

DFW Airport Board of Directors Committee Meetings

Tuesday, August 3, 2021 - 12:30 p.m.

Online viewers: to enable audio:

Please dial 800-857-0891 on your phone, then enter the code 1158038#

For Agendas and Actions:

Please visit dfwairport.com/board and click on the "Official Postings" Tab

The meeting will begin shortly.
Thank you for joining us today!



Retirement/Investment Committee

August 3, 2021



Operations Committee

August 3, 2021



7. Regulated Garbage Treatment and Disposal Services

PURPOSE:

Execute Contract No. 7007105, with Stericycle, Inc., of Bannockburn, Illinois.

DESCRIPTION:

This contract supplies the equipment, transportation, sterilization, and disposal necessary to meet United States Department of Agriculture regulations for Regulated Garbage (international trash) received at Corporate Aviation and by United States Customs and Border Protection activities.

\$537,000

ACTION
AMOUNT

Operating

FUNDING
SOURCE(S)

0%

D/S/M/WBE
PARTICIPATION



8. Runway 18R Aircraft Rescue Fire Fighting Road Improvements

PURPOSE:

Authorize execution of a deductive Change Order to Contract No. 9500627, with Gilbert May, Inc. dba Phillips/May Corporation, of Dallas, Texas.

DESCRIPTION:

Final adjustments have been determined on actual quantities installed, resulting in a credit of (\$936,219).

The final Contract work quantities are field verified by the Board's Quality Assurance representatives.

(\$936,220)

ACTION
AMOUNT

Various

FUNDING
SOURCE(S)

30%

D/S/M/WBE
PARTICIPATION

9. Design and Design Management Architectural Services (without Federal Provisions)

PURPOSE:

Authorize execution of a settlement for Contract No. 8500319, with LVHKA, of Fort Worth, Texas.

DESCRIPTION:

LVHKA provided professional design services for the Terminal D South Expansion project.

This payment is due the Airport Board for design related issues associated with this project.

(\$125,000)

ACTION
AMOUNT

Joint Capital

FUNDING
SOURCE(S)

35%

D/S/M/WBE
PARTICIPATION

10. Design and Design Management Architectural Services (without Federal Provisions)

PURPOSE:

Authorize execution of a settlement for Contract No. 8500319, with LVHKA, of Fort Worth, Texas.

DESCRIPTION:

LVHKA provided professional design services for a project to replace thirty-two security/emergency exit doors at the ramp level of Skylink stations in Terminals A, B, C and E, and the Skylink Maintenance Facility.

This payment is due the Airport Board for design related issues associated with this project.

(\$84,584)

ACTION
AMOUNT

DFW Capital

FUNDING
SOURCE(S)

35%

D/S/M/WBE
PARTICIPATION



11. Curbside Barrier Installation

PURPOSE:

Authorize execution of Contract No. 9500733, with Gilbert May, Inc. dba Phillips/May Corporation, of Dallas, Texas.

DESCRIPTION:

The project will install and upgrade barriers along curbside entrances at Terminals A, B, C, and E at locations identified by the Department of Public Safety to reduce vulnerabilities and maintain building safe access.

Improving curbside barriers at these terminals will deter potential vehicular intrusions and enhance the safety of passengers and employees at Terminal entrances. New barriers will also protect the existing building structure and envelope.



\$940,333

ACTION
AMOUNT

Joint Capital

FUNDING
SOURCE(S)

20%

D/S/M/WBE
PARTICIPATION

12. Runway 18R/36L Rehabilitation

PURPOSE:

Authorize an increase and extension to Contract No. 9500698, with Austin Bridge & Road, LP, of Irving, Texas.

DESCRIPTION:

A Contract increase is requested to reinstall the medium intensity approach lighting system (MALSR) on Runway 36L.

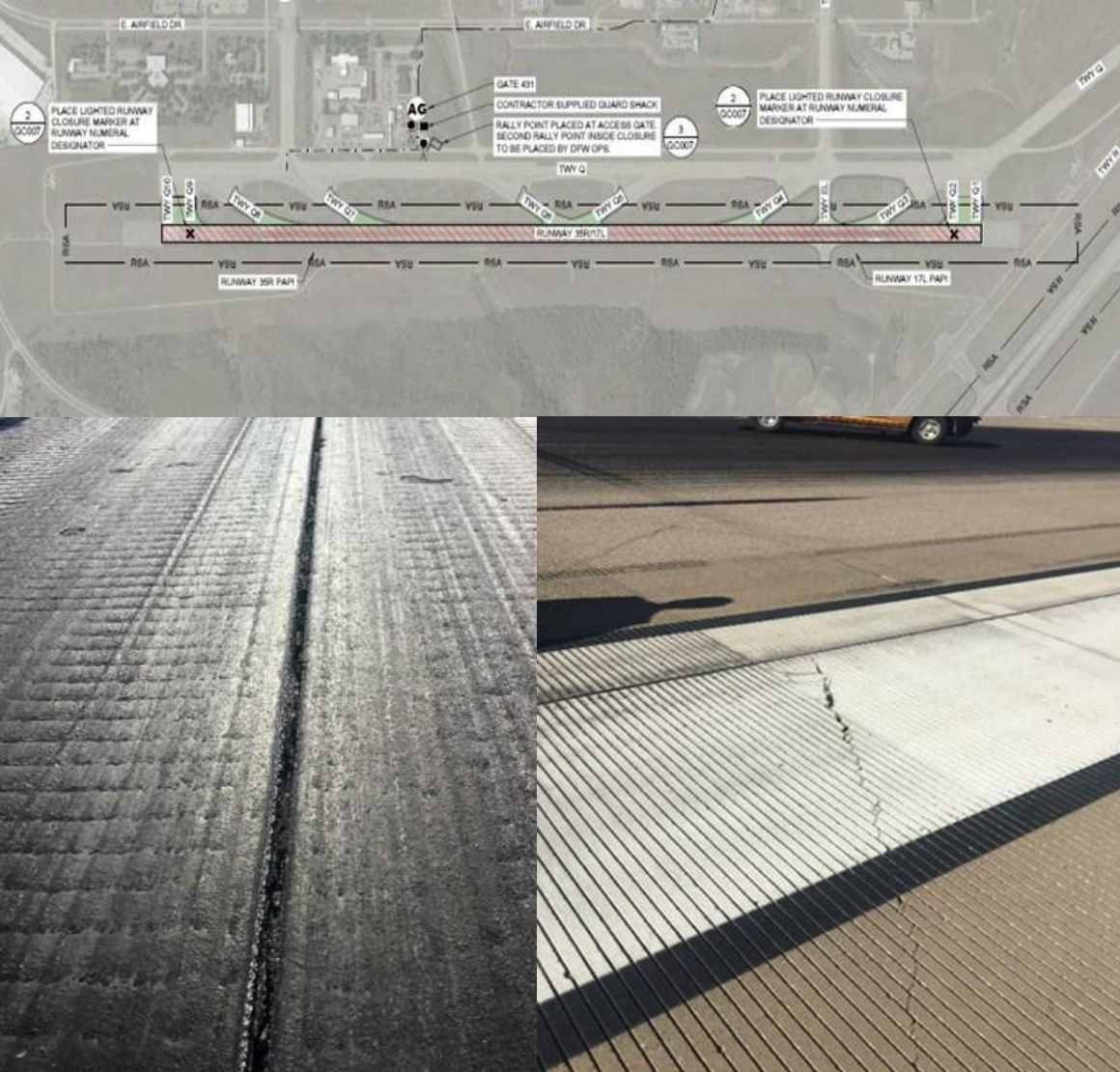
The Contract scope includes installation of the approach lighting system array and all required infrastructure such as duct bank and electrical circuitry.

