

MINUTES
WATERLOO REGIONAL AIRPORT BOARD
Wednesday, June 28, 2023

I. ROLL CALL

Board Chair, Scott Voigt, called the meeting to order at 11:57 a.m.

Board Members Present: Scott Voigt, Arlene Humble, Todd Holcomb, Cary Darrah and David Deeds (arrived 12:25).

Board Members Absent: Gwenne Berry, Chris Bering.

City Officials Present: John Chiles, Council Liaison.

City Officials Absent: Ray Feuss, Council Liaison.

Airport Staff Present: Keith Kaspari and Sheila Combs.

Other Attendees: David Hughes, AECOM.

II. AGENDA AS RECEIVED OR AMENDED

No Amendments or Revisions were forwarded for the Agenda.

III. PUBLIC COMMENTS

None.

IV. REPORTS

A. Airport Director

Dr. Holcomb questioned the radon testing done and what the cost of mitigation might be. Mr. Kaspari stated that only one room slightly exceeded allowable levels.

Staff will continue to vent the room first and perform a re-test to see if that brings the level down to an acceptable level, and similar to the room immediately adjacent to the room to be tested.

Mr. Kaspari also updated the Board that the Door King gate operators have all been installed, as of June 27th.

B. Legislative Information – Industry News

Mr. Kaspari gave an overview of an Airport Access Act being considered and what it would mean for GA apron parking.

C. Misc. Monthly Airport Reports

Board reviewed and discussed reports. Mr. Kaspari stated that Year-to-Date passenger numbers are not good; the fare comparison is quite a “mixed bag”.

V. BOARD APPROVAL

A. Approval of Minutes of the May 24, 2023 Regular Meeting.

Mrs. Humble moved approval of the minutes of the May 24, 2023 meeting, seconded by Dr. Holcomb. Ayes: 3. Motion carried.

B. Motion to Receive and File May 2023 Expenses.

Mrs. Darrah moved that the May 2023 expenses be received and filed, seconded by Mrs. Humble. Ayes: 3. Motion carried.

VI. OLD BUSINESS

A. Board Update: Rental Car - Concession Fee Charge (CFC).

Mr. Kaspari gave an overview of his discussion with Michael Coplon from Avis/Budget; his only concern being was how we would use revenue generated from this new fee. Mr. Kaspari stated that it will be earmarked to be used only for rental car facility improvements.

B. Board Update: 50-Year Ground Lease with Iowa Guard Bureau.

Mr. Kaspari stated that the Iowa Guard Bureau does not want to pay the \$0.125 cents per square foot, as proposed, on the long-term (50-year) ground lease; and, provided comment that if the City of Waterloo and the Airport Dept. continued to require this rate, then the Guard Bureau would not proceed with the taxiway project – with a project proposed at a cost of approximately \$3,000,000.

Mr. Kaspari proposed that the City offer a new of rate of \$1,050.00 of annual rent, and payable on the anniversary of the lease, along with CPI reviews during every fifth (5th) year of the initial lease term and all extensions.

After discussion, Board consensus was to approve of this rate but they would like CPI increases every five years, not stagnant rent over a 50-year period.

C. Board Update: Caesar's July 28 – August 1st Charter Flight Canceled.

Mr. Kaspari stated that he did not receive any notification from officials at Caesar's that they had canceled the July flight out of Waterloo, but instead, was informed by a passenger who wanted to book the flight that it had been re-routed to depart from Cedar Rapids.

He stated also that the next planned Caesar's flight is scheduled for September 19 – 23.

D. Board Update: FAA Delaying Issuance of Grant Nos: 3-19-0094-054 and 055.

Mr. Kaspari stated that the four projects that are supposed to be under the above two FAA grant funded projects (Terminal HVAC and Security Cameras; and the, ARFF Exhaust and Paving ARFF Parking Area) have been placed on hold until at least the start of the next Federal fiscal year (10/1/23) due to the after-effects of the recent Debt Ceiling negotiations going on in Washington. This is commonly referred to as a Claw-back Procedure.

VII. NEW BUSINESS

A. Board Update: Telecon Meeting with Ms. Lori Beckman, CEO of Aviation Security Consulting, Inc. for assistance in the Rewrite of ALO's Airport Security Plan.

Ms. Beckman gave an overview of the plans for ASC's site visit (Scheduled for July (11th & 12th)). She stated that timing varies, especially since we have no control over how long it will require TSA to complete their reviews of the document.

