

**DES MOINES AIRPORT AUTHORITY BOARD
SUMMARY MINUTES OF REGULAR MEETING
Des Moines International Airport
Board Room
December 11, 2018**

Call to Order and Roll Call: 9:00 a.m.

Chaired by: Vice Chairperson Levy

Present: Mr. Feldmann, Mr. Christensen, Ms. Lauridsen Sand (attended by phone), Ms. Levy, and Ms. Ward (attended by phone)

A18-118 Consider Minutes for November 13, 2018, Meeting

Mr. Feldmann moved to approve the November 13, 2018, meeting minutes. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-119 Pave Interior Service Road Construction Project

The Director of Engineering and Planning stated at the August 14, 2018, Board meeting, the Board approved this project subject to an FAA grant award. Staff applied for a discretionary grant through the Supplemental Appropriation (FY 2018-2020) Program, but the grant was not awarded for FY 2018. The bid for this project was significantly below the Engineer's estimate since the contractor will already be on site for another project, but the expiration date of the bid is January 10, 2019. Completing the project as planned will decrease operational disruptions, and this project is part of the enabling project for the future Terminal. Staff has reapplied for a discretionary project grant in FY 2019, but the Authority has not yet received notice if the grant will be awarded. If the grant is awarded, all contract amounts are eligible for the 90/10 split. If the grant is not awarded, staff recommends using PFCs to recover the expense.

a. Reconsider award of contract for the Pave Interior Service Road Project to Flynn Company, Inc. in the amount of \$630,475.08

The lowest responsive, responsible bidder was Flynn Company, Inc. in the amount of \$630,475.08.

The Director of Engineering and Planning recommended the Board approve the contract with Flynn Company, Inc. in the amount of \$630,475.08 for the improvement and authorize the Director of Engineering and Planning to accept and close out this project when completed in accordance with the contract documents.

Mr. Christensen moved to approve the contract with Flynn Company, Inc. in the amount of \$630,475.08 for the improvement and authorize the Director of Engineering and Planning to accept and close out this project when completed in accordance with the contract documents. Mr. Feldmann seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

b. Reconsider Supplemental No. 1 to Task Order No. 51 with Foth Infrastructure & Environment, LLC for the Interior Service Road Pave project – Construction Phase Services in the amount of \$67,000.00

The Director of Engineering and Planning stated during the Interior Service Road Paving project, the consultant will provide contract management, construction administration, construction testing, and construction observation for the project. The negotiated amount of the agreement is \$67,000.00.

The Director of Engineering and Planning recommended the Board approve the professional services agreement with Foth Infrastructure & Environment, LLC in the amount of \$67,000.00 and authorize the Director of Engineering and Planning to accept and close out this contract when completed in accordance with the contract documents.

Mr. Christensen moved to approve the professional services agreement with Foth Infrastructure & Environment, LLC in the amount of \$67,000.00 and authorize the Director of Engineering and Planning to accept and close out this project when completed in accordance with the contract documents. Mr. Feldmann seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-120

Consider Conflict of Interest Waiver for Ahlers & Cooney, P.C.'s representation of the Authority regarding a Joint Public Improvement Agreement with the City of Des Moines

The Executive Director stated an application for the IDOT Revitalize Iowa's Sound Economic Program (RISE) grant that may provide funding to assist with the construction of two entrance roads on the Airport must be submitted by the City of Des Moines on the Authority's behalf. Airport staff anticipates submitting two separate applications: one for Southwest 28th Street entering the south quadrant of the Airport and one for Cowles Drive entering the east quadrant of the Airport. A Joint Public Improvement Agreement detailing responsibilities of the Airport Authority and City is necessary prior to the City accepting the grants if awarded.

Ahlers & Cooney, P.C. represents the City of Des Moines in various matters including, but not limited to, certain economic development matters and as bond counsel, and the Des Moines Airport Authority as general counsel. Ahlers & Cooney's representation of the Authority will include, but not be limited to, reviewing the Joint Public Improvement Agreement for compliance with FAA grant assurance obligations. The City will be represented by its assistant city attorneys and will not rely on Ahlers & Cooney for any legal advice or representation regarding either the Joint Public Improvement Agreement or the Agreement for a Revitalize Iowa's Sound Economy Program grant.

Based on Ahlers & Cooney's preliminary review of the Joint Public Improvement Agreement, they do not expect the interests of the Authority will be adverse to those of the City. However, since the City is one of Ahlers & Cooney's current clients, any work that Ahlers & Cooney performs for the Authority that would be adverse to the City would create a conflict of interest. Therefore, Ahlers & Cooney cannot represent the Authority in this matter unless the Authority Board and the Des Moines City Council agree to waive the conflict. Ahlers & Cooney submitted the request for a waiver of conflict of interest to the Authority and the City of Des Moines. The City Council approved the request and the Mayor executed it. Authority staff has reviewed the waiver and finds it acceptable.

The Executive Director recommended the Board approve the Conflict of Interest Waiver for Ahlers & Cooney, P.C.'s representation of the Authority regarding a Joint Public Improvement Agreement with the City of Des Moines.