Completion of this work under the Runway 18R/36L Rehabilitation Contract is the most expedient means of restoring full operational capability for Runway 36L.

\$1,500,000
ACTION
AMOUNT

Joint Capital
FUNDING
SOURCE(S)

20%
D/S/M/WBE
PARTICIPATION



13. Runway 17L/35R Joint Seal Replacement

PURPOSE:

Authorize execution of Contract No. 9500746, with Austin Bridge & Road, LP, of Irving, Texas.

DESCRIPTION:

Deteriorated pavement joint seals provide a pathway for water intrusion to the pavement subgrade which can cause differential settlement and resultant damage to pavement and subgrade materials.

Periodic replacement of joint seal material is a standard pavement maintenance practice which serves to preserve structural integrity and service life.

Contract scope includes the complete replacement of joint seals on Runway 17L/35R including asphalt shoulder joints.

\$1,773,708

ACTION
AMOUNT

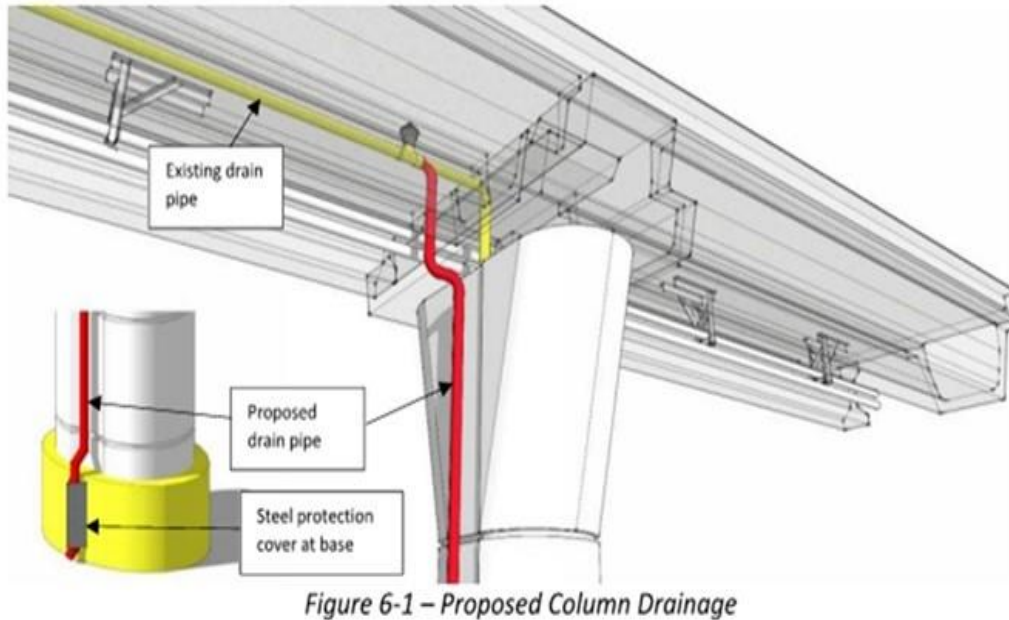
Joint Capital

FUNDING
SOURCE(S)

40%

D/S/M/WBE
PARTICIPATION

14. Skylink Structural Repairs – Column Drains



PURPOSE:

Authorize execution of Contract No. 9500734, with Holt Construction Corp., of Irving, Texas.

DESCRIPTION:

The Contract will replace internal storm sewer drains in 148 Skylink precast post-tensioned segmented bridge columns.

The column drains were inspected and found to have defects that hindered flow. Inadequate drainage presents a potential corrosion risk to the column post-tensioned tendons.

Contract scope includes replacement of all defective column drains with new externally mounted drains.

\$2,532,583	Joint Capital/Cash	38%
ACTION AMOUNT	FUNDING SOURCE(S)	D/S/M/WBE PARTICIPATION



15. Terminal D South Expansion – Construction Manager at Risk

PURPOSE:

Authorize increase of Contract No. 9500647, with APR Aviation Partners, of Irving, Texas.

DESCRIPTION:

Due to unforeseen project site conditions, additional owner requested scope, and final quantities.

Final completion of all remaining work scope is anticipated by mid-August 2021.

The overall program is approximately \$5 million under budget inclusive of this action.

\$5,303,741

ACTION
AMOUNT

Joint Capital

FUNDING
SOURCE(S)

15% / 35%

D/S/M/WBE
PARTICIPATION

CTA Expansion Program

DFW



DFW



Purpose & Need

Previously renovated Terminals A, B, and E
Terminal C systems are beyond service life

Transform 1970s terminal to 2030 modern
terminal expectations and operations

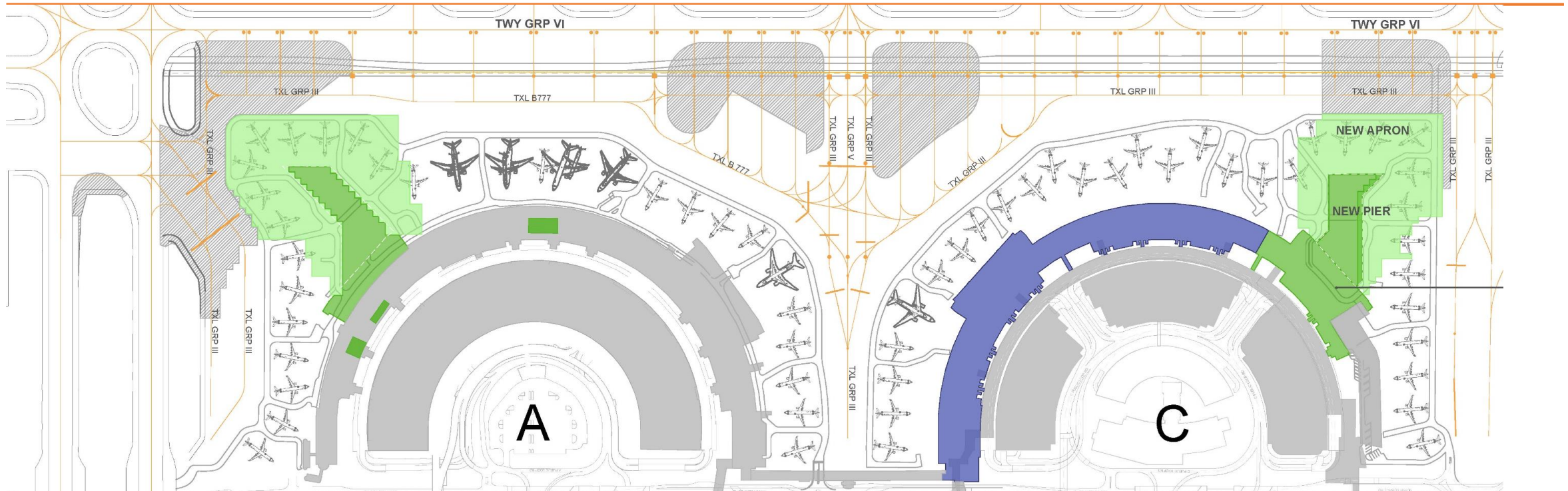
Opportunity to enhance customer experience
and concession offerings

Central location to Terminal complex provides
more efficient operations, connection times

To provide DFW and AA opportunity for growth
in the near term.



