

**DES MOINES AIRPORT AUTHORITY BOARD
SUMMARY MINUTES OF ELECTRONIC MEETING
Des Moines International Airport
Board Room
June 9, 2020**

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

Chaired by Ms. Levy

Present: Mr. Christensen, Mr. Feldmann, Ms. Lauridsen Sand, Ms. Levy, Ms. Ward

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.

A20-069 Consider Minutes for May 12, 2020, Meeting

a. Consider Minutes of Regular Meeting for May 12, 2020

Ms. Ward moved to approve the minutes of the Regular Meeting held May 12, 2020. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

b. Consider Minutes of Closed Session Meeting for May 12, 2020

Ms. Lauridsen Sand moved to approve the minutes of the Closed Session Meeting held May 12, 2020. Ms. Ward seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-070 Consider a Greater Des Moines Public Art Foundation Proposal

The Executive Director introduced Ms. M. Jessica Rowe, Greater Des Moines Public Art Foundation Director, to present a proposal to participate in art for the Des Moines International Airport's entrance road.

Ms. Rowe stated she appreciated the opportunity to present to the Board and the possibility to participate with art placement near the Des Moines International Airport's entrance road. Ms. Rowe stated she has been very interested in collaborating with the Airport since she became director of the Greater Des Moines Public Art Foundation in 2010.

Ms. Rowe shared the history of the Greater Des Moines Public Art Foundation. Ms. Rowe shared examples of artwork that contribute to a thriving city, including artwork in Des Moines. Ms. Rowe stated the Greater Des Moines Public Art Foundation identifies opportunities, finds connections, brings people together, engages citizens, advances inclusion, and celebrates history.

Ms. Rowe shared examples of Ms. Alice Aycock's sculptures. Ms. Rowe stated Ms. Aycock has been a finalist in Des Moines for two projects. The Greater Des Moines Public Arts Foundation is looking for a major site for one of her pieces.

Ms. Rowe stated the Greater Des Moines Public Arts Foundation's mission is placing art in public spaces through public and private collaborations. Ms. Rowe stated their vision is to engage, inspire, and enrich the lives of citizens and visitors in our community, as well as increase cultural awareness by establishing a world class destination for public art. Ms. Rowe stated there are a lot of great public art masterworks in downtown Des Moines, so they are looking for opportunities outside the downtown core.

Ms. Levy thanked Ms. Rowe for her presentation and for what she is doing for the community. Ms. Levy asked Mr. Foley about next steps. Mr. Foley stated the next step is a meeting with Ms. Rowe and himself to discuss a possible agreement.

Ms. Levy stated she thinks this is a fantastic opportunity for the Authority to consider. Mr. Christensen stated he supports a motion for the Board to authorize Mr. Foley to hold conversations with the Greater Des Moines Public Arts Foundation for possible placement of public art at the Des Moines International Airport.

Mr. Christensen moved to authorize Mr. Foley to hold conversations with the Greater Des Moines Public Arts Foundation for possible placement of public art at the Des Moines International Airport. Ms. Ward seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-071 Consider Supplemental Resolution relating to the issuance of Airport Authority Revenue Refunding Capital Loan Notes by the Des Moines Airport Authority under the provisions of Chapter 330A of the Code of Iowa, authorizing and providing for the issuance and securing the payment of not to exceed \$22,520,000 Des Moines Airport Authority Revenue Refunding Capital Loan Notes, Series 2020, providing for a method of payment thereof, approving a purchase contract, and other related matters

The Executive Director provided the Board with an overview of where the Authority stands today financially.

The Director of Finance reviewed the May 2020 financials with the Board. The Director of Finance reported:

- Total income for May 2020 is just over a third of income from May 2019.
- Year-to-date revenue is down approximately 20% and most likely will get worse for at least the next couple of months.
- Expenses are down approximately 10% against budget. The Authority is looking at opportunities to reduce costs when possible, but there is not a lot that can be reduced since the Authority still has all the same maintenance requirements.

- Accounts receivable: some airlines are paying bills whereas others are taking advantage of the 90-day payment deferral that was offered to them by the Authority.

The Director of Finance stated the Airport Authority is responsible for the payment of the Series 2010 Airport Revenue bonds issued by the City of Des Moines. The weighted average interest rate of these bonds is 5.52% and the maturities stretch to 2035. The bonds can be called on June 1, 2020.

The Director of Finance presented three debt options to the Board:

1. Do nothing and leave things as is;
2. Proceed with private placement to refund the outstanding bonds; or
3. Simply call existing debt.

The Director of Finance stated Authority Staff recommends option number two: proceed with private placement financing and call the bonds.

The Director of Finance stated Authority Staff has negotiated a private placement of debt with West Bank in the amount of \$22,520,000 which may be used to call the outstanding bonds. The private placement would be for a two-year term, with payment of interest only until June 2022, and a balloon maturity for June 2022. The interest rate on the private placement is 1.8% and will reduce annual debt service costs by approximately \$62,000 per month for the next two years.