Mr. Feldmann moved to approve the Conflict of Interest Waiver for Ahlers & Cooney, P.C.'s representation of the Authority regarding a Joint Public Improvement Agreement with the City of Des Moines. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-121 Consider Commercial Development Request for Proposals

The Executive Director reported as part of the Terminal Development Plan, programing and design will begin for enabling projects in the east quadrant of the Airport. Prior to starting design work, while options remain to adjust present planning, staff believes it is prudent to solicit ideas for commercial development to ensure the highest and best use of Airport property. Should a viable proposal come forth that requires property where current infrastructure is in use, time remains available to amend present plans.

The Executive Director recommended the Board approve the issuance of a Commercial Development Request for Proposals. The Board stated they would like to review the Commercial Development Request for Proposals at the January 8, 2019, Board meeting prior to the issuance of the Commercial Development Request for Proposals.

Mr. Feldmann moved to allow the Authority staff to move forward with the preparation of a Commercial Development Request for Proposals and to bring the RFP to the Board at the January 8, 2019 Board meeting for approval to issue the RFP. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-122 Consider Task Order No. 2 with Kimley-Horn & Associates, Inc. for the Preliminary Design Cowles Drive project

The Director of Engineering and Planning stated as part of the Terminal Development Plan, Authority staff intends to implement the first phase of Cowles Drive Reconstruction that generally includes preparations for the:

- removal of the current terminal entrance from Fleur Drive;
- reconstruction of a combined entry/exit point at Cowles Drive/Highview Drive;
- conversion of Duck Pond road into a northbound one-way entry road;
- connection to a proposed entry plaza; and
- new alignment in front of the proposed terminal to a point where it connects to the north end of existing curbside in front of the existing terminal.

The Director of Engineering and Planning stated the Consultant will provide project coordination, geotechnical exploration, advanced planning, survey, conceptual design, and funding research assistance.

The Director of Engineering and Planning recommended the Board approve Task Order No. 2 with Kimley-Horn & Associates, Inc. in the amount of \$497,800.00 and authorize the Director of Engineering and Planning to accept and close out this contract when completed in accordance with the contract documents.

Mr. Feldmann moved to approve Task Order No. 2 with Kimley-Horn & Associates, Inc. in the amount of \$497,800.00 and authorize the Director of Engineering and Planning to accept and close out this contract when completed in accordance with the contract documents. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-123 Consider Contract with American Fence Company of Iowa for temporary fencing in the South Quadrant, Buildings 33, 34, & 35

The Director of Engineering and Planning stated this project will install temporary fencing around the vacated buildings in the South Quadrant scheduled to be demolished. The buildings include buildings number 33, 34, & 35. Installation of the fence prior to awarding contracts for demolition of these buildings will assist with security requirements and ultimately improve the bids. The Engineer's Estimate for installation of the fence is \$79,040.00. The project is included in the 2018 Budget. Quotes were received on December 4, 2018, and the lowest responsive, responsible quote for the project was American Fence Company of Iowa in the amount of \$64,176.68.

The Director of Engineering and Planning recommended the Board approve the contract with American Fence Company of Iowa in the amount of \$64,176.68 and authorize the Director of Engineering and Planning to accept and close out these projects when completed in accordance with the contract documents.

Mr. Christensen moved to approve the contract with American Fence Company of Iowa in the amount of \$64,176.68 and authorize the Director of Engineering and Planning to accept and close out this project when completed in accordance with the contract documents. Mr. Feldmann seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-124 Consider Agreement with the United States Department of Agriculture Wildlife Services

The Director of Operations stated this agreement will provide direct, year-round wildlife control services, utilizing a part-time wildlife biologist and one part-time wildlife technician. The biologist and technician are provided office space and equipment storage space on Airport property. Wildlife services will monitor wildlife use patterns on the airfield and apply an integrated wildlife damage management approach to reduce wildlife hazards to aviation. In addition, wildlife services will provide wildlife management training to airport operations personnel as required under title 14 Code of Federal Regulations Part 139. This is a three year agreement that either party may terminate with 120 days' written notice. The annual cost is \$62,000 and is included in the 2019 budget.

The Director of Operations recommended the Board approve the Agreement with the United States Department of Agriculture Wildlife Services and authorize the Executive Director to sign the Agreement with the United States Department of Agriculture.

Mr. Feldmann moved to approve the Agreement with the United States Department of Agriculture Wildlife Services and authorize the Executive Director to sign the Agreement with the United States Department of Agriculture. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-125 Consider the Fifth Amendment to the Airline Operating and Use Agreement

The Director of Finance stated the Fifth Amendment to the Airline Operating and Use Agreement has been provided to all passenger and cargo airlines. The amendment extends the end date of the agreement to December 31, 2019. Agreements from Southwest and United Parcel Service have been returned to date.

The Director of Finance recommended the Board approve the Fifth Amendment to the Airline Operating and Use Agreement and authorize the Board Chairperson to sign remaining amendments as returned by the airlines.

