

**DES MOINES AIRPORT AUTHORITY BOARD
SUMMARY MINUTES OF ELECTRONIC MEETING
Des Moines International Airport
Board Room
May 12, 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.

A20-057 Consider Minutes for April 14, 2020, Meeting and April 22, 2020, Meeting

Mr. Feldmann moved to approve the April 14, 2020, and April 22, 2020, meeting minutes. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-058 Consider Rules and Regulations Update

The Director of Operations stated a current copy of the Rules and Regulations (last amended in August 2019) was furnished to the Board along with a redlined copy of the proposed updates and a clean version of the proposed updates. The purpose of Rules and Regulations is to promote the business and general welfare of the Des Moines International Airport. They govern the administration, operation, and use of the Airport. Rules and Regulations are intended to restrict or prevent any activity or action that would interfere with the safe, orderly, and efficient use of the Airport by its operators, tenants, passengers, and users. Rules and Regulations adopted by the Board have the effect of contract law for those entities operating at the Airport. Additionally, certain provisions are enforceable as municipal infractions by law enforcement officers. Due to the dynamic nature of the aviation industry, Rules and Regulations are reviewed from time to time and updated as necessary.

The Director of Operations recommended the Board approve the update to Rules and Regulations.

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

A20-059 Consider Ahlers & Cooney, P.C.’s Request for a Conflict of Interest Waiver for Ahlers & Cooney, P.C.’s representation of the Des Moines Airport Authority regarding an Agreement between the Des Moines Airport Authority and the City of Des Moines for Rise Grant purposes in the Reconstruction of Cowles Drive

The Executive Director stated Ahlers & Cooney, P.C. represents the Des Moines Airport Authority (the “Authority”) as general counsel and the City of Des Moines (the “City”) in various matters including, but not limited to, certain economic development matters and as bond counsel.

The Authority and the City are considering entering into an Agreement for the financing and construction of certain public improvements which will be funded in part by Iowa Department of Transportation (“IDOT”) Revitalize Iowa’s Sound Economy Program (“RISE”) grants. The improvements will include the reconstruction of Cowles Drive to facilitate public access to the new passenger terminal facility. The roadway will be constructed in six phases, with Phase 1 in 2020 and Phase 6 following the end of the construction of the terminal facility in approximately 2028.

The Authority has asked Ahlers & Cooney, P.C. to assist with drafting an Agreement regarding the IDOT RISE Grant (“RISE Agreement”) between the City and the Authority on behalf of the Authority. The Agreement will outline the rights and responsibilities of each party as it relates to the administration of the RISE Grant and the Cowles Drive construction project. The City will be represented by one of its assistant city attorneys in this matter and will not rely on Ahlers & Cooney, P.C. for any legal advice or representation regarding either the RISE Agreement or the Agreement for a Revitalize Iowa’s Sound Economy Program grant between the City and the IDOT (“IDOT Agreement”).

In the event there are actual disagreements of substance or content between the two Parties, Ahlers & Cooney, P.C. will decline to advise either party with respect to such issue. Should an issue arise for which the Parties cannot reach agreement on their own, Ahlers & Cooney, P.C. would need to withdraw from further representation of either party with respect to the proposed RISE Agreement.

Mr. Wainwright, attorney with Ahlers & Cooney, P.C., reiterated Ahlers & Cooney, P.C., does not represent the City of Des Moines with respect to this agreement. The assistant city attorneys from the City of Des Moines are handling that. The issue is Ahlers & Cooney, P.C. represents the City of Des Moines on other unrelated matters, most notably as bond counsel for the City. Mr. Wainwright stated when a firm is

doing work for one client and another client is on the other side, the attorney must request a conflict waiver from both clients.

The Executive Director recommended the Board approve a Conflict of Interest Waiver for Ahlers & Cooney, P.C.'s representation of the Des Moines Airport Authority regarding an Agreement between the Des Moines Airport Authority and the City of Des Moines for Rise Grant purposes in the Reconstruction of Cowles Drive.

Mr. Feldmann moved to approve a Conflict of Interest Waiver for Ahlers & Cooney, P.C.'s representation of the Des Moines Airport Authority regarding an Agreement between the Des Moines Airport Authority and the City of Des Moines for Rise Grant purposes in the Reconstruction of Cowles Drive. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-060 Consider Passenger Boarding Bridge Replacement Project

- a. Public Hearing regarding the plans, specifications, form of contract, and estimated total cost for the Passenger Boarding Bridge Replacement Project**

Ms. Levy opened the Public Hearing.

