MINUTES OF THE
DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD
July 7, 2011
8:30 a.m.

Convening of the Meeting - The Regular Meeting of the Dallas-Fort Worth International Airport Board was duly convened and held in the Board Room of the Administration Building of the Dallas-Fort Worth International Airport Board at 8:30 a.m. on Thursday, July 7, 2011, pursuant to earlier notification thereof to the members of the Board and public. The following quorum was present:

Robert Hsueh, Acting Chair	Ben Muro
Jeff Wentworth	Brenda E. Reyes
Mayor Pro Tem Pauline Medrano[1]	Forrest Smith
Mayor Pro Tem Danny Scarth[2]	Bernice J. Washington
Lillie Biggins	Darlene Freed[3]

Board Member Betty J. Culbreath had an excused absence.

Board staff in attendance:
Jeff Fegan, Ken Buchanan, Jim Crites, Chris Poinsatte, Phil Ritter, Linda Valdez Thompson, Rob Darby, Sandra Perkins, Paul Tomme, Alan Black, Zenola Campbell, Armin Cruz, Thomas Dallam, Carol Davis, Norma Essary, William Flowers, Sharon McCloskey, Mary Jo Polidore, Suzanne Cruz-Sewell, Perfecto Solis, Greg Spoon, John Terrell, and Donna Schnell

A. The invocation was given by Chaplain Les Grounds.

B. The Pledge of Allegiance was recited.

C. The following announcements were made by Jeff Fegan, CEO:
- The two new Owner Cities' Mayors, Mike Rawlings and Betsy Price, were announced.
- The 27th Annual Airport Business Diversity Conference, which the Airport hosted, was announced.
- The 7th anniversary of the Welcome Home a Hero Program was announced. Key organizations and individuals involved with the program were recognized.
- DFW DPS was recognized for receiving the Director's Award during the 46th Annual Arlington Independence Day Parade.
- Sandra Perkins' retirement was announced. Sandra has served as Interim General Council since November 2010 and has worked at DFW for 19 years.

D. The minutes of the Regular Board Meeting of June 2, 2011 were approved.

[1] Designated voting representative by the City of Dallas.
[2] Designated voting representative by the City of Fort Worth.
[3] Non-voting Member from the City of Grapevine.

E. Air Service Highlights were presented by Chris Poinsatte, CFO, as follows:
   - Current Airline Performance
   - Flash Forecast
   - Air Service Development Events and Activities

F. TRIP Update: Initial Customer Feedback update was presented by Sharon McCloskey, VP Marketing Services and Armin Cruz, VP Parking Business Unit.

G. Financial Report was presented by Chris Poinsatte, CFO.

RETIREMENT/INVESTMENT COMMITTEE

Retirement/Investment Committee Chair Brenda E. Reyes reported that the Committee met on Tuesday, July 5, 2011 at 12:30 p.m., in the Board Room of the Administration Building and recommended approval of the following:

1. The minutes of the Retirement/Investment Committee Meeting of May 31, 2011 were approved during the Committee Meeting of July 5, 2011.

Discussion Items

2. An Audit Report was presented by Emma S. Walker, P.C. during the Committee Meeting of July 5, 2011.

3. Actuarial Valuations Presentation was given by Lewis Ward of Gabriel Roeder Smith & Company during the Committee Meeting of July 5, 2011.

Action Item for Consideration

4. The Airport Board unanimously adopted Resolution 2011-07-180 to approve actuarial assumptions for General Employees Retirement, Public Safety Retirement, and Other Post Employment Benefits Plans.

OPERATIONS COMMITTEE

Operations Committee Chair Robert Hsueh reported that the Committee met on Tuesday, July 5, 2011 at 1:00 p.m., in the Board Room of the Administration Building and recommended approval of the following:

5. The minutes of the Operations Committee Meeting of May 31, 2011 were approved during the Committee Meeting of July 5, 2011.

Consent Agenda Items for Consideration

6. The Airport Board unanimously adopted Resolution 2011-07-181 to approve rejection of bids received for Contract 9001807, Roof Replacement DFW Business Center North.

7. The Airport Board unanimously adopted Resolution 2011-07-182 to approve execution of Contract 7005425, Pavement Marking Paint, with The Sherwin−Williams Company, in an amount not to exceed $100,000.00.