Central Terminal Area Expansion Program (Renovation of Terminal C-CMAR and Piers ~\$1.5B)



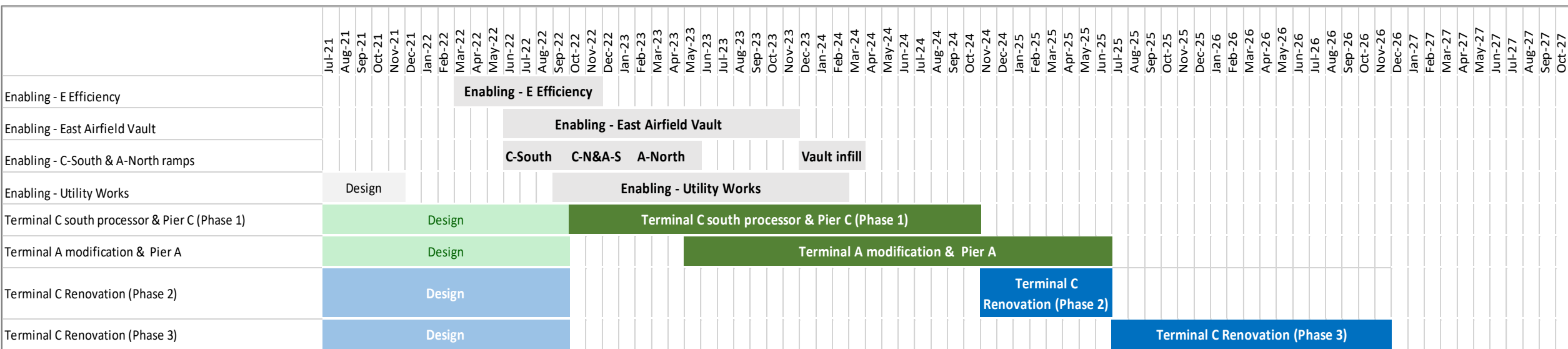
Project

Terminal C South Processor and Pier
Terminal A Modification and North Pier
Terminal C Renovations