The Director of Engineering stated the work will consist of replacement of the current Passenger Boarding Bridges (PBB) in phases. This will include selective demolition, replacement of PBBs, and related improvements to mechanical and electrical equipment associated with the PBBs. The proposed contract value is limited to the phase 1 scope of work. The following are the phases and how they are bid/proposed for schedule:

- Phase 1 – Gates C1, C3, C5, C7 FY2020
- Phase 2 – Gates A2, A3, A4, C6 FY2021
- Phase 3 – Gates A1, C2, C4 FY2022

The Engineer's Estimate for this project is \$3,343,540.00.

Ms. Levy invited public comment. There was one public comment: Mr. Ian Roth stated that he agreed with the recommendation to replace passenger boarding bridges.

Ms. Levy closed the Public Hearing.

b. Consider Resolution adopting plans, specifications, form of contract, and estimated total cost for the Passenger Boarding Bridge Replacement Project

The Director of Engineering recommended the Board approve the Resolution adopting plans, specifications, form of contract, and estimated total cost for the Passenger Boarding Bridge Replacement Project.

Mr. Christensen moved to approve the Resolution adopting plans, specifications, form of contract, and estimated total cost for the Passenger Boarding Bridge Replacement Project. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

c. Consider award of contract for the Passenger Boarding Bridge Replacement Project to JBT AeroTech Corporation in the amount of \$2,487,747.00

The Director of Engineering stated the lowest responsive, responsible bidder was JBT AeroTech Corporation in the amount of \$2,487,747.00.

The Director of Engineering recommended the Board approve a contract with JBT AeroTech Corporation in the amount of \$2,487,747.00 for the improvement and authorize the Director of Engineering and Planning to accept and close out this project when completed in accordance with the contract documents.

Mr. Christensen moved to approve a contract with JBT AeroTech Corporation in the amount of \$2,487,747.00 for the improvement 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 seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

d. Consider Professional Services Agreement, Task Order No. 71, with Foth Infrastructure & Environment, LLC for Passenger Boarding Bridge Replacement Project - Construction Phase Services

The Director of Engineering stated during the Passenger Boarding Bridge Replacement Project, the consultant will provide contract management, construction administration, construction testing, and construction observation for the project. The negotiated amount of the agreement is \$108,000.00.

The Director of Engineering recommended the Board approve the Professional Services Agreement, Task Order No. 71, with Foth Infrastructure & Environment, LLC in the amount of \$108,000.00 and authorize the Director of Engineering and Planning to accept and close out this contract when completed in accordance with the contract documents.

Ms. Ward moved to approve the Professional Services Agreement, Task Order No. 71, with Foth Infrastructure & Environment, LLC in the amount of \$108,000.00 and authorize the Director of Engineering and Planning to accept and close out this contract when completed in accordance with the contract documents. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-061 Consider Change Order No. 1 with Western Specialty Contractors for Parking Garage Maintenance 2020 Project

The Director of Engineering stated Change order No. 1 with Western Specialty Contractors for the Parking Garage Maintenance 2020 Project includes quantity adjustments and unit pricing of traffic coating to be performed on the upper/4th level of the parking garage. With the decreased traffic within the parking garage, Authority staff would like to focus on as much of the coating that needs to be repaired or replaced with no disruption to the traveling public. Unit pricing for traffic topping recoat/partial system would be changed from \$15/S.F. to \$2.75/S.F. Unit pricing for traffic topping recoat/complete system would be changed from \$16/S.F. to \$4/S.F. Overall change order value is \$250,125.00.

The Director of Engineering recommended the Board approve Change Order #1 with Western Specialty Contractors for the Parking Garage Maintenance 2020 Project in the amount of \$250,125.00.

Ms. Ward moved to approve Change Order #1 with Western Specialty Contractors for the Parking Garage Maintenance 2020 Project in the amount of \$250,125.00. Ms. Lauridsen Sand seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-062 Consider a Website Design, Development & Hosting Agreement with Blue Compass Interactive

The Executive Director reported a Request for Qualifications (RFQ) was released on February 14, 2020, for website design and development of the Airport's website. Nine proposals were received and were rated according to the rating sheet provided in the RFQ. Authority staff unanimously rated Blue Compass Interactive the highest proposer. Authority staff negotiated an agreement for \$93,450.00 for this work. A hosting fee of \$4,500.00 a year is provided for in the agreement as well. This project is included in the 2020 budget and the proposed work is under budget.

The Executive Director recommended the Board approve a Website Design, Development & Hosting Agreement with Blue Compass Interactive in the amount of \$93,450.00 and an annual hosting fee of \$4,500.00.

