

**DES MOINES AIRPORT AUTHORITY BOARD
SUMMARY MINUTES OF REGULAR MEETING
Des Moines International Airport
Board Room
November 13, 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

A18-109 Consider Minutes for October 9, 2018, Meeting

Ms. Lauridsen Sand moved to approve the October 9, 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.

A18-110 Public Hearing: Consider Terminal Office Space Lease with GSA on behalf of the TSA

Ms. Ward opened the Public Hearing.

The Director of Finance stated TSA currently occupies approximately 3,700 square feet of office, training, and break room space in the terminal building under a lease through June 30, 2019. The GSA requested to negotiate a new lease and that has been completed. The new seven-year lease includes the same square footage with a 10% increase in rental rate. Total annual rent for years 1-5 of the lease will be \$133,964.29. Years 6 and 7 of the lease will include an additional 10% rate increase.

The Director of Finance recommended approval of the Terminal Office Space Lease with GSA.

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

Mr. Feldmann moved to approve the Terminal Office Space Lease with GSA. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-111 Public Hearing: Consider Amendment to Add a Subsidiary to Elliott Aviation of Des Moines Lease

Ms. Ward opened the Public Hearing.

The Director of Finance stated Elliott Aviation operates as a Fixed Base Operator (FBO) at the Airport and provides charter services as allowed in the lease. However, the charter service is provided through a subsidiary, N817EA, LLC. Elliott Aviation has requested the subsidiary be added to the lease. No other changes to the lease are proposed at this time.

The Director of Finance recommended approval of the Third Amendment to the Elliott Aviation of Des Moines Fixed Base Operator Lease and Agreement adding N817EA, LLC, as party to the lease.

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

Mr. Christensen moved to approve the Third Amendment to the Elliott Aviation of Des Moines Fixed Base Operator Lease and Agreement adding N817EA, LLC, as party to the lease. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-112 Consider 2019 Rates and Charges

The Director of Finance stated a copy of the redlined Rates and Charges document was included in the Board packet. These are the same changes proposed at the October 9, 2018, Board meeting.

The Director of Finance recommended approval of the proposed changes to the Rates and Charges based on the 2019 budget.

Ms. Lauridsen Sand moved to approve the proposed changes to the Rates and Charges based on the 2019 budget. Mr. Feldmann seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-113 Consider Proposed 2019 Budget

The Executive Director stated that the bylaws require the Executive Director make a budget recommendation to the Board every year. The proposed 2019 budget was provided to the Board in the October 9, 2018, meeting for review. The Airline Operating and Use Agreement requires that the Authority conduct a budget consultation with the Airlines prior to finalizing the budget. The Airline consultation occurred on October 3, 2018. Staff considered comments from the airlines. No changes were made to the proposed 2019 budget.

The Executive Director recommended approval of the 2019 budget.

Mr. Feldmann moved to approve the 2019 budget. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-114 Consider Iowa Department of Transportation Agreement for Fiscal Year 2019 Air Service Development Program

The Executive Director stated the Iowa DOT changed the air service development grant program making more projects eligible for funding. Airport staff submitted an application for several projects that are included in the FY 2019 budget as follows:

Diio Mi Marketing Intelligence	\$18,000
Passenger Catchment Study	\$18,500
Marketing Professional Services	\$30,000
Digital Advertising	<u>\$80,000</u>
Total Project Cost	\$146,500
Grant Award	\$80,000
Airport Authority Contribution	\$66,500

The Executive Director stated Diio Mi Marketing Intelligence is an annual software subscription that provides airline passenger, load factor, and yield information used to develop business plans presented to airlines to entice additional service. The Passenger Catchment Study will provide updated and more accurate information on passenger capture areas as well as passenger leakage information. This information may then be used to determine if targeted digital marketing efforts on airport services would provide a return, to include parking, food and beverage, as well as airline ticket and route information.

The Executive Director recommended approval of the Air Service Development Agreement with the Iowa Department of Transportation.

Mr. Christensen moved to approve the Air Service Development Agreement with the Iowa Department of Transportation. Mr. Feldmann seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-115 Financial Report

The Director of Finance reported expenses are slightly above budget and revenue is up approximately \$3,000,000 as indicated in the October 2018 Financial Report. The budget is on track for the end of the year. There is a lot of construction on-going that will continue into next year. That will be the case for the next couple years.

Ms. Lauridsen Sand commended the Directors for the revenue from the restaurants which is above budget. Mr. Christensen stated it is nice when the restaurant revenue matches the experience because the experience now is so much better than it was in the past.

The Executive Director reported:

- He met with Delta in Atlanta last week. Delta expects to retire all the MD88s by the end of 2020. Delta will be up gauging all to 737-900s and the Airbus A321 which both have roughly 190 seats. That is considerably more capacity than on the MD88s. A fourth Detroit flight will be added in December 2018. The second flight to LaGuardia started in October 2018. Early in 2020, a second flight to Salt Lake City may be added. The request for a non-stop flight to Los Angeles is unlikely to be granted before late in 2020.
- An all airport tenant/employee appreciation luncheon was held November 6th. Approximately 235 people attended the luncheon. \$4200 was collected for Red Cross disaster relief.
- The City does not anticipate any activity on the zoning project discussed in the October 9, 2018 Board meeting until early 2019.
- Taxi statistics for October 2018 were included in the Board packet. 98% of all passengers in October were picked up within less than 5 minutes. 0.647% experienced a wait time of more than 10 minutes. When there are special events or weather issues, there is still some difficulty picking people up in less than 10 minutes. Ms. Ward asked how many waited longer than 15 minutes. The Executive Director stated that is currently not specified on the report. Ms. Lauridsen Sand asked if that information could be shown on future reports.
- Passenger statistics will be distributed November 14, 2018.
- A copy of a satisfaction survey conducted by the Nielsen Company about CNN Airport was included in the Board packet.
- The Authority office will be closed November 22-23, 2018, for the Thanksgiving holiday.

Mr. Christensen stated the Greater Des Moines Partnership was very complimentary of Executive Director Foley's work at the Delta meeting in Atlanta. Executive Director Foley stated the Greater Des Moines Partnership talked about the economic growth in central Iowa at the meeting and that they do a good job representing central Iowa.

A18-117 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 9:28 a.m.

Respectfully Submitted:



Mark Feldmann
Secretary/Treasurer



Mary Benson
Board Clerk