The Director of Finance recommended the Board approve the Supplemental Resolution relating to the issuance of Airport Authority Revenue Refunding Capital Loan Notes by the Des Moines Airport Authority under the provisions of Chapter 330A of the Code of Iowa, authorizing and providing for the issuance and securing the payment of not to exceed \$22,520,000 Des Moines Airport Authority Revenue Refunding Capital Loan Notes, Series 2020, providing for a method of payment thereof, approving a purchase contract, and other related matters.

Mr. Feldmann moved to approve the Supplemental Resolution relating to the issuance of Airport Authority Revenue Refunding Capital Loan Notes by the Des Moines Airport Authority under the provisions of Chapter 330A of the Code of Iowa, authorizing and providing for the issuance and securing the payment of not to exceed \$22,520,000 Des Moines Airport Authority Revenue Refunding Capital Loan Notes, Series 2020, providing for a method of payment thereof, approving a purchase contract, and other related matters. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-072 Consider Reimbursable Agreement for Design Review of Temporary Extension to Runway 5 Project with the Federal Aviation Administration

The Director of Engineering stated this agreement with the Federal Aviation Administration (FAA) is to support the efforts related to the reconstruction of the runway intersection. The FAA will review the Authority-provided design and specifications, for modification, relocation or establishment of FAA facilities in support of the project. As is standard, the Airport Authority will have to pay the estimated full amount of the construction costs and then request reimbursement when the scope of work is complete.

The Director of Engineering recommended the Board approve a reimbursable agreement with Federal Aviation Administration in the amount of \$94,819.76 for the services and authorize the Director of Engineering and Planning to accept and close out this project when completed in accordance with the contract documents.

Ms. Ward moved to approve a reimbursable agreement with Federal Aviation Administration in the amount of \$94,819.76 for the services and authorize the Director of Engineering and Planning to accept and close out this project when completed in accordance with the contract documents. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-073 Consider Contract for North Detention Tank Waterline Project with Central Iowa Mechanical

The Director of Engineering stated this project will replace the exterior, above ground back flow preventer on a water line feeding building 11 at the North detention tank. This is the tank that captures glycol contamination from the terminal area. Currently, the backflow preventer is housed in a heater box that occasionally fails, causing the backflow preventer to freeze. In addition, the current location of the backflow preventer interferes with the future terminal apron. The scope of work for this project is to install the backflow preventer inside building 11 and remove the heater box. The Engineer's Estimate for the project is \$55,000.00. The project is included in the 2020 Budget. Three quotes were opened on May 21, 2020, and the lowest responsive, responsible quote for the project was Central Iowa Mechanical in the amount of \$70,990.00.

The Director of Engineering recommended the Board approve the contract with Central Iowa Mechanical in the amount of \$70,990.00 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 moved to approve the contract with Central Iowa Mechanical in the amount of \$70,990.00 and authorize the Director of Engineering and Planning to accept and close out this project when completed in accordance with the contract documents. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-074 Consider a Revitalize Iowa’s Sound Economy (RISE) Grant Agreement for Cowles Drive, Phase I, between the City of Des Moines, Des Moines Airport Authority, and the Iowa Department of Transportation

The Director of Engineering stated the City of Des Moines applied for a RISE grant on behalf of the Airport Authority to help fund the Cowles Drive, Phase I project. The IDOT awarded a RISE grant to cover 50% of eligible construction costs on the Roadway Project for a grant value of \$1,456,002.00. The grant agreement stipulates that the City of Des Moines remains the Sponsor, but the Airport Authority is the Recipient and as such is responsible for meeting all obligations of the Grant Agreement.

The Director of Engineering recommended the Board approve the RISE Grant Agreement 2020-R-014 between the City of Des Moines, Des Moines Airport Authority, and the Iowa Department of Transportation for \$1,456,002.00 and authorize the Director of Engineering and Planning to accept and close out the project when completed in accordance with the contract documents.

Mr. Christensen moved to approve the RISE Grant Agreement 2020-R-014 between the City of Des Moines, Des Moines Airport Authority, and the Iowa Department of Transportation for \$1,456,002.00 and authorize the Director of Engineering and Planning to accept and close out the project when completed in accordance with the contract documents. Ms. Ward seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-075 Consider First Amendment to Agreement Between the City of Des Moines and the Des Moines Airport Authority for the Provision of City Services

The Executive Director stated services contracted through the City of Des Moines include Group Insurance and Benefits, Information Technology, and Law Enforcement. The current three-year agreement terminates on June 30, 2020. The Executive Director stated an amendment extending the termination date to June 30, 2020, is being proposed, with all other terms remaining the same.

The Executive Director thanked Deputy City Manager Matt Anderson for his assistance with this amendment.

The Executive Director recommended the Board approve Amendment No. 1 to the Agreement between the City of Des Moines and Des Moines Airport Authority for the Provision of City Services.

Ms. Ward moved to approve Amendment No. 1 to the Agreement between the City of Des Moines and Des Moines Airport Authority for the Provision of City Services. Mr. Feldmann seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, and Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-076 Financial Report

- The Finance Director stated there was nothing more to report since he reviewed the May 2020 financials with the Board as part of agenda item number A20-071.