8. The Airport Board unanimously adopted Resolution 2011-07-183 to approve award of Purchase Order 262702, for Hazardous Material Detection Equipment, to Safeware, Inc., in the amount of $72,873.50; and Purchase Order 262730, for Hazardous Material Detection Equipment, to Smiths Detection, Inc., in the amount of $88,000.20.

9. The Airport Board unanimously adopted Resolution 2011-07-184 to approve execution of a Change Order to Contract 9500414, DPS Fire Training Facility Upgrades, with FJW Construction, LLC, in an amount not to exceed $93,565.

Action Items for Consideration

10. The Airport Board unanimously adopted Resolution 2011-07-185 to approve award of Purchase Order 262339, for Containers and Compactor Systems for Solid Waste Disposal, to Wastequip Manufacturing Company, LLC, in the amount of $275,591.

11. The Airport Board unanimously adopted Resolution 2011-07-186 to approve award of Purchase Order 262727, for Baggage System Scanner Heads, to SICK, Inc., in the amount of $507,117.

12. The Airport Board unanimously adopted Resolution 2011-07-187 to approve award of Purchase Order 262317, for Deicer Tanker/Sprayer Equipment, to Wausa Equipment Company, Inc., in the amount of $710,942; and Purchase Order 262770, for Front-Mounted Broom Equipment, to M-B Companies, Inc., in the amount of $1,270,327.

13. The Airport Board unanimously adopted Resolution 2011-07-188 to approve execution of a Change Order to Contract 9500416, Reclaimed Water Delivery System, with S.J. Louis Construction of Texas LTD, in an amount not to exceed $388,729.71.

14. The Airport Board unanimously adopted Resolution 2011-07-189 to approve execution of Contract 9500255, Advanced Transportation Management System, with Durable Specialties, Inc, in an amount not to exceed $1,300,000.

15. The Airport Board unanimously adopted Resolution 2011-07-190 to approve execution of a Supplemental Agreement to Contract 9500421, Terminal A Rail Station, with Balfour Beatty/Azteca/Russell/CARCON, a joint venture, in an amount not to exceed $2,421,412.

16. The Airport Board unanimously adopted Resolution 2011-07-191 to approve execution of a Supplemental Agreement to Contract 8500285, Terminal A Parking Expansion, with Jacobs Engineering Group, Inc., in an amount not to exceed $1,989,634.71.

17. The Airport Board unanimously adopted Resolution 2011-07-192 to approve ratification of the execution of Contract 9500463, Express North Parking Expansion, with Steele & Freeman, Inc., in an amount not to exceed $5,967,363.01.

Terminal Renewal and Improvement Program Consent and Action Items

18. The Airport Board unanimously adopted Resolution 2011-07-193 to approve execution of a Change Order to Supplemental Agreement 4, Contract 8500285, Terminal Renewal and Improvement Program − Terminal A Design Services, with Jacobs Engineering Group, Inc., in an amount not to exceed $2,350,028.71.

19. The Airport Board unanimously adopted Resolution 2011-07-194 to approve execution of a Change Order to Supplemental Agreement 5 to Contract 9500421, Terminal Renewal and Improvement Program − Terminal A, Section A, with Balfour Beatty/Azteca/Russell/CARCON, a joint venture, in the amount not to exceed $18,183,658.

20. The Airport Board unanimously adopted Resolution 2011-07-195 to approve execution of a Supplemental Agreement 7 to Contract 9500406, Terminal Renewal and Improvement Program − Terminal B Baggage Handling System, with Manhattan/BYRNE/JRT/3i, a joint venture, in an amount not to exceed $2,568,677.

21. The Airport Board unanimously adopted Resolution 2011-07-196 to approve execution of a Change Order to Supplemental Agreement 10, Contract 8500271, Terminal Renewal and Improvement Program − Terminal B Design and Design Management Services, with DMJM/EJES Joint Venture, in an amount not to exceed $5,901,533.84.

22. The Airport Board unanimously adopted 2011-07-197 to approve execution of a Supplemental Agreement 8 to Contract 9500406, Terminal Renewal and Improvement Program − Terminal E Satellite Reactivation Construction, with Manhattan/Byrne/JRT/3i, a joint venture, in an amount not to exceed $14,755,285.