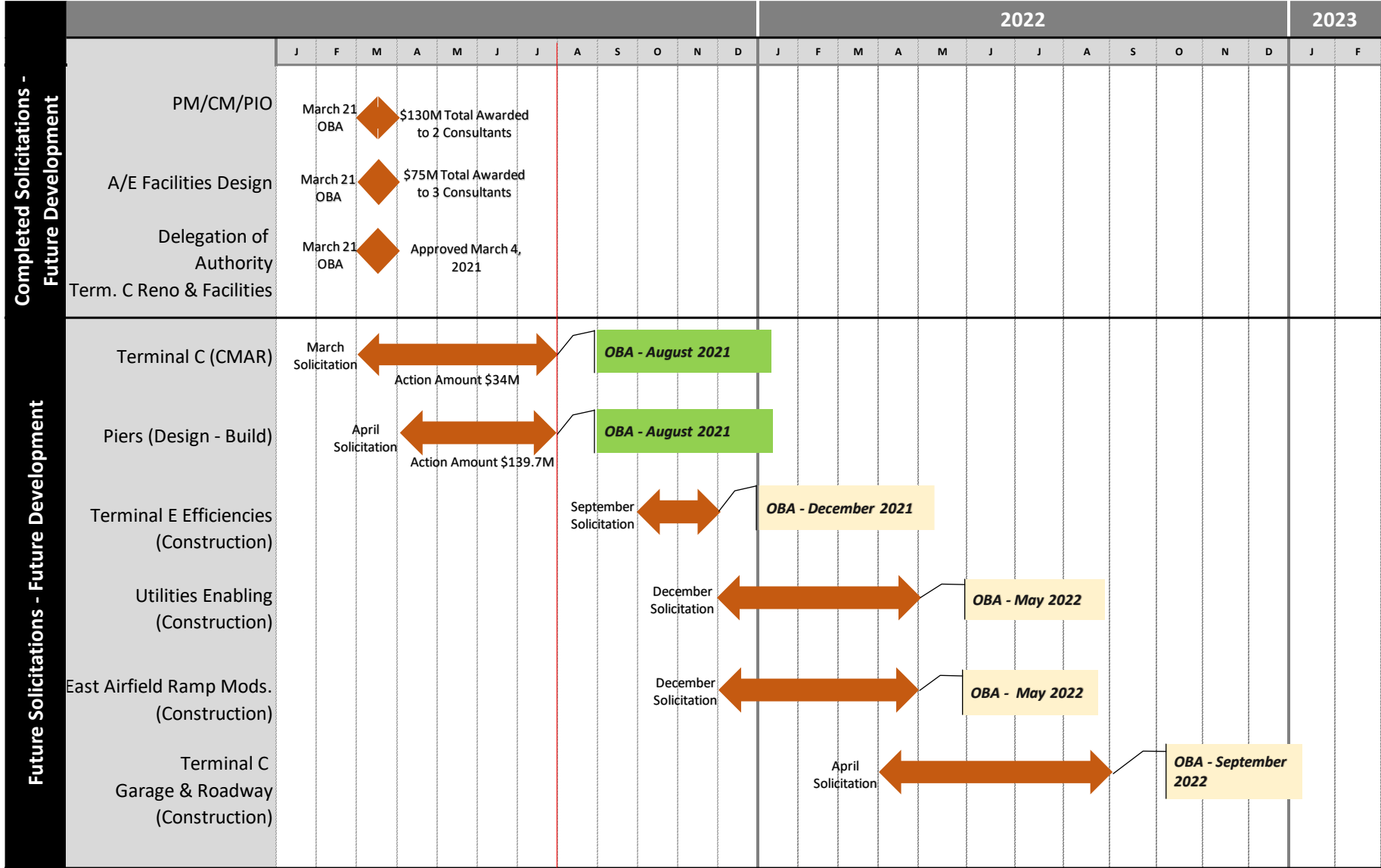
Construction Duration

October 2022 to October 2024
May 2023 to July 2025
October 2022 to December 2026

Central Terminal Area Expansion Timeline



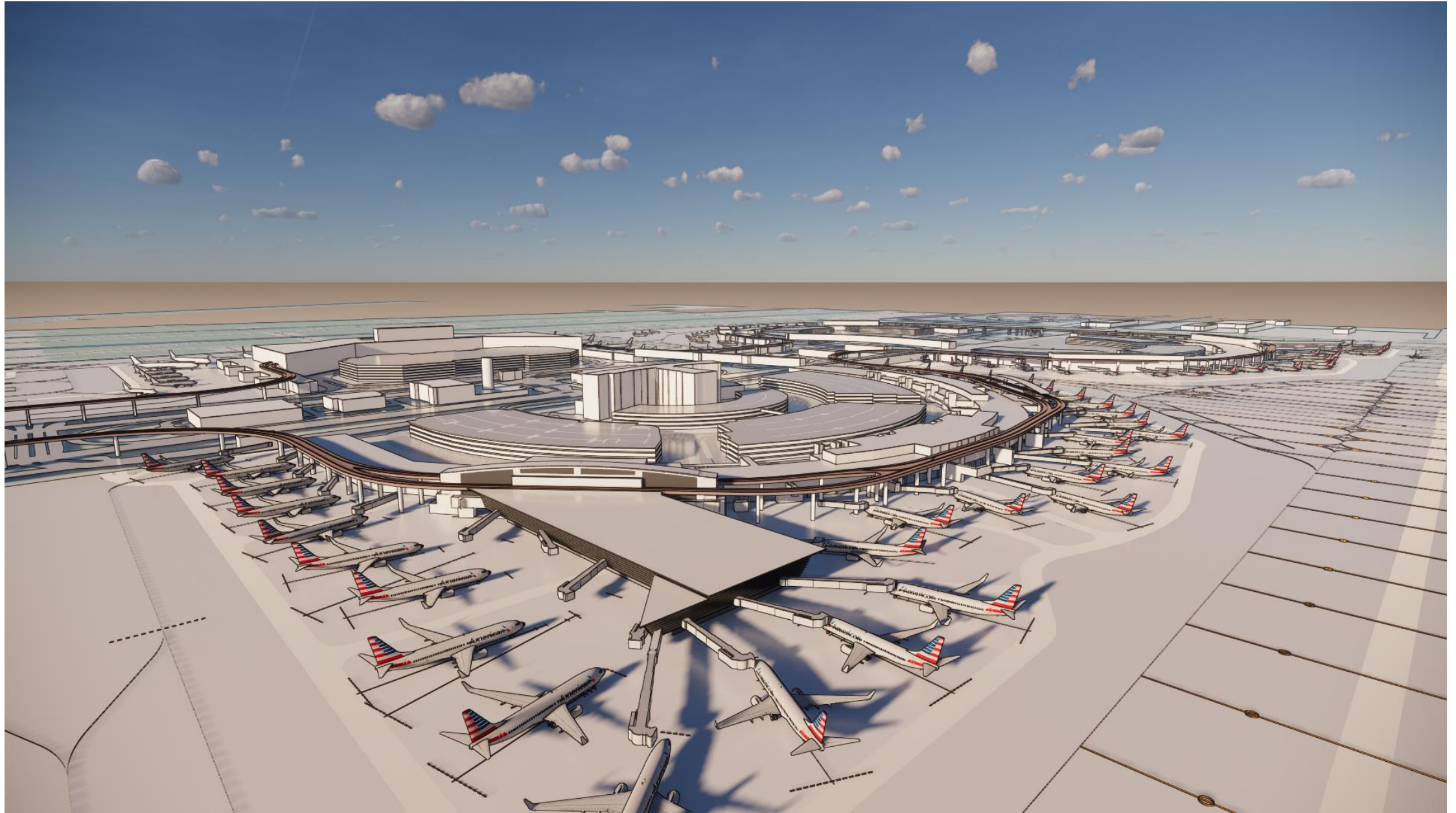
Project Delivery Services & Terminal Development Solicitations