Example: If American Airlines provided the City of Waterloo a date to start service with a larger 60+ seat aircraft, then TSA will need to move more quickly on their review.

Typically, it is approximately a 90-day process but they can't fully commit to that due to the unknowns with TSA's review and approval requirements.

B. Board Update: Presentation by Will Berchelmann and David Deeds on Recent June 12-14 Lump Start Air Service Conference in Milwaukee; Along with an Update on True Market Study – Leakage Analysis.

Mr. Deeds gave an overview of the Small Airports session he attended at the Jump Start Air Service Conference in Milwaukee in June. Mr. Deeds also had a meeting with the American Airlines Director of Short-Haul Planning.

Mr. Deeds, Will Berchelmann from Volaire Aviation Consulting and Christina Cole, from Advance Aviation, met with officials from both American Airlines and Sun Country Airlines. Mr. Deeds and Ms. Cole also met with Southwest.

Mr. Berchelmann stated that he feels American will "stay the course" and bid again for ALO service. Mr. Deeds stated that based on current load factors, our market is at-best, break-even.

Mr. Deeds continued comment that American Airlines would be expected to bid at a higher rate than the bid that was received during the previous bid cycle.

The challenges with the current schedule were also discussed, and when Mr. Deeds requested a RON (Remain Overnight) flight, American Airlines officials responded that, "opportunity costs".

A schedule consisting of 1 daily trip to DFW and 1 daily to ORD was discussed. Mr. Deeds said while they didn't say no, they certainly didn't say yes.

Mr. Berchelmann feels a DFW trip has a better chance at success, so even though the bid would be more, it may not end up costing AA as much to operate (as there would likely be more ticketed passengers).

Mr. Berchelmann stated that a meeting should be scheduled with AA prior to September, before they start working on the EAS bid and their spring schedules. At that time, we should request that their bid includes a trip to DFW.

Mr. Berchelmann provided further comment, that Sun Country's primary interest would be if AA doesn't submit a bid for ALO service; they may be willing to do less-than-daily service, at a higher cost than what AA is currently receiving.

The executive stated, “we can put in a bid but withdraw if AA bids”. Mr. Berchermann provided an example of a schedule consisting of 4 trips per week to MSP; or, a winter schedule of twice weekly to MSP; and, twice weekly to a TBD destination in Florida. Mr. Berchermann concluded by saying that it is encouraging to have this as a backup, in case AA doesn’t submit a bid.

Mr. Deeds reported on his meeting with Southwest, saying that they told him they’re currently having trouble getting aircraft, so probably won’t bid this cycle, but they may be interested at some time in the future.

C. Board Update: Presentation by AECOM on Passenger Parking Lot Canopy Project.

David Hughes from AECOM, provided the Airport Board an opportunity to review the latest renderings for the Parking Lot Canopy project and stated that they are looking at a bid opening date in late August.

Dr. Holcomb asked about using partial-translucent roof panels, as had been featured in earlier project renderings. Mr. Hughes stated that the cost may be prohibitive.

Dr. Holcomb requested that they include two Additive Bid Items (ABI’s) as follows:

1. Add the translucent roof panels provided in earlier renderings; and,
2. Allowing the entire length of the canopy to include the front row of parking stalls.

Board Members provided their support to move forward with the project, as designed, and to include the above two ABIs was moved by Dr. Holcomb, and seconded by Mrs. Humble. Ayes: 3. Motion carried.

D. New FAA Passenger Facility Charge Application – Summer 2023 & Spring 2024 Pavement Projects.

Staff and AECOM provided an update to the Board on the next Passenger Facility Charge Application to eventually be forwarded to the City Council for approval.

This is a funding document that allows Staff to impose and use a \$4.50 per passenger PFC “fee” that allows Staff to, and overtime, provide a 10% match to FAA funds received from Washington via the Airport Improvement Program.

This current application provides the funding document for the airside and above program for the Pavement Rehabilitation and Reconstruction projects for Summer 2023 and the Spring of 2024.

VIII. STAFF AND BOARD MEMBER COMMENT

N/A

IX. ADJOURNMENT

Moved by Mrs. Humble, seconded by Mr. Deeds, that the meeting be adjourned at 1:35 p.m. Ayes: 3. Motion carried.

Respectfully submitted,



Scott Voigt, Chairperson