

**DES MOINES AIRPORT AUTHORITY BOARD
SUMMARY MINUTES OF REGULAR MEETING
Des Moines International Airport
Board Room
September 11, 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, and Ms. Ward

A18- 093 Consider Minutes for August 14, 2018 Meeting

Ms. Ward stated there were a couple of changes to the August 14, 2018 minutes distributed to the board for their review via email by Ms. Benson on September 7, 2018. The minutes distributed in the board packet today for the Board's approval reflect these changes:

- Item A18-083: Ms. Levy, not Mr. Feldmann, moved to approve the resolution for the Pave Interior Service Road Project.
- Item A18-084: Ms. Levy, not Ms. Lauridsen Sand, moved to approve the Federal Aviation Administration Grant associated with the Terminal Apron Rehabilitation Gate A4/A5 project and Ms. Lauridsen Sand, not Ms. Levy, seconded.

Mr. Feldmann moved to approve the August 14, 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.

A18-094 Consider Letter of Intent for Easement with MidAmerican Energy Company pertaining to gas service in the South Quadrant development area

The Director of Engineering stated the easement would allow for a new gas service in the South Quadrant to sustain current and future development. The size of the gas line will increase from its current size. The general location of the easement runs from Fleur Drive west to South Frontage Road along Old Army Post Road to the new connection point of Building No. 32. Once installation of the gas line is completed, As Built documentation will be included in the easement. The gas line update is in conjunction with current projects of the South Quadrant and will take place during the fall of 2018.

The Director of Engineering recommended the Board approve the Letter of Intent for Easement with MidAmerican Energy Company pertaining to gas service in the South Quadrant development area.

Mr. Christensen moved to approve the Letter of Intent for Easement with MidAmerican Energy Company pertaining to gas service in the South Quadrant development area. Ms. Levy seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-095 Consider Master Agreement for AIP General Engineering Services with Foth Infrastructure & Environment, LLC

The Director of Engineering reported the Authority issued a Request for Proposal to select an Engineering firm to work with the Airport on Federal Aviation Administration (FAA) funded projects. Four firms entered proposals: Foth Infrastructure & Environment, LLC, Crawford Murphy & Tilly, AECOM, and McClure Engineering Co. A three-member airport committee reviewed and rated each proposal based on six areas of qualifications. The committee selected Foth Infrastructure & Environment, LLC based on the combined ratings. The term of the agreement would be for five years.

The Director of Engineering recommended the Board approve the Master Agreement for AIP General Engineering Services with Foth Infrastructure & Environment, LLC.

Ms. Levy moved to approve the Master Agreement for AIP General Engineering Services with Foth Infrastructure & Environment, LLC. Mr. Feldmann seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A18-096 Consider Change Order #10 with Flynn Company, Inc. for Runway 13/31 Phase 2 project

The Director of Engineering explained that Change Order #10 reconciles additional asphalt removal quantities encountered during the removal process. The depth of asphalt was over the stated depth within the plans and contract specification depths in certain areas of the project. The FAA reviewed the change order and is in concurrence with the change. The change order is eligible for the 90/10 reimbursement.

The Director of Engineering recommended approval of Change Order #10 with Flynn Company Inc. for \$138,205.93.

Mr. Feldmann moved to approve Change Order #10 with Flynn Company Inc. for \$138,205.93. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

Ms. Levy said the Board has not seen as many change orders compared to six to eight years ago. Ms. Ward complimented the Director of Engineering and Planning on a job well done.

A18-097 Financial Report

The Director of Finance reported:

- There is nothing significant to report on the August 2018 Financial Report.
- The Authority will meet with the airlines on October 3, 2018 to discuss the budget. The Authority will present the initial budget to the Board at the October board meeting. The Authority plans to present the final budget to the Board at the November board meeting instead of the December board meeting as in the past. This will allow more time to get the final rates, charges, and amendments to the airlines with the expectation that the airlines will return the signed amendments to the Authority sooner. If the Board has any items they would like to have considered in the 2019 budget, please let the Director of Finance know.
- The Authority separated the audio in the restaurants from the rest of the airport audio so they could have different types of music playing in the various restaurants. This will set the vibe for each restaurant and possibly increase sales. Announcements over the intercom are still heard in the restaurants.

A18-098 Briefing

The Executive Director reported:

- As the Director of Finance stated, the Director of Finance will share a draft of the 2019 budget in the October board meeting. The Authority will recommend the Board approve the final 2019 budget at the November board meeting.
- Meagan Pick with Weber Shandwick accepted a position at another company as part of her career advancement. Shannon Braun will take her place at Weber Shandwick. Shannon has been working with Meagan on the airport's account from the beginning, so the transition should be seamless. Their vice president here in Des Moines, Mike Koenigs, is still on the account.
- The passenger statistics are not available due to a computer glitch at Southwest that prevented them from providing their data. Once all of the data is collected, the Authority will distribute August passenger statistics. Mr. Christensen asked what the passenger growth looked like over a five-year period when the new terminal discussion began. The Executive Director estimated there was a 25-30% increase over five years ago. Mr. Christensen suggested Weber Shandwick convey that message to the public. Mr. Feldmann suggested that Weber Shandwick also communicate passenger volume now as compared to the projections made three years ago. The Executive Director said the projections in 2014 were set at 3% growth per year. The Executive Director stated that if the trend continues, he expects the passenger growth to be at 5.5 - 6% for this year. Mr. Christensen stated another message to convey is that direct flights are correlative to the ability to place planes in the proximity of the terminal.

