

**DES MOINES AIRPORT AUTHORITY BOARD  
SUMMARY MINUTES OF ELECTRONIC MEETING  
Des Moines International Airport  
Board Room  
August 11, 2020**

**Call to Order and Roll Call:** 9:05 a.m.

**Chaired by** Ms. Levy

**Present:** Mr. Christensen, Mr. Feldmann, Ms. Lauridsen Sand, Ms. Levy, Ms. Ward (was present by phone until 9:15 a.m. and rejoined the meeting shortly after but couldn't be heard due to technical difficulties)

**This meeting was held electronically due to the social distancing requirements associated with the COVID-19 pandemic. The public was provided access and was able to join the meeting on-line via Zoom. All Board members participated electronically. The Airport Board Room, 2nd Floor, Airport Terminal, was also open to the public.**

**A20-096 Consider Minutes for July 14, 2020, Meeting**

Mr. Feldmann moved to approve the July 14, 2020, 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.

**A20-097 Receive and File Change of Ownership Notice for Elliott Aviation of Des Moines, Inc. to Elliott Aviation of Des Moines, LLC**

The Executive Director stated the Des Moines Airport Authority presently has a lease with Elliott Aviation of Des Moines, Inc.

On February 3, 2020, Elliott Aviation and Summit Park (a private investment firm) issued a press release that stated that Summit Park took a "majority interest of Elliott Aviation on January 31, 2020." The release then went on to state that Summit Park was "excited to begin our partnership" and Summit Park was pleased that "Wynn Elliott will retain an ownership position in Elliott in partnership with us."

Upon request, documentation was provided showing that on January 29, 2020, Elliott Aviation of Des Moines, Inc. was converted to a limited liability company called Elliott Aviation of Des Moines, LLC. The conversion of Elliott from a corporation to an LLC is not a problem under the terms of the lease. Both a corporation and an LLC have limited liability. The Authority is not prejudiced by the conversion from corporate status to limited liability company status.

Section 13.01 of the lease provides that "Tenant shall not, directly or indirectly, assign, sell, or otherwise transfer this Agreement, or any portion of the Leased Premises, without the prior written consent of Landlord, provided that the foregoing shall not prevent the assignment of this Agreement to any corporation with which Tenant may merge or consolidate, or which may succeed to the business of Tenant, provided such a successor corporation no later than sixty (60) days after the date of such merger, consolidation or succession acknowledges by a writing satisfactory in form and content to the Executive Director that it has assumed all obligations of

Tenant and will fully honor all the terms and conditions set forth in this Agreement.” Both before and after the transaction between Summit Park and Elliott Aviation, Elliott Aviation remains as the party to the lease with the Authority. Thus, Section 13.01 of the lease is not applicable to this transaction.

Ahlers & Cooney completed a legal review and found the documents provided to be in order and notification to be in compliance with the lease agreement.

The Executive Director recommended the Board receive and file Change of Ownership Notice for Elliott Aviation of Des Moines, Inc. to Elliott Aviation of Des Moines, LLC.

Ms. Ward moved to receive and file Change of Ownership Notice for Elliott Aviation of Des Moines, Inc. to Elliott Aviation of Des Moines, LLC. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

**A20-098 Consider Task Order #2 with Hi-Lite Airfield Services, LLC for Airfield Painting in the amount of \$155,467.08**

The Director of Operations stated the agreement with Hi-Lite Airfield Services, LLC for the removal and placement of markings on runways, taxiways, aircraft parking aprons, and airline gate areas provides for two mobilizations per year with an annual work estimate of \$320,000.00. Task Order #2 is the second mobilization for FY2020. For budgeting purposes, the scope of work was estimated, and the unit pricing agreed to in the contract was applied. Currently, \$94,188.00 remains in the budget; however, the scope of work needs to be expanded to include additional marking removals which will bring the total marking related expenses for the year to \$381,279.03 which is \$61,279.03 over budget.

The Director of Operations recommended the Board approve Task Order #2 with Hi-Lite Airfield Services, LLC for Airfield Painting in the amount of \$155,467.08.

Ms. Levy asked how long the painting would last. The Director of Operations stated painting in the center of the pavement usually lasts one to two years whereas perimeter painting can last up to three years. The Director of Operations stated the Authority maintains a continual painting program.

