

**DES MOINES AIRPORT AUTHORITY BOARD
SUMMARY MINUTES OF REGULAR MEETING
Des Moines International Airport
Board Room
July 10, 2018**

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

Chaired by: Ms. Ward

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

A18- 071 Consider Minutes for June 12, 2018 Meeting

Mr. Feldmann moved to approve the June 12, 2018 meeting minutes. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-072 **Public Hearing: Consider Building 42 Lease with Air Methods Corporation**

Ms. Ward opened the Public Hearing.

The Director of Finance reported the Authority staff negotiated a lease with Air Methods Corporation to occupy Building 42 on the airport following the construction of the facility. The lease term is seven years with three additional one-year options. Building and Land rent is \$56,216 annually with biennial land rent adjustments based on CPI.

The Director of Finance recommended approval of the lease agreement with Air Methods Corporation.

Ms. Ward invited public comment. There were no public comments. **Ms. Ward closed the Public Hearing.**

Mr. Christensen moved to approve the lease agreement with Air Methods Corporation. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-073 **Public Hearing: Consider Building 31 Lease with United Parcel Service**

Ms. Ward opened the Public Hearing.

The Director of Finance reported the Authority staff negotiated a lease with United Parcel Service to expand their lease of Building 31 and surrounding land, as well as make tenant improvements. The lease term is 10 years with two (2) five-year options. Building and Land rent is \$238,265 annually with biennial land rent adjustments based on CPI beginning in year six.

The Director of Finance recommended approval of the lease agreement with United Parcel Service.

Ms. Ward invited public comment. There were no public comments. **Ms. Ward closed the Public Hearing.**

Mr. Feldmann moved to approve the lease agreement with United Parcel Service. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-074 Consider Extension of Aircraft Rescue and Firefighting Services Agreement with Pro-Tec Fire Services, Ltd

The Director of Operations reported the Authority approved an Agreement on February 14, 2014, with Pro-Tec Fire Services, Ltd to provide Aircraft Rescue Firefighting (ARFF) services meeting FAA Index C ARFF requirements. The initial term of the Agreement began on October 1, 2014, and ended on September 30, 2016. In July of 2016, the Authority extended the agreement through September 30, 2017. In June of 2017, the Authority extended the agreement through September 30, 2018. In January of 2018, the Authority authorized an amendment for Additional Services. The Authority has exclusive right to extend the term of the agreement, with a minimum of 60 days' notice, for a final one-year period at fixed pricing:

Initial term	(2014-2016)	Total Fee =	\$1,886,750
1 st Extension	(2016-2017)	Annual Fee =	\$1,006,250
2 nd Extension	(2017-2018)	Annual Fee =	\$1,050,600
3 rd Extension	(2018-2019)	Annual Fee =	\$1,101,050
	Additional Services	Annual Fee =	<u>\$42,500</u>
		Total Fee =	\$1,143,550

The Director of Operations recommended the Board authorize the Executive Director to send notice to Pro-Tec Fire Services Ltd extending the term of the Agreement for a period of one year for \$1,143,550.

Mr. Feldmann moved to authorize the Executive Director to send notice to Pro-Tec Fire Services Ltd extending the term of the Agreement for a period of one year for \$1,143,550. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-075 Financial Report

The Director of Finance reported:

- The expense budget is coming back to budget after a rough winter.
- Revenue is well ahead of budget.
- Investment income: there are many maturities in June and December resulting in numerous interest payments received during these months. The Director of Finance expects investment income to top \$750,000 this year.

- Food and Beverage:
 - Income is not quite to budget yet; however, June's income exceeded budget. The Director of Finance stated he believes that food and beverage income will continue to improve every month.
 - Bob Helman, Chief Operating Officer with Aero Service Group, was introduced. The Director of Finance complimented Mr. Helman and his team here at the airport for their excellent work. Mr. Christensen shared the positive dining experience he had at Portermill restaurant and gave kudos to Aero Service Group for the improvements made over the prior food and beverage provider.

A18-076 Briefing

The Executive Director reported:

- Each board member previously received a copy of a letter from the Eastern Iowa Airport (CID) in Cedar Rapids inviting the Board to view their terminal update in September 2018. Ms. Ward suggested two board members attend along with Executive Director Kevin Foley. Mr. Foley asked the board members to provide Ms. Benson their schedules for September to coordinate a meeting date.
- Heavy rains in June:
 - June 26 – water pooled at 28th Street west of the rental car facility as well as on the airfield. No flights were cancelled.
 - June 30 – a lightning strike shut down Papa Taxiway, the current primary taxiway, but no flights were affected.
 - Drainage improvements are in process in an effort to alleviate such issues as best as possible.
- Taxi statistics for June 2018 were included in the board packet. Some passengers had to wait longer than 10 minutes to get a taxi when the World Pork Expo and Principal Charity Classic events were taking place. Ms. Ward stated Trans Iowa should be aware of big events ahead of time and prepare for them. Mr. Christensen said he would talk with Mr. Greg Edwards at Catch Des Moines Greater Des Moines Convention and Visitors Bureau, since they have the information about all of the events in the Des Moines area. Mr. Christensen asked that Ms. Benson provide him with contact information for the head of Trans Iowa, Mr. Randy Sackett, so Mr. Christensen can introduce Mr. Sackett to Mr. Edwards.
- Passenger statistics are due today. Distribution of June statistics will occur after the compilation of the statistics.
- An Allegiant event mentioned in the June board meeting did not occur June 20 due to fleet difficulties and three cancelled flights.

- The Authority received additional information about the one billion dollars available from the Federal general fund for airport improvements. Des Moines is one of the 396 small and non-hub commercial service airports and is on the priority list. There are 1400 airports in total. The first deadline to advise the FAA that Des Moines is interested in applying for the money is August 8. The second deadline to submit a grant application is September 1. The Authority anticipates bringing the two projects approved at the June board meeting back to the Board in September with bids.

Ms. Ward pointed out an article in the June issue of *AIRPORT EXPERIENCE news* (included with the board packet). In the article, Executive Director Kevin Foley discussed Des Moines' need for a new terminal. Ms. Ward also thanked Mr. David Fisher for his editorial on the same topic published in various newspapers throughout the state.

The Executive Director mentioned an editorial in the June 2018 issue of *Airport Business* (included with the board packet). The editorial by Mr. Kevin Burke, President and CEO of Airports Council International – North America, addressed the need for an increase in PFC fees.

The Executive Director mentioned a recent *Des Moines Register* editorial by the Executive Director of the Eastern Iowa Airport (CID) in Cedar Rapids regarding the pilot shortage. The Executive Director indicated the pilot shortage is unlikely to affect Des Moines because the airlines fly larger jets out of Des Moines.

A18-077 Adjourn

Ms. Lauridsen Sand moved to adjourn the meeting. Mr. Feldmann 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 9:32 a.m.

Respectfully Submitted:



Mark Feldmann
Secretary/Treasurer



Mary Benson
Board Clerk