Mr. Feldmann asked when the new website would be implemented. Ms. Kovarna, Des Moines Airport Authority Communications, Marketing, and Air Service Development Manager, stated the contract's implementation date is October 31, 2020.

Ms. Levy asked if there would be an interactive component for the public on the new website. Ms. Kovarna stated there would be some interactive components such as a better alert system, a place for news articles, and links to the Authority's social media accounts.

Ms. Lauridsen Sand moved to approve a Website Design, Development & Hosting Agreement with Blue Compass Interactive in the amount of \$93,450.00 and an annual hosting fee of \$4,500.00. Mr. Christensen seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

A20-063 Consider First Amendment to Airport News and Gift Concession Agreement with Hudson Group (HG) Retail, LLC

The Director of Finance reported Hudson Group has requested to amend the agreement to include a clause for a Minimum Annual Guarantee (MAG) adjustment as a result of the coronavirus pandemic. The Authority's other agreements that include MAGs typically include adjustment clauses protecting the concessionaire from an excessive drop in passenger traffic in any given year. Given the current circumstances associated with the COVID-19 pandemic, it is appropriate to amend this lease with a similar clause. The amendment also extends the term of the agreement to June 30, 2026, or the closing of this terminal (whichever occurs first) and updates required FAA standard provisions.

The Director of Finance recommended the Board approve the First Amendment to Airport News and Gift Concession Agreement with Hudson Group (HG) Retail, LLC.

Ms. Levy asked if enplanements do not improve to prior levels, what does that mean for reinstatement of the contract as it was prior? The Director of Finance stated Hudson will continue to pay the percentage rents on their gross income until enplanements recover to the previous level. The Director of Finance stated the MAG will not be reinstated until we reach the previous 2020 enplanements over a three-month measurement period.

Ms. Ward moved to approve the First Amendment to Airport News and Gift Concession Agreement with Hudson Group (HG) Retail, LLC. Mr. Feldmann seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

Financial Report

- The Finance Director reported:
 - Page 8 of Financial Report
 - Revenue in red: counted as revenue when billed.
 - Revenue in green: counted as revenue when collected.
 - Receivable report is at the bottom of the page.
 - Due to the COVID-19 pandemic, the Authority is allowing airlines 90 days to pay for their April, May, and June charges.
 - Reduction in expenses
 - Credit card fees have decreased due to less cars being parked at the airport.
 - ABM Parking, the airport's parking management company, furloughed all cashiers and most of the shuttle drivers.
 - Less fuel costs due to less cars being rented.
 - Page 9 of Financial Report
 - Authority has \$86 million in cash. As the Authority begins to request reimbursement through the CARES Act grant, the cash may be up and down for the next few months. The CARES Act grant reimbursement requests will be made on a monthly or bi-monthly basis through the rest of the year until the \$23 million dollars is spent.
 - Debt
 - 2010 series is eligible to be called June 1, 2020.
 - 2012 series is not callable until June 1, 2022.
 - The Director of Finance will look at various options regarding debt and make a recommendation to the Board at the June 9, 2020, Board Meeting.
 - The financial audit was completed by Plante Moran. The Director of Finance emailed the audit to the Board and will send a printed copy of the audit to the Board this week. The audit was a clean opinion with no findings. The Director of Finance thanked Mr. Christensen and Ms. Lauridsen Sand for participating in the audit committee meeting on May 11, 2020. Mr. Christensen stated the call with the audit firm went very well and he said the Director of Finance and his team did a great job. Mr. Christensen also stated that the experience with this firm vs. the prior firm has dramatically improved and he gave kudos to the Director of Finance for finding a new service provider. Ms. Lauridsen Sand stated the audit went very well and thanked the Director of Finance and his team for completing the audit under the current circumstances.
- Ms. Lauridsen Sand asked the Director of Finance about the terms for the accounts receivable, specifically moving to 90 days. She asked if that was an industry standard. The Director of Finance stated a lot of the airlines were asking for rent deferrals or waivers. ACI released a list of accommodations the various airports have made. A significant number of airports are deferring and waiving some things. The Authority chose not to waive payments and instead chose deferral since the Authority thought that was an accommodation that the Authority could afford to make especially with the CARES Act grant

funding. A 90-day deferral will help the airlines at a time when they are receiving less revenue.

- Mr. Christensen asked the Director of Finance if there was another bond scenario where we could call the 2010 bonds, and in the event that liquidity projections were not favorable, borrow in the future. The Director of Finance stated there is an opportunity to go to the market in the future if needed, but unsure what the rate environment will be.