Mr. Feldmann moved to approve Task Order #2 with Hi-Lite Airfield Services, LLC for Airfield Painting in the amount of \$155,467.08. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

**Consider a Letter of Intent with the Greater Des Moines Public Art Foundation**

The Executive Director reported the proposed public art collaboration with the Greater Des Moines Public Art Foundation continues to move forward. The Foundation has asked that a Letter of Intent be signed. This letter is the result of preliminary discussions between the Authority and the Greater Des Moines Public Art Foundation and provides the basis for continued discussions which will hopefully culminate in an agreement for the commission, installation, and maintenance of an artwork piece.

The Executive Director stated the maintenance of the artwork remains an item of discussion; however, the Foundation has offered:

- the Public Art Foundation would be available to consult with the Authority on all aspects of care and maintenance;
- the Authority would develop a maintenance plan that would include documentation of materials used to fabricate the artwork and a reasonable annual budget for maintenance;
- a maintenance plan for the landscaping elements could be folded into the overall maintenance plan, if desired; and
- maintenance plans for the artwork would be reviewed by the Public Art Foundation during the development of artwork to ensure there are no major concerns with materials, safety, or upkeep.

The Executive Director stated the Greater Des Moines Public Art Foundation will be raising substantial funds to commission an art piece and is willing to assist with maintenance plans. The maintenance of the art piece by the Airport Authority seems reasonable.

The Executive Director stated Ms. Rowe, Director of the Greater Des Moines Public Art Foundation, agreed to have a couple of Des Moines Airport Authority Board Members included in the selection criteria in dealing with the artist regarding the artwork design and materials. The Executive Director stated the time commitment for the Board members per month would be approximately an hour, and as it moves forward, it might be an hour every two months. Meeting frequency would most likely diminish once details are worked out.

The Executive Director recommended the Board approve a Letter of Intent with the Greater Des Moines Public Art Foundation and direct the Executive Director to sign the letter.

Ms. Levy stated Ms. Ward's connection to this Board meeting was lost. Ms. Levy stated she would like Ms. Ward to be part of the discussion about which two Board members will represent the Des Moines Airport Authority Board. Since Ms. Ward's connection to today's Board meeting was lost temporarily, this will be discussed

another time when all Board members are available. In the interim, Ms. Levy was fine with voting on the recommendation from the Executive Director.

Mr. Feldmann moved to approve a Letter of Intent with the Greater Des Moines Public Art Foundation and direct the Executive Director to sign the letter. Mr. Christensen seconded. Motion Carried: 4-0-1-0; Yeas: Christensen, Feldmann, Lauridsen Sand, and Levy; Nays: 0; Abstained: Ward; Absent: 0.

**A20-100      Consider the Siemens Industry, Inc., Contract for Maintenance and Support of the Building Automation System**

The Director of Engineering reported on July 31, 2020, the Des Moines International Airport's current maintenance and support agreement with Siemens Industry, Inc. expired. Authority staff has negotiated a new three-year service agreement on similar terms as the current agreement to assist in supporting the Authority's building automation system. Services provided through this contract are:

- Onsite Directed Support
- Emergency Phone Response 24/7
- Emergency Onsite Response
- Preventative Maintenance
- Data Protection & Recovery
- Software Maintenance
- Network Maintenance
- Software Updates

The building automation system is a proprietary system and Authority staff does not have the access or the expertise to maintain the system in its entirety. Annual costs associated with the extension are as follows:

Aug 1, 2020, to July 31, 2021: \$60,231.97

Aug 1, 2021, to July 31, 2022: \$62,038.92

Aug 1, 2022, to July 31, 2023: \$63,900.09

During the agreement, the Authority requires a Siemens Technician to be on site two days per month.

The Director of Engineering recommended the Board approve the three-year Maintenance and Support Agreement with Siemens Industry, Inc. for a total price of \$186,170.98.

Mr. Feldmann moved to approve the three-year Maintenance and Support Agreement with Siemens Industry, Inc. for a total price of \$186,170.98. Ms. Lauridsen Sand seconded. Motion Carried: 4-0-1-0; Yeas: Christensen, Feldmann, Lauridsen Sand, and Levy.; Nays: 0; Abstained: Ward; Absent: 0.

## **A20-101**

### **Financial Report**

- The Finance Director reported:
  - COVID-19 Recovery
    - The 30-35% enplanement level is enough to tread water from an operational cost perspective. More enplanements are needed to complete capital improvement projects.
    - Total cash was down \$9 million dollars YTD; however, an FAA reimbursement in early July increased total cash to \$80 million dollars.
    - The Authority received notification from Standard & Poor's (S&P) that a negative outlook will be placed on the Des Moines International Airport. S&P is doing this with all airports throughout the country.
    - The Executive Director added that without the CARES Act money, the Authority would be heavily dipping into the cash reserves the Authority has been saving for the new terminal project.