Mr. Feldmann moved to approve the Fifth Amendment to the Airline Operating and Use Agreement and authorize the Board Chairperson to sign remaining amendments as returned by the airlines. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-126 Consider Assignment of Car Rental Agreements

The Director of Finance stated Authority staff has received a request for the assignment of the On-Airport Automobile Rental Concession and Lease Agreements (“Car Rental Concession”) for Avis, Budget, and Payless brands to Avis corporate entity. One agreement is for the Avis brand between the Authority and Ruan, Inc. The second agreement for the Budget and Payless brands is between the Authority and Ruan Car Sales, Inc. The terms of the agreements will not change with this assignment.

The Director of Finance recommended the Board approve the assignment of the Avis Car Rental Agreement from Ruan, Inc. to Avis Budget Car Rental, LLC, and the assignment of the Budget and Payless Car Rental Agreement from Ruan Car Sales, Inc. to Avis Budget Car Rental, LLC.

Mr. Feldmann moved to approve the assignment of the Avis Car Rental Agreement from Ruan, Inc. to Avis Budget Car Rental, LLC, and the assignment of the Budget and Payless Car Rental Agreement from Ruan Car Sales, Inc. to Avis Budget Car Rental, LLC. Ms. Lauridsen Sand seconded. Motion Carried: 4-0-1-0; Yeas: Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: Christensen; Absent: 0.

A18-127 Consider Management Staff (Directors) Salary Adjustment

The Compensation Committee met with the Executive Director to review the four Directors’ salaries and hear the Executive Director’s recommendations. In the review, Des Moines International Airport’s salaries and staffing levels were compared to similarly sized airports.

The Executive Director is recommending a three percent salary increase for the Director of Finance and the Director of Engineering, and a final step raise for the Director of Operations, all of which is included in the 2019 budget. Also included in the 2019 budget, and recommended by the Compensation Committee, is a three percent salary increase for the Executive Director.

The Executive Director and the Compensation Committee recommended the Board approve the Executive Director and Compensation Committee's salary recommendations for the Director of Operations, Director of Finance, and Director of Engineering, as well as the Compensation Committee's salary recommendation for the Executive Director.

Mr. Christensen moved to approve the Executive Director and Compensation Committee's salary recommendations for the Director of Operations, Director of Finance, and Director of Engineering, as well as the Compensation Committee's salary recommendation for the Executive Director. Mr. Feldmann seconded. Motion Carried: 5-0-1-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-128 Financial Report

The Director of Finance reported that the Authority is doing well on revenue. Expenses are a little over budget due to a few big ticket items throughout the year. Total cash reached \$80 million as of November 30th, however a debt payment of \$1 million was made on December 3rd, and construction of the Authority-funded Cargo Facility will continue through the winter.

A18-129 Briefing

The Executive Director reported:

- The Compensation Committee asked to hear more from the Director of Operations in the Board meetings.
- The Director of Operations presented:
 - Taxi statistics for November 2018
 - A column was added to show passengers waiting 11-15 minutes for a taxi. If anyone waits longer than 10 minutes, it is usually due to late flights or more requests than anticipated for taxis.
 - Overall taxi service continues to improve.
 - Passenger traffic statistics for November 2018
 - Traffic increased 12.4% over November 2017.
 - Seats scheduled by air carriers increased over 19% which is more than in the typically busiest months (June and July). Seats are tracking at that same rate in December, so it is expected that December will be another good month. Seats that are currently scheduled look to be strong through the first half of next year.
 - The Executive Director stated there are currently six charters scheduled for the ISU Alamo Bowl and he anticipates some charters for the Iowa Outback Bowl as well.
 - The Executive Director stated a press release regarding increased passenger traffic was distributed this morning.

- The Executive Director reported:
- Airstairs were approved by the Board in the 2018 budget. They will have multiple uses, such as for emergencies if something happens with an aircraft on a runway with passengers that need to disembark, and as a back-up for a possible lack of gates for all of the aircrafts.
- A year-end benchmark will be presented at the February 12, 2019, Board meeting.
- The Executive Director and the Des Moines City Manager, Mr. Scott Sanders, discussed the zoning issue this week after it was discussed in the November 13, 2018 Board meeting. The Executive Director reviewed the history of the decision to shorten the proposed third runway which ultimately created the zoning issue. Mr. Sanders asked the Executive Director to provide a letter summarizing this background. The Executive Director stated he expected to draft and send the letter later this week. The Director of Engineering and Planning and the Director of Operations met with City staff to discuss the zoning issue.
- Appropriations for many federal government departments were passed prior to mid-term elections in November, 2018. Appropriations for the Department of Transportation (DOT) and the Department of Homeland Security were not passed. If there is a government shutdown, those entities would shut down which could adversely impact the Des Moines International Airport. However, essential services such as TSA screening will remain and the impact should be minimal if at all. We are under a continuing resolution passed last week (extended for two weeks). Hopefully, Congress and the President will come to some solution to fund the government through fiscal year 2019.

A18-130 Adjourn

Mr. Feldmann moved to adjourn the meeting. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

The meeting adjourned at 9:48 a.m.

Respectfully Submitted:



Mark Feldmann
Secretary/Treasurer



Mary Benson
Board Clerk