- August OBAs:**
- **Terminal C (CMAR)**
 - **A&C Piers (DB)**

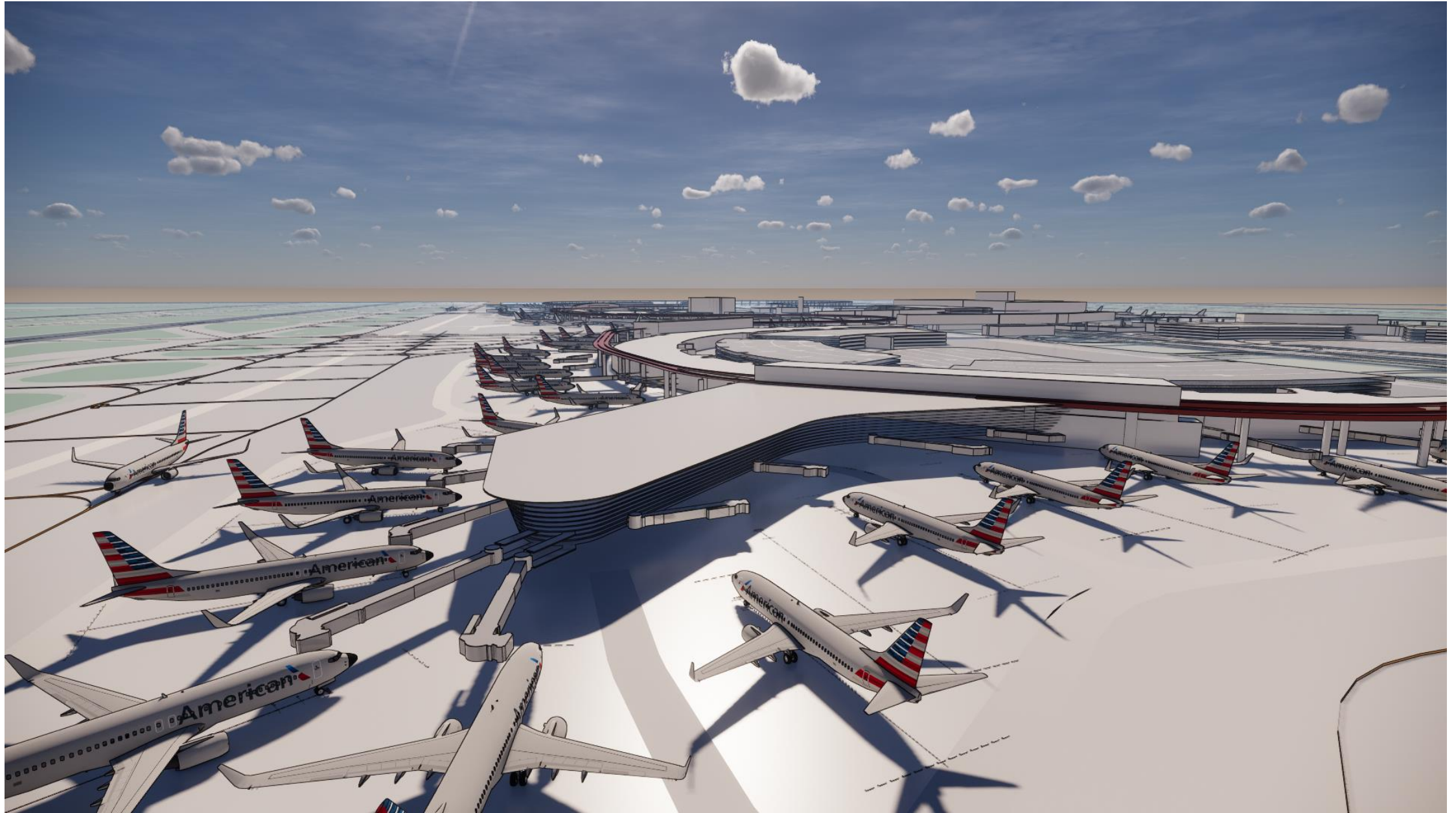
PIER C

EXTERIOR VIEW



PIER A

EXTERIOR VIEW



16. Terminal C Renovations – Construction Manager at Risk

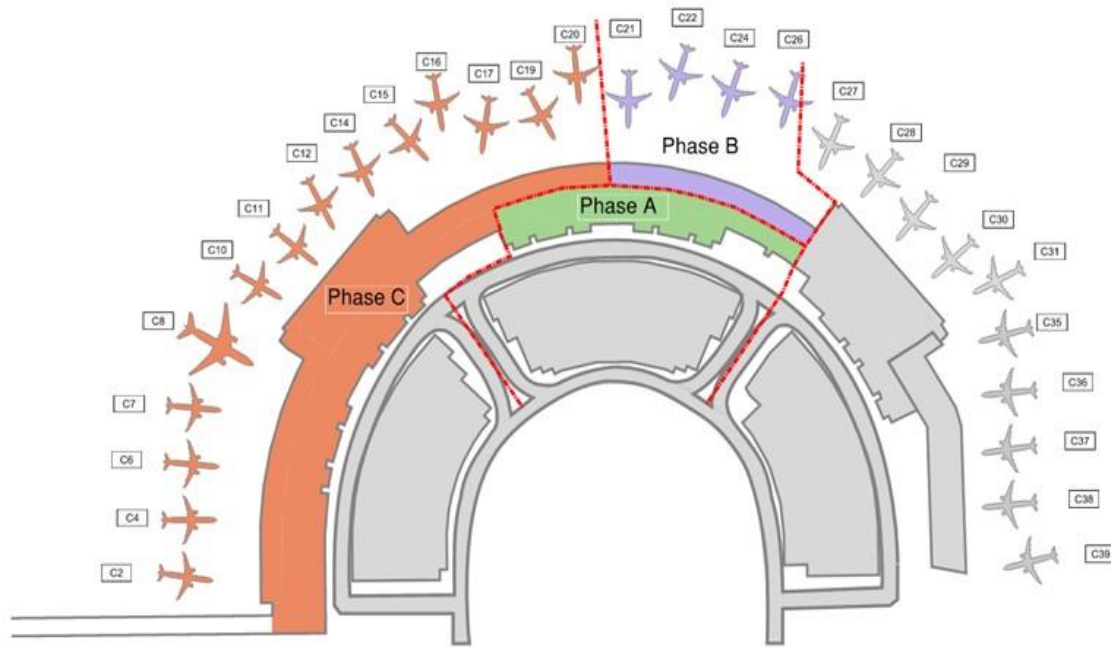
PURPOSE:

Authorize execution of Contract No. 9500758, with Suffolk-3i, A Joint Venture, of Dallas, Texas.

DESCRIPTION:

Terminal C has exceeded its useful service life and requires renewal and modernization to meet current and future operational requirements.

The Terminal C Renovation Project will update approximately 850,000 square feet of terminal space to include approximately eighteen gates between C2 and C26.



Representative Preliminary Phasing

\$33,787,048

ACTION
AMOUNT

Joint Capital

FUNDING
SOURCE(S)

15% / 30%

D/S/M/WBE
PARTICIPATION



17. Central Terminal Area Expansion Terminals A and C

PURPOSE:

Authorize execution of Contract No. 9500761, with Holder, Carcon, Source, a Joint Venture, of Addison, Texas.

DESCRIPTION:

Additional gates are needed to meet Airport capacity demand.

The Contract scope includes design, demolition, renovation and new construction utilizing modular construction methods.

This Action Amount will provide for design services for the A Pier and the C Pier (and related terminal renovation), design and construction of a Project Management Office (PMO), pre-construction services, geotechnical and site investigation, site surveying, and an Owner's Allowance.



\$139,725,000	Joint Capital	25% / 20%
ACTION AMOUNT	FUNDING SOURCE(S)	D/S/M/WBE PARTICIPATION



18. Charging Stations at the Rental Car Center Bus Maintenance

PURPOSE:

Authorize execution of Contract No. 9500754, with Holt Construction Corp., of Irving, Texas.

DESCRIPTION:

This project aims to improve ambient air quality at the Airport by installing electric vehicle charging stations at the RCC Bus Maintenance Facility. The project supports fleet electrification efforts.

The scope of this project is to install two dual port charging stations at the RCC Bus Maintenance Facility to enable the use of electric buses.

The project is a candidate for funding from the FAA Zero Emissions Vehicle (ZEV) grant program.

\$633,140

ACTION
AMOUNT

PFIC

FUNDING
SOURCE(S)

18%

D/S/M/WBE
PARTICIPATION



19. Electric Vehicles

PURPOSE:

Execute Purchase Order No. 278056, with New Flyer of America, Inc., of St. Cloud, Minnesota, and Purchase Order No. 278060, with Tesla, Inc., of Fremont, California.

DESCRIPTION:

Purchase four (4) electric buses and two (2) dual port charging stations funded with FY 2021 Zero Emissions Vehicle Grant.

Purchase six (6) electric sedans and three (3) dual port charging stations funded with FY 2020 FAA Zero Emission Vehicle Grant.

Provides the Airport with an opportunity to evaluate the inclusion of electric vehicles into the fleet.

Improves customer experience since they are quieter and have no exhaust.

The replaced vehicles will be declared surplus and sold at public auction.

\$3,504,480

ACTION
AMOUNT

Capital & PFIC

FUNDING
SOURCE(S)

0%

D/S/M/WBE
PARTICIPATION



20. Airfield Marking Services

PURPOSE:

Execute Contract No. 7007074, with Stripe-A-Zone, Inc., of Grand Prairie, Texas.

DESCRIPTION:

Replaces a contract that has been in place for six (6) years.

This service is required to maintain the airfield in accordance with Federal Aviation Administration standards.

The service will repair paint and thermoplastic markings on the surface of runways, taxiways, aprons and Aircraft Rescue and Fire Fighting roads, on an as-needed basis.

There is approximately 1,200,000 square feet of painted surface markings and 6,000 square feet of thermoplastic surface markings included in the scope of work.

\$6,424,020

ACTION
AMOUNT

Operating

FUNDING
SOURCE(S)

13%

D/S/M/WBE
PARTICIPATION



Finance/Audit Committee

August 3, 2021



KPIs and Financial Report – FY 2021

Nine months ending June 30, 2021 – Unaudited

Key Performance Indicator Scorecard

Nine months ending June 30, 2021 - Unaudited











Key Performance Indicators	FY20 Actuals YTD	FY21 Plan YTD	FY21 Actuals YTD	FY21A vs FY21P	FY21 Annual Plan **	Data As Of
<u>Business Performance</u>						
DFW CC Revenues (Ms) (Parking; GT; Concessions; RAC; CD)	\$193.9	\$179.8	\$183.0	■	\$259.9	Jun 21
Total Operating Fund Expenditure Budget (Ms)	\$727.6	\$706.1	\$688.6	■	\$963.4	Jun 21
Complete Strategic Plan	N/A	EOY	EOY	■	Complete	EOY
Rc've e-comm shipments from Int'l E-Comm Clearance Facility Pilot. *	N/A	EOY	EOY	■	Complete	EOY
<u>Customer Experience</u>						
Achieve DFW survey Overall Satisfaction score	-	4.29	4.33	■	4.29	Jun 21
Achieve DFW survey cleanliness score	-	4.30	4.35	■	4.30	Jun 21
<u>Operational Excellence</u>						
Achieve zero regulatory enforcement actions	0	0	0	■	0	Jun 21
Achieve full activation of the IOC no later than April 30, 2021. *	N/A	Complete	Complete	■	Complete	Apr 21
Complete two food waste recycling pilot projects by end of fiscal year. *	N/A	Complete	Complete	■	Complete	Jun 21
Complete DFW's first "digital twin" project for Runway18R. *	N/A	Complete	EOY	■	Complete	EOY
Develop innovation training program/100% employee participation. *	N/A	100%	EOY	■	100%	EOY
Implement electronic solicitation and evaluation process for PMM. *	N/A	Complete	EOY	■	Complete	EOY