A20-077 Briefing

- The Director of Operations reported details pertaining to the May 2020 taxi statistics. The Director of Operations stated the May passenger statistics were not available yet, but they would be sent to the Board this week once they are completed.
- The Director of Operations reported on the impact of the COVID-19 pandemic:
 - Over the last thirty-day period, the airport had 20,137 passenger enplanements compared to 6,602 passenger enplanements in the previous 30-day period, resulting in a 305% increase over the rolling thirty-day period. The number of available seats in the last thirty-day period was 51,320 compared to 74,184 seats in the prior thirty-day period for a decrease of 31%. The July schedule is showing a 56% increase on the flight number which results in a 44% increase in seats compared to June 2020. Still down 42% for flights and 40% for seats compared to July 2019. Load factors: hovering around 40-50%. The airport is operating at approximately 20% of last year's passenger enplanement numbers.
 - Next week: operating at approximately 17 total destinations compared to 12 destinations at the last board meeting.
 - There are approximately eight overnight aircraft parked at the gates right now. In July, that will increase to fourteen overnight aircraft. This will result in opening Concourse A on July 1, 2020.
 - There are eleven aircraft parked on the south cargo apron.
- The Executive Director reported:
 - FEMA is sending 130,000 washable masks to the Des Moines International Airport to be handed out to passengers that don't bring masks with them.
 - Most of the plexiglass purchased by the Airport Authority has been installed at ticket and car rental counters. Some of the plexiglass is on back order due to its demand.
 - Physical distancing signs and wraps have been installed at the airport as well as in the jet bridges.
 - The video wall approved by the Board several months ago was installed and is expected to be operational this week.
 - Audio announcements to physically distance and wear masks are played over the intercom. Reminders are also on the screens in the hold room.

- Authority Staff
 - Brought employees back and changed staffing a little bit.
 - Operations' staff are on shifts and do not interact with each other.
 - One third of the labor force is at home. They work for two weeks and are off for one week.
 - This scheduling is to protect staff in case there is a COVID-19 exposure. Not all staff will have to quarantine at the same time.
- Ms. Kovarna has done a great job at communicating to the press that the Airport has implemented safety protocols and is ready to welcome passengers back when they are ready to fly.
- There is a lot of construction on the south side of the airport. The Executive Director asked the Director of Engineering to provide an update on each of the construction projects. The Director of Engineering reported there are four projects taking place:
 - **Runway 5:** kicked off at the end of March 2020. Completed Phase 1a and opened that up last week. Will open the permanent T-hangar connector to Papa on June 11, 2020. Phase 1b is expected to open by end of June 2020. Then will move on to the main portion of Runway 5.
 - **South Quad Apron:** all demolition is complete and site utilities are in. Started pavement June 8, 2020. Hope to be done with Phase 1 by end of June 2020 and move into Phase 2 in July 2020.
 - **Des Moines Flying Service:** all site utilities are in and project is up to grade. Geo piers went in last week and footing was started this week.
 - **SW 28th Street:** majority of pavement is in. Working on last two phases to fully open road by end of June 2020. Will put a hiatus on this project and will do some landscaping towards the end of August/early September 2020.

A20-078 Potential Closed session, pursuant to Iowa Code § 21.5(1)(c), to discuss strategy with counsel in a matter where litigation is imminent where its disclosure would be likely to prejudice or disadvantage the position of the Authority in that litigation.

Mr. Wainwright clarified that this matter is in litigation.

Mr. Feldmann moved to go to closed session pursuant to Iowa Code § 21.5(1)(c) to discuss strategy with attorney James Wainwright in a matter where there is litigation and its disclosure would be likely to prejudice or disadvantage the position of the Authority in that litigation. Ms. Ward seconded. Ms. Benson took roll call: Christensen (yea), Feldmann (yea), Lauridsen Sand (yea), Levy (yea), and Ward (yea); Nays: 0; Abstained: 0; Absent: 0; Motion Carried: 5-0-0-0.

Ms. Levy stated the Board needed to turn off their video and Mr. Foley needed to mute everyone to go into closed session. The Board left the Zoom call to begin the closed session.

The closed session began at 10:09 a.m.

The closed session concluded at 10:27 a.m. and the regular session resumed.

Mr. Feldmann moved to hold a special Des Moines Airport Authority Board Meeting at 9:00 a.m. on June 11, 2020. Ms. Ward seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-079

Next Meeting

a. July 14, 2020, Regular Board Meeting

- o Ms. Levy asked the Board if there was any interest in holding the next Board Meeting in person with safe social distancing in place. Mr. Feldmann recommended that the Board follow the lead of the City of Des Moines City Council meetings. The Board agreed that was a good idea.

A20-080

Adjourn

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

The meeting adjourned at 10:30 a.m.

Respectfully Submitted:



Jake Christensen
Secretary/Treasurer



Mary Benson
Board Clerk