A20-065

Briefing

- The Director of Operations reported details pertaining to the April 2020 taxi and passenger statistics.
- The Director of Operations also reported on the impact of the COVID-19 pandemic:
 - Over the last seven-day period, the airport had 2,953 passengers compared to 2,357 passengers the prior week for an increase of approximately 25%. The number of available seats in the last seven-day period was 14,461, down from 21,593 seats in the prior week for a decrease of 33%. This resulted in an increase in the load factor in early April from 3.5% to 33.5% in early May.
 - The airport is operating at approximately 88-94% less total passengers year-over-year for May.
 - During the next week, airlines are operating approximately 107 total departures to 12 destinations. At the end of February 2020, there were approximately 378 total weekly departures to 21 destinations.
 - There are approximately five overnight aircraft at the airport right now. Due to this, the Authority continues to keep Concourse A closed. This will be evaluated as new schedules from the airlines are provided.
 - There are ten aircraft parked on the south cargo apron.
 - Nationally, the seven-day rolling average reduction in total aircraft departures is 73.1%. Des Moines is trending slightly better than the national average.
- The Executive Director reported:
 - The CARES Act 2 is moving forward. There most likely won't be anything in that Act for airports. There is a meeting with Cornerstone to discuss that Act and the Executive Director stated the Board Members are welcome to join if they would like. The Executive Director will forward the meeting invitation to the Board Members.
 - The airport is starting to enter the business recovery phase. This includes:
 - The Authority is reviewing how to bring employees who have been working rotating schedules or working from home back to the office on a more frequent basis.
 - Authority staff will be required to wear masks when working in the public areas of the airport. There are 800 masks on hand and 10,000 on order. Cloth masks will also be made for Authority staff since those masks are reusable after washing.

- Six new hand sanitizer units were ordered to be placed throughout the airport. This is in addition to the current hand sanitizers. There is plenty of hand sanitizer on hand.
 - The Authority is purchasing a fogger and the airport's janitorial company, Marsden, will be trained on how to use it in case there is a COVID-19 infection at the airport.
 - Plexiglass was ordered by the Authority to be placed at the airline and car rental counters. Installation is scheduled for next week.
 - Most airlines are requiring passengers to wear masks. To this end, Hudson is working on vending for products such as masks and wipes landside since their news/gift shop on the landside is currently closed. Hudson's news/gift shop is open on the concourse and they will sell those products in that shop.
 - The layout at TSA screening was changed so two lanes are empty.
 - The airlines are encouraging not booking middle seats; however, as airlines reduce the number of flights, middle seats are being filled.
 - The Authority is reviewing a touchless system for passengers. For the most part, the process is touchless already except when passengers check luggage and present their IDs to TSA at screening. Passengers are encouraged to have their boarding passes on their phone.
 - Ms. Kovarna is developing a plan to roll out information pertaining to COVID-19 recovery.
- Ms. Levy inquired about COVID-19 testing for essential staff at the airport. The Executive Director stated there is no testing available to staff other than what is provided if a person qualifies for TestIowa.com since there are still limited tests available in Iowa. The Executive Director said taking temperatures is in discussion. TSA may start doing that, but no final decision has been made yet. Who has the authority to take temperatures and deny boarding is still in question.

A20--066 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 reported that as of this morning this matter is in litigation.

Ms. Ward moved to go to closed session pursuant to Iowa Code § 21.5(1)(c) to discuss strategy with attorney Andrew Tice 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. Lauridsen Sand seconded. 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 advised the attendees on the Zoom call that the Board would exit the Zoom call to convene a separate conference call for the closed session and attendees were welcome to remain on the Zoom call since it would resume after the closed session. Ms. Levy stated the Board was not expecting to take any further action at the regular meeting other than to adjourn the meeting. The Board left the Zoom call to begin the closed session.

The closed session began at 10:00 a.m.

Mr. Christensen moved to come out of closed session. Ms. Ward seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

The closed session concluded at 10:19 a.m.

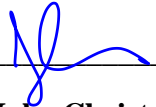
A20--067 Next Meeting
a. June 9, 2020, Regular Board Meeting

A20-068 Adjourn

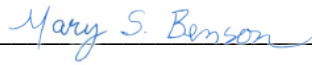
Ms. Lauridsen Sand moved to adjourn the meeting. Ms. Ward seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Feldmann, Lauridsen Sand, Levy, Ward; Nays: 0; Abstained: 0; Absent: 0.

The meeting adjourned at 10:20 a.m.

Respectfully Submitted:



Jake Christensen
Secretary/Treasurer



Mary Benson
Board Clerk