** Plan reflects 100% Target

■ Improved/Constant
 ■ Worse
 ■ End of Year/Quarter Completion




Key Performance Indicator Scorecard

Nine months ending June 30, 2021 - Unaudited

Key Performance Indicators	FY20 Actuals YTD	FY21 Plan YTD	FY21 Actuals YTD	FY21A vs FY21P	FY21 Annual Plan **	Data As Of
<u>Safe and Secure</u>						
Reduce runway incursions: total / DFW employees only.	3 / 1	0 / 0	2 / 0		3 / 1	Jun 21
Complete biometric exit at all mainline gates operated by AA. *	N/A	Complete	EOY		Complete	EOY
<u>Community Engagement</u>						
MWBE***/DBE/ACDBE Programs	41%/31%/44%	31%/20%/33%	31%/ 32%/47%	  	31%/20%/33%	Jun 21
Achieve 85% for MWBE building/ technical assistance program. *	N/A	85%	EOY		85%	EOY
<u>Employee Engagement</u>						
Achieve employee engagement survey participation.	EOY	88%	EOY		88%	EOY
Develop and deliver Allyship workshop to all employees. *	EOY	100%	EOY		100%	EOY
Achieve Livewell participation of at least two apples *	EOY	85%	EOY		85%	EOY
<u>* Key Goals and Initiatives</u>	EOY	9 of 10	EOY		9 of 10	EOY

** Plan reflects 100% Target

*** M/WBE MIP Status: Anticipate the revised Monthly Expenditure Report format will be deployed into updated system by mid-February 2021 at which time BDDD will begin to report M/WBE Participation %

 Improved/Constant
 Worse
 End of Year/Quarter Completion



Key Performance Indicator Scorecard

Nine months ending June 30, 2021 – Unaudited

(\$ in millions)

Key Performance Indicator	Year-To-Date					FY 2021	
	FY 2020 Actuals	FY 2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)			Annual Budget
Application of CARES Proceeds	\$109.7	\$84.6	\$93.3	(\$8.7)	(9.3%)	<div></div>	\$128.3
Total Expenditure Budget	\$727.6	\$688.6	\$706.1	(\$17.5)	(2.5%)	<div></div>	\$963.4
Total Passengers (Ms)	37.49	37.39	35.83	1.57	4.4%	<div></div>	53.1
Total Landed Weights (Bs)	28.0	28.1	29.3	(1.3)	(4.3%)	<div></div>	42.0

Results Status Bar

-  Improved/Constant
-  Worse

Application of CARES Proceeds

Nine months ending June 30, 2021 – Unaudited

	Year-to-Date (\$ in millions)			
	June Actuals	June Budget	Actuals vs. Budget Favorable/(Unfavor)	
DFWCC Revenues*	\$204.4	\$205.1	(\$0.7)	(0.3%)
Airfield & Terminal Revenues*	408.9	419.9	(11.0)	(2.6%)
Total Revenues *	613.3	625.0	(11.7)	(1.9%)
Total Expenditures	688.6	706.1	17.5	2.5%
Passenger Facility Charges	72.8	69.9	2.9	4.1%
Net Variance			<u>\$8.7</u>	

* Excludes CARES revenues

DFW Cost Center

Nine months ending June 30, 2021 – Unaudited

	Year-To-Date					FY 2021
	FY 2020 Actuals	FY2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Revenues						
Parking	\$85.0	\$70.2	\$71.0	(\$0.7)	(1.0%)	\$107.6
Concessions	49.7	45.1	48.2	(3.1)	(6.5%)	69.8
Rental Car	18.7	22.3	17.6	4.7	26.4%	25.1
Commercial Development	40.5	44.6	43.0	1.6	3.7%	57.4
Other Revenues	32.9	22.2	25.3	(3.1)	(12.3%)	34.5
Total Revenues before CARES	226.8	204.4	205.1	(0.7)	(0.3%)	294.4
DFW CC Expenditures						
Operating Expenditures	97.8	80.5	84.5	(4.0)	(4.7%)	119.6
Debt Service, net	51.0	43.1	44.8	(1.7)	(3.9%)	55.3
Total Expenditures	148.8	123.6	129.3	(5.7)	(4.4%)	175.0
Gross Margin - DFW Cost Center	77.9	80.8	75.8	5.0	6.6%	119.4
Less Transfers and Skylink						
DFW Terminal Contribution	2.1	2.1	2.1	0.0	0.0%	2.8
Skylink Costs	30.0	32.7	32.7	0.1	0.2%	43.6
Net Revenues before CARES	45.8	45.9	41.0	5.0	12.1%	73.0
CARES Revenues	74.2	61.2	66.2	(5.0)	(0.1)	91.0
Net Revenues	\$120.1	\$107.1	\$107.1	\$0.0	0.0%	\$164.0

Airfield and Terminal Cost Centers

Nine months ending June 30, 2021 – Unaudited

	Year-To-Date					FY 2021
	FY 2020 Actuals	FY2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Revenues						
Landing Fees	\$65.3	\$62.6	\$65.3	(\$2.6)	(4.0%)	\$93.5
Other Airfield	8.0	9.7	8.8	0.9	10.3%	10.7
Transfer from DFW Cost Center	50.7	52.5	52.5	(0.0)	(0.0%)	70.0
Total Airfield Revenue	124.0	124.8	126.5	(1.7)	(1.3%)	174.2
Terminal Leases	249.0	248.2	248.9	(0.6)	(0.3%)	331.8
FIS Fees	12.1	10.2	9.9	0.3	3.4%	15.3
Turn Fees	12.9	10.4	17.4	(7.1)	(40.5%)	24.7
Other Terminal	17.0	13.2	15.1	(1.9)	(12.8%)	20.8
Total Terminal Revenues	291.0	282.0	291.3	(9.3)	(3.2%)	392.7
DFW Terminal Contributions	2.1	2.1	2.1	0.0	0.0%	2.8
Total Revenues before CARES	417.1	408.9	419.9	(11.0)	(2.6%)	569.7
Expenditures						
Operating Expenditures	235.3	236.7	242.3	(5.6)	(2.3%)	338.4
Debt Service, net	210.1	198.9	208.1	(9.2)	(4.4%)	268.7
Total Expenditures	445.3	435.6	450.4	(14.7)	(3.3%)	607.0
Net Income/(Loss) before CARES	(28.3)	(26.7)	(30.5)	3.7	(12.2%)	(37.3)
CARES Revenues	35.4	23.4	27.1	(3.7)	(13.7%)	37.3
Net Income/(Loss)	\$7.1	(\$3.3)	(\$3.3)	(\$0.0)	0.0%	(\$0.0)

Operating Fund – Total Expenditures

Nine months ending June 30, 2021 – Unaudited

	Year-To-Date					FY 2021
	FY 2020 Actuals	FY2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Operating Expenditures						
Salaries and Wages	\$121.1	\$118.5	\$121.1	(\$2.6)	(2.1%)	\$166.3
Benefits	52.6	53.6	55.1	(1.5)	(2.7%)	74.4
Facility Maintenance Contracts	56.9	60.1	63.0	(2.9)	(4.6%)	86.2
Other Contract Services	74.9	69.4	70.0	(0.7)	(0.9%)	96.4
Utilities	19.4	19.2	18.1	1.1	6.0%	26.1
Equipment and Other Supplies	13.2	11.8	12.6	(0.8)	(6.4%)	17.9
Insurance	4.9	6.5	7.1	(0.6)	(8.3%)	10.0
Fuels	2.4	1.6	2.2	(0.7)	(30.1%)	3.2
General, Administrative, and Other	4.2	2.7	3.5	(0.8)	(22.5%)	12.4
Change in Operating Reserves	8.1	2.2	2.2	0.0	0.0%	2.2
Total Operating Expenditures	357.5	345.5	354.9	(9.4)	(2.6%)	495.2
Debt Service, gross	370.1	343.1	351.2	(8.1)	(2.3%)	468.2
Total Operating Fund Expenditures	\$727.6	\$688.6	\$706.1	(\$17.5)	(2.5%)	\$963.4

31. Executive Search Firm Services

PURPOSE:

Execute Contract No. 8005438 with Pearson Partners International, Inc. and Contract No. 8005445 with ADK Consulting, Inc.

