets of ten carts (one for each area) at the cost of approximately \$10,200 plus shipping. Several Commissioners were interested in how other airports handle luggage carts and instructed the Director to survey other airports of similar size and report back to the Board at the December meeting.

## 6. Old Business –

A. Review and request for approval of the 2020 Operating Budget. The Executive Director identified several modifications to the 2020 operating budget from what was presented at the October meeting. Those changes include:

### **Revenue-**

*Landing Fees* – No changes planned. Letellier provided the results of a survey from similar sized Midwest airports for comparison. Average of 17 airports came to \$2.13/1,000 lbs. landing weight vs. the current and proposed rate for FSD of \$1.05/1,000 lbs.

*Parking Revenue* – Increased expected parking revenue by \$140,000 to reflect the change in hourly parking rates in Long and Short Term parking.

### **Expenses-**

*Health Insurance* – Increase in expected expense to reflect the premium increase of 5.4% and the addition of 3 employees to the pool.

*Depreciation* – The addition of the newly completed baggage claim area expansion along with snow removal equipment purchase has increased the annual expense by approximately \$200,000.

### **QTA Area-**

In 2020 the airport will take over the operation and maintenance of the new rental car quick-turn facility. This will involve fee collection from the rental cars as well as operational expenses. Director Letellier has added additional revenue and collection accounts to reflect these additional items in the operating budget.

Revenue The airport will receive revenue from operators for the following:

- Resale of gasoline based on agreed upon \$0.15/gal admin fee.
- QTA Operations and Maintenance. – Initially fee of \$10.75/sf. Adjusted monthly based on actual expenses.
- Car wash fee of \$1.50/wash.

Expenses Operational expenses will be recorded for the following:

- Purchase of gasoline for rental car use.
- Supplies and monthly maintenance, preventive maint. for car wash.
- Maintenance for the detail bays.
- Utilities for car wash and detail bays.

Based on current expenses from our rental car operators and expected revenue, our annual gain from operation of the QTA facility is approximately \$95,790.

## 7. Open Segment-

Julie Schnaible moved to adjourn at 1:02 pm. Dave Nelson seconded. Motion Carried.

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Date

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Secretary

Next Board Meeting: December 19, 2019 12:00 pm