23. The Airport Board unanimously adopted Resolution 2011-07-198 to approve increase to Contract 7004085, for Maintenance Services (MEPS) for Public Facilities, with Trane U.S., Inc., in the amount not to exceed $78,729.43.

24. The Airport Board unanimously adopted Resolution 2011-07-199 to approve award of Purchase Order 262309, for Vehicles, to Sam Pack's Five Star Ford, Ltd., in the amount of $312,179; Purchase Order 262710, for Police Package Sedans, to Group 1 Automotive, Inc., dba Dallas Dodge, in the amount of $245,352; and Purchase Order 262711, for Police Package Utility Vehicles, to Caldwell Country Chevrolet, in the amount of $101,612.

Discussion Items

25. Southeast Disaster Operations Group (SEADOG) presentation was given by Alan Black, Director Public Safety and Todd Haines, Fire Protection Engineer during the Committee Meeting of July 5, 2011.

26. Construction and Professional Services Contract Increase(s) approved by authorized staff were distributed to the Board.

27. There were no decrease(s)/increase(s) in Scope of Work approved by authorized staff for this reporting period.

FINANCE/AUDIT COMMITTEE

Finance/Audit Committee Chair Jeff Wentworth reported that the Committee met on Tuesday, July 5, 2011 at 1:30 p.m., in the Board Room of the Administration Building and recommended approval of the following:

28. The minutes of the Finance/Audit Committee Meeting May 31, 2011 were approved during the Committee Meeting of July 5, 2011.

29. Financial Report was presented by Max Underwood, VP Finance, during the Committee Meeting of July 5, 2011.

30. Preliminary 2012 Budget Outlook was presented by Chris Poinsatte, CFO. Air Service Development Initiatives for 2012 were presented by Phil Ritter, EVP Government & Stakeholder Affairs.

Consent Agenda Items for Consideration

31. The Airport Board unanimously adopted Resolution 2011-07-200 to approve award of Contract 7005405, for Ambassador Program Volunteer Banquet Services, with Hyatt Regency DFW, in an amount not to exceed $198,353.60.

32. The Airport Board unanimously adopted Resolution 2011-07-201 to approve increase and extension to Contract 7003965, for AOC/EOC Integrated Systems Maintenance, with Johnson Controls, Inc., in the amount of $64,202.

33. The Airport Board unanimously adopted Resolution 2011-07-202 to approve execution of Contract 8004226, Business Intelligence Data Warehouse Software Maintenance, with Andrews Consulting Group, Inc., in an amount not to exceed $52,958.69.

34. The Airport Board unanimously adopted Resolution 2011-07-203 to approve award of Purchase Order 262701, for Computer Laptops and Equipment, to Compuquick, Inc., in the amount of $61,032.50.

35. The Airport Board unanimously adopted Resolution 2011-07-204 to approve execution of a Change Order to Contract 8001501, Legal Services, with Cantey Hanger, LLP, increasing the not−to−exceed amount by $150,000.

36. The Airport Board unanimously adopted Resolution 2011-07-205 to approve increase to Contract 8002116, Legal Service, with Moses, Palmer & Howell L.L.P., Texas in the amount of $100,000.

37. The Airport Board unanimously adopted Resolution 2011-07-206 to approve authorization to submit, accept and execute federal, state and local grants in amounts of $50,000 or less.

Action Items for Consideration

38. The Airport Board unanimously adopted Resolution 2011-07-207 to approve revision to Board Resolution 2011−04−104 to correctly reflect the action to be taken: Approve Assignment of a portion of Contract 7005316, for Smart-Net warranty and 24-hour remote monitoring and alert services, with Harris IT Services, to INX, Inc., under Contract 7005371.

    Registered Speaker Tom Lazo, of Lazo Technologies, Inc., spoke in protest of this item.

39. The Airport Board unanimously adopted Resolution 2011-07-208 to approve award of Purchase Order 262714, for Computer Hardware, to Dell Marketing, LP, in the amount of $623,450.

40. The Airport Board unanimously adopted Resolution 2011-07-209 to approve execution of Contract 8004179, for Integrated Vehicle Tracking and Announcing System, with MV Transportation, Inc., in an amount not to exceed $483,779.63.