## **A20-102**

### **Briefing**

- The Executive Director reported:
  - On the financial side:
    - The CARES Act dollars will keep the Authority operational most likely through February 2021. It doesn't appear that passenger activity will rebound as quickly as the Authority originally hoped. The Authority anticipated best-case scenario passenger traffic would be at 65% by the end of 2020. Passenger traffic is starting to flatten out.
    - There is a \$10 billion dollar package for airports in the HEALS Act that came out of the Senate; however, Congress doesn't seem to be able to compromise. Also, President Trump issued a presidential directive that doesn't include airports at all. Whether that is constitutional is in question and more than likely it may end up in court. Without HEALS Act dollars and recovery in passenger traffic, it could be a very tight year in 2021. The HEALS Act is most likely the last shot at receiving support prior to the new administration. It is vital that the airport community and stake holders continue to reach out to the elected delegation to communicate the gravity of airports' situation.
    - It is not likely that airports will recover from this recession any sooner than previous recessions which typically takes three to four years.

- U.S. Customs and Border Protection extended their hold on Global Entry interviews until September 8, 2020. Most likely that date will be extended again.
- The Part 139 Inspection paperwork was completed. The Authority received a very nice letter of commendation for the Airport Operations Department. The next inspection will be in March 2021.
- The FAA asked the Des Moines International Airport to participate in a PILOT program with FAA on noise complaints. The FAA is starting a website for noise complaints with the FAA responding to the complaints. The Des Moines International Airport agreed to participate.
- Construction for the Cowles Drive Phase I project begins next week.
- During this COVID-19 pandemic, airports are struggling with concessionaires that bid MAGs (minimum annual guarantees) that they are required to make for the privilege of conducting business in airports. Consequently, the Authority's restaurant agreement with Aero Service Group has been receiving a great deal of attention from other airports. Other airports have asked for copies of that agreement as well as the RFP. The Authority restaurant agreement may be setting a trend for airports since the Authority restaurant agreement is a management agreement rather than a concession agreement.
- The Executive Director asked the Finance Director to report on how the new concourse C bar, Coffee & Bar, has been doing since it opened on July 15, 2020. The Finance Director reported the new bar averaged \$600/day in revenue which was close to budget. Most of that revenue was from soft drink orders. Once food options are added and Portermill gets busy again, Aero Service Group anticipates there will be more food and alcohol sales.
- Update on August 10, 2020, derecho:
  - There are two electrical feeds and an automatic switch if one feed goes out to switch to the other feed. Both feeds were lost. Both Internet feeds were lost as well. One Internet line came back this morning. TSA relies on the Internet to verify various passenger credentials. Without Internet, TSA screening takes longer. It may be a couple of days before the electrical feeds are back.
  - The airport has been running on generator power and our UPS.
  - Emergency lighting is in good shape.
  - Airlines remained operational. Passengers were ground boarded and deplaned via airline steps.
- Reminder:
  - A Red Cross blood drive for Authority employees and family and friends, Authority Board Members, and Airport staff is scheduled for September 17-18, 2020. Antibody tests (which includes COVID-19) will be done as part of the donation process. 100 donors are needed for the Red Cross to do a blood drive here at the airport.

- The Director of Operations reported on July 2020 taxi statistics as well as July 2020 passenger statistics. The July 2020 passenger statistics will be distributed today.

**A20-103**

**Next Meeting**

**a. September 8, 2020, Regular Board Meeting**

- Ms. Levy asked Mr. Feldmann to chair the September 8, 2020, Regular Board Meeting since she will not be available for the meeting. Mr. Feldmann stated he would chair the meeting.

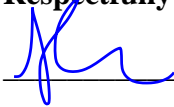
**A20-104**

**Adjourn**

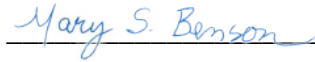
Mr. Christensen moved to adjourn the meeting. Ms. Lauridsen Sand seconded. Motion Carried: 4-0-1-0; Yeas: Christensen, Feldmann, Lauridsen Sand, and Levy; Nays: 0; Abstained: Ward; Absent: 0.

The meeting adjourned at 9:47 a.m.

**Respectfully Submitted:**



**Jake Christensen**  
**Secretary/Treasurer**



**Mary Benson**  
**Board Clerk**