DESCRIPTION:

Pearson Partners International, Inc. will conduct the search for the Director of Audit Services under the direction of the Board of Directors, and other professional senior level positions as requested by the Human Resources department.

ADK Consulting, Inc. will conduct searches primarily for positions requiring previous aviation or airport industry experience.

\$1,200,000

ACTION
AMOUNT

Operating

FUNDING
SOURCE(S)

20%

D/S/M/WBE
PARTICIPATION

32. Investment Account with Texas Cooperative Liquid Assets Securities System (CLASS)

PURPOSE:

That the Investment Officers be authorized to enter into a trust agreement with CLASS to open a Local Government Investment Pool (LGIP) account.

DESCRIPTION:

LGIP’s that focus on safety, liquidity, and yield are provided for in the Public Funds Investment Act.

Texas CLASS Trust is an established LGIP with \$13.4 billion under management at the end of June 2021.

All invested funds will be available daily, similar to a Money Market Investment.

Utilizing an account with Texas CLASS will increase interest earning on short-term investments.

N/A

ACTION
AMOUNT

N/A

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION

33. Use of FY 2021 Contingency for Contribution to General Employee Retirement Plan

PURPOSE:

Authorization to use \$10 million of Board Contingency that was included in the Approved FY 2021 Budget for an additional contribution to the DFW General Employee Defined Benefit Retirement Plan.

DESCRIPTION:

On April 1, 2012¹, the Board approved an amendment to the General Employee Retirement Plan providing certain enhanced benefits. 150 employees were estimated to retire with an estimated increase in the unfunded liability of \$24.7 million. Actual results are 212 employees retiring, resulting in an increase of \$40.7 million instead of \$24.7 million.

This also reduced the Plan’s funding ratio below the percent projected and below the DPS Plan’s ratio.

The additional contribution will increase the Plan’s funding ratio closer to the original estimate and approximately equal to the Department of Public Safety Retirement Plan’s funding ratio.

\$10,000,000	Operating	N/A
ACTION AMOUNT	FUNDING SOURCE(S)	D/S/M/WBE PARTICIPATION

FY 2022 Budget Overview

Finance/Audit Committee

August 3, 2021



Agenda



Overview

Expenditures

DFW Cost
Center

Airline Cost
Centers

FY22 Budget Overview*

FY22 passenger budget – 67.2 million

- 26.5% increase

FY22 expenditure budget - \$1.04 billion

- 6.0% increase – total budget
- 11.3% increase – operating budget
- 0.3% increase – debt service budget (refunding savings have offset new debt service on almost \$1 billion of debt issued in FY21/22 for capital projects)

DFW Cost Center revenues – \$370.5 million

- 25.9% increase (\$76.2 million)

Airline cost – \$469.5 million

- Flat

Cost per enplanement – \$13.70

- 20.3% decrease (\$3.58)



* All comparisons in this presentation are to the FY21 Budget, unless stated otherwise

FY22 Budget Overview, continued

Federal Relief Proceeds (FRP)

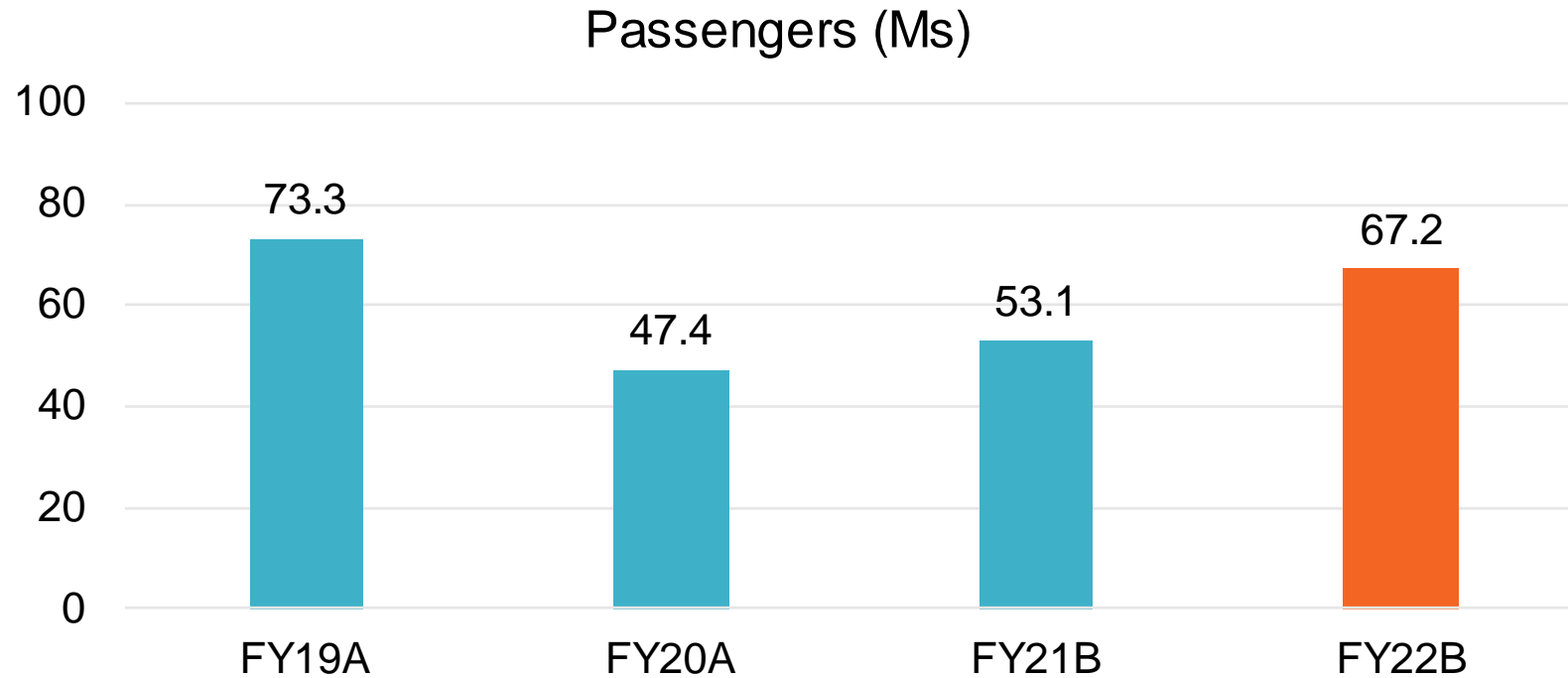
- Utilizing \$112.4 million in FY22 budget
- Keeps airline rates and charges flat to FY21 at \$94.6 million
- Keeps DFW Capital Net Revenues and transfer to the DFW Capital Account relatively flat

Will provide \$30.7M of FRPs for concessionaire relief through billing credits



Passenger Forecasts

DFW is recovering faster than most airports. FY22 Passenger budget is 67.2 million, a 26.5% increase over the FY21 Budget and 8.3% less than FY19 actual (pre-pandemic). Full recovery expected in FY23.



FY22 Expenditure Budget

Expenditure Budget

FY22 Budget is \$1.04 billion, a \$58.8 million (6.0%) increase from FY21 budget.