41. The Airport Board unanimously adopted Resolution 2011-07-210 to approve form of the Preliminary Official Statement, prepared in connection with the sale of the Dallas/Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2011C, and authorize the authorized officers to take other necessary actions in connection therewith.

42. The Airport Board unanimously adopted Resolution 2011-07-211 to approve an amendment to the FY 2011 Budget of $4.5 million for additional debt service and incremental coverage related to the 2011A Refunding Bonds.

43. The Airport Board unanimously adopted Resolution 2011-07-212 to approve Award of Contract 7005380, Free-Standing Office Furniture, with Facilitech, Inc., dba Business Interiors, in an amount not to exceed $3,000,000.

Discussion Items

44. Purchase Orders/Contracts and Professional Services Contracts approved by Authorized Staff were distributed to the Board.

45. Monthly M/WBE Expenditure Report was distributed to the Board.

CONCESSIONS/COMMERCIAL DEVELOPMENT COMMITTEE

Concessions/Commercial Development Committee Chair Lillie Biggins reported that the Committee met on Tuesday, July 5, 2011 at 2:30 p.m., in the Board Room of the Administration Building and recommended approval of the following:

46. The minutes of the Concessions/Commercial Development Committee Meeting of May 31, 2011 were approved during the Committee Meeting of July 5, 2011.

Consent Agenda Items for Consideration

47. The Airport Board unanimously adopted Resolution 2011-07-213 to approve execution of a Change Order to Contract 8004138, Legal Services, with Economic Insight, Inc., in the amount of $50,000.

48. The Airport Board unanimously adopted Resolution 2011-07-214 to approve increase to Contract 8004125, for Commercial Development Business Model Analysis, with Jones Lang LaSalle Americas, Inc., in the amount not to exceed $67,000.

Discussion Items

49. Concessions Update was presented by Martha Hernandez, AVP Concessions, during the Committee Meeting of July 5, 2011.

50. Concession Sales Update was presented by Martha Hernandez, AVP Concessions, during the Committee Meeting of July 5, 2011.

CLOSED SESSION

51. In accordance with the provisions of Section 551.071 of the Texas Government Code, a closed session was held for the purpose of seeking the Board's attorney's advice with respect to pending or contemplated litigation, a settlement offer, or other matters that are exempt from public disclosure under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas (Article X, Section 9 of the State Bar Rules), to wit:

    (a) PAZ Energy LLC v. Dallas/Fort Worth International Airport Board, City of Dallas, City of Fort Worth, Cause No. 153-237052-09

    (b) MultiRestaurant Concepts et al v. DFW International Airport Board, Cause No. 10-14465-A
    Star Concessions v. DFW International Airport Board, Cause No. 11-01526-J in re Gilbert Aranza et al, Cause No. 11-04768-G

And;

In accordance with the provisions of Section 551.087 of the Texas Government Code, a closed session was held for the purpose of discussing commercial or financial information received from a business prospect that the Airport Board seeks to have locate, stay, or expand on the airport and with which the Airport Board is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect, to wit:

(a) Discussion of Financial Business Model and Land Use Plan with Owner Cities leading to potential economic incentives to third parties

FULL BOARD

CLOSED SESSION

52. In accordance with the provisions of Section 551.071 of the Texas Government Code, a closed session was held for the purpose of seeking the Board's attorney's advice with respect to pending or contemplated litigation, a settlement offer, or other matters that are exempt from public disclosure under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas (Article X, Section 9 of the State Bar Rules), to wit:

    (a) Dallas Fort Worth International Airport Board v. Gresham, Smith and Partners, 101st District Court, Dallas County, Cause No. 10-13078

    (b) Love Terminal Partners v. U.S., Court of Federal Claims

    And;

    In accordance with provisions of Section 551.074 of the Texas Government Code, a closed session was held to discuss the qualifications or performance of identifiable Board employees, to wit:

    (c) Compensation and/or Benefits Adjustments for the Director of Audit Services

OPEN SESSION

Action Item

53. The Airport Board unanimously adopted Resolution 2011-07-215 to approve Employment Contract for the Director of Audit Services.

Discussion Items

54. There were no registered speakers unrelated to agenda items.

55. Special Board meeting – July 28, 2011
    Next Committee meetings – August 2, 2011
    Next Regular Board meeting – August 4, 2011