Mr. Feldmann said another way to communicate the message is, given our current passenger volume, what year is it under our plan? Ms. Lauridsen Sand added what would the volume be if this rate of growth continues until we have a new terminal. The Executive Director stated that this year will likely end up with 2.75 million passengers going through this terminal as opposed to his original estimate of 2.7 million. The Executive Director states that if the airport reaches 3 million passengers per year, the terminal would be in a solid red zone for passenger processing. The Executive Director also stated that as passenger volume increases, so does commercial vehicle traffic. Right now, expansion is underway for the parking area in the commercial vehicle lane for taxis to queue as a temporary fix on the front curb for increased traffic.

- Weber Shandwick set up a session for representatives from the media for a presentation and tour on September 14, 2018. The Executive Director will describe the responsibilities of the Des Moines Airport Authority and the airlines, as well as present an update on the new terminal plan. Four media representatives will be here. Three others asked for the presentation materials.
- A report from Moody's Investors Service was included in the board packet. The Des Moines Airport Authority rating is A2 stable. In the report, Moody's Investors Service compared the Des Moines International Airport to medium size hubs even though the Des Moines International Airport is a small hub. The Executive Director stated that when the airport goes into debt for the new terminal, it would affect the rating. The Executive Director requested the Board let him know if they have questions after reading the report.
- The August 2018 taxi statistics were included in the board packet. The Executive Director talked to both Mr. Greg Edwards with the Greater Des Moines Convention and Visitors Bureau and Mr. Randy Sackett with Trans Iowa about the two of them meeting to discuss events happening in Des Moines that may increase taxi usage. Since that discussion, both Mr. Edwards and Mr. Sackett met to discuss the topic.
- A Congressional letter was included in the board packet. After the airport submitted an application for a portion of the one billion dollars (the discretionary funding coming out of the general fund), the Executive Director reached out to the entire Iowa congressional delegation to write letters to support the Authority's request. The Congressional letter in the board packet is from Representative Loeb sack. Senator Ernst and Representative Young advised they would send letters as well. Senator Grassley, Congressman King, and Congressman Blum did not respond. The Executive Director plans to communicate with the entire congressional delegation again when the airport submits the application for 2019 funds. For 2018 dollars, there were 420 applications for projects submitted. The Authority submitted two projects. Of those submitted, between 235-250 projects were eligible for approximately 400 million dollars. It is not known how many of those projects will be awarded dollars. FY2018 ends this month, so the Executive Director believes

dollars will be awarded soon. The other 600 million will carry forward to FY2019 and FY2020. The Authority will submit three projects for FY2019 funds.

- The Authority applied for, and was awarded, a grant from the Department of Transportation for pavement work on the South Quadrant for \$392,000 and \$154,000. The Authority was awarded a \$593,000 grant for vertical infrastructure as well.
- The Executive Director previously emailed the Board a noise complaint from the Norwalk mayor. When all of the traffic is pushed to runway 5/23, it increases the amount of traffic in Des Moines and Norwalk. This results in more noise complaints. On the reverse side, some people have shared that they miss airplanes flying over their houses.
- The ACI Annual Worldwide Airport Traffic Report was included in the board packet. There are three separate reports: passenger traffic, cargo traffic, and number of takeoffs and landings at airports. The Des Moines International Airport ranks number 82 in size (after subtracting the Canadian airports), and is growing faster than some other U.S. airports. Last year, the Des Moines International Airport ranked number 83. The report shows that all airports are experiencing an increase in passenger traffic.
- October 3, 2018 will be the last direct flight to Newark, NJ, on United. On October 11, 2018, Delta will add a second flight five days a week to LaGuardia in New York.
- FAA Reauthorization Bill Update: the Bill is not likely to pass by September 30, 2018. A continued resolution is preferred by airports in the hopes that the Passenger Facility Charge (PFC) will be added to the Bill.
- 2019 Budget: Every year, there is an ad hoc compensation committee. Ms. Ward said Ms. Lauridsen Sand and Ms. Levy would serve on the ad hoc committee.

A18-099 Adjourn

Mr. Christensen moved to adjourn the meeting. Ms. Levy 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 9:38 a.m.

Respectfully Submitted:



Mark Feldmann
Secretary/Treasurer



Mary Benson
Board Clerk