FY22 operating expense budget reflects cost increases primarily related to:

- Increased passengers
- Return to more-normal pre-COVID conditions
- Fixed contract increases
- Technology/digital investments

Total FY22 budget up \$28.7 million from pre-pandemic levels in FY 2019; a 0.9% CAGR* increase



Annual Expenditure (in Millions)	FY21 Budget	FY22 Budget	FY21 vs FY22	
			Increase (Decrease)	
			\$	%
Operating expenses	\$509.4	\$566.9	\$57.5	11.3%
Gross debt service	468.2	469.5	1.3	0.3%
Total expenditures budget within rate base	\$977.5	\$1,036.4	\$58.8	6.0%

Operating Expense Budget Walkforward

2021 Budget to 2022 Budget Walkforward

	Millions
FY 2021 Budget	\$509.4
Employee related increases	6.0
Customer related increases	21.8
Contract increases	19.2
ITS / Digital	12.0
Restore budgets to prepandemic levels	10.6
Operating reserve	7.1
Cost savings/budget reductions	(19.0)
Total Increase	57.5
FY 2022 Budget	<u><u>\$566.9</u></u>

Increased costs associated with:

- Merit/step increases
- Passengers almost returning to FY19 levels
- Fixed contract increases
- ITS/digital investments
- Restoring budget to FY19 levels
- Funding 3-month operating reserve

Budget savings relates to

- One-time pension contribution in FY21 (\$10M)
- Lower required pension costs (\$2.7M)
- Not backfilling 49 positions (\$4.6M)
- Higher vacancies assumed (\$1.5M)

Employee Related Increases - \$6.0 million

Merit pool of 3.5% plus 0.5% lump sum, DPS step increases, DPS general increase (\$4.4 million)

Healthcare increases (\$1.1 million)

Overtime increases (\$0.5 million)



Customer Related Increases - \$21.8 million

Customer Related Increases

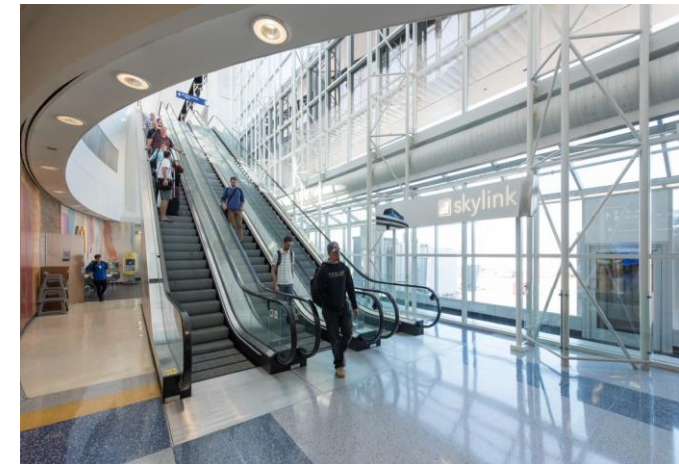
Busing	\$ 7.3
Custodial/strike team and supplies	3.1
Conveyances/window cleaning	3.1
Baggage cart services and other	2.6
Contract labor	2.5
Marketing/advertising	1.4
Lost and found/PPO services	1.0
Wheelchair assistance	0.7
Total Customer Related Increases	<u>\$ 21.8</u>



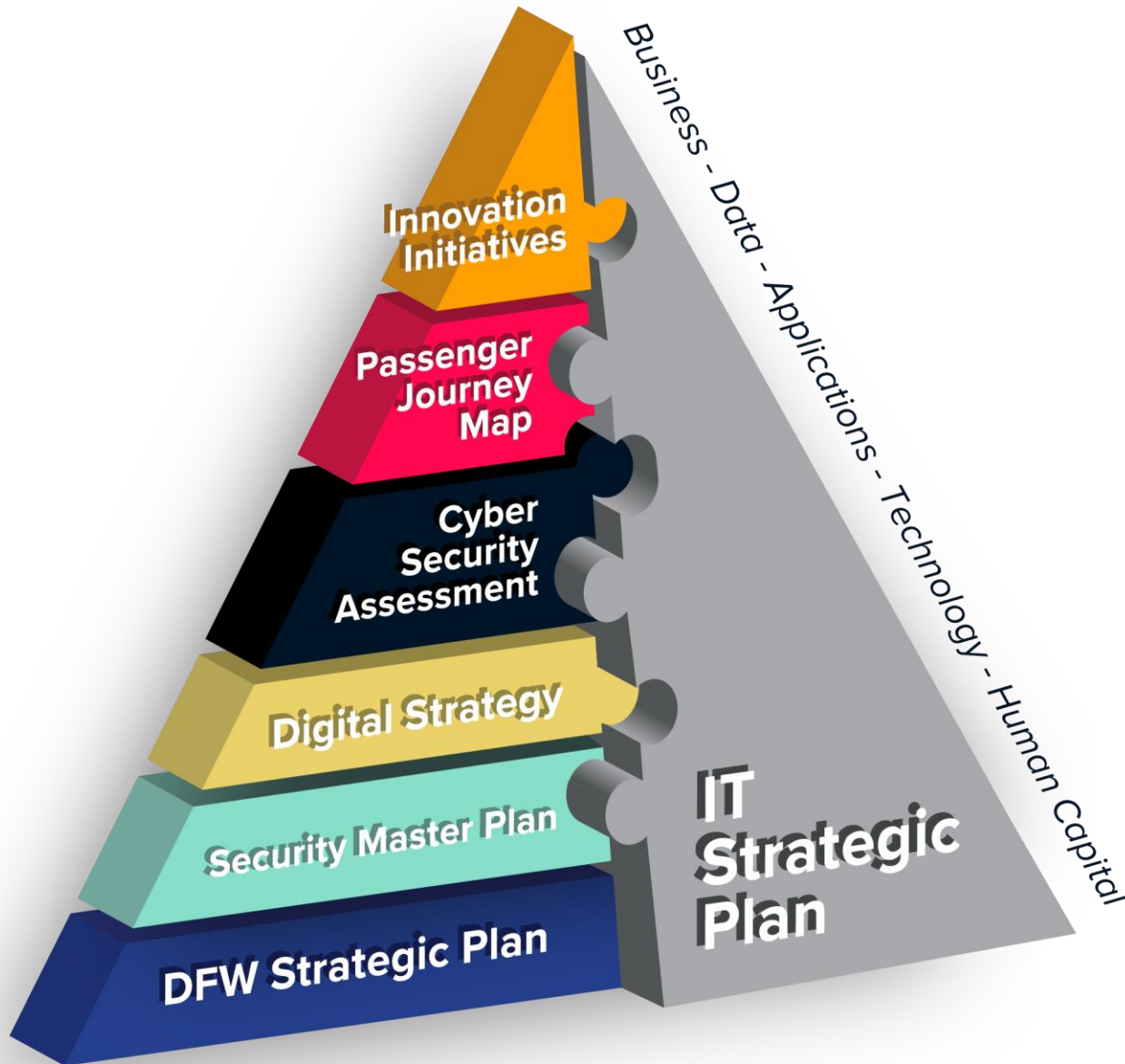
Fixed Contract Increases – \$19.2 million

Contract Increases

Facility maintenance/baggage	\$ 5.3
Custodial pay rate increase	4.4
New Skylink maintenance contract	4.3
Utilities	1.9
Property casualty insurance premiums	1.7
HR services and recruiting	1.6
Total Contract Increases	<u>\$ 19.2</u>



Technology / Digital - \$12.0 million



Technology contract increases (\$8.6 million):

- Cloud services
- Digital platform: mulesoft and azure
- IOC situational awareness software
- Honeywell fire alarm system
- Voxai call center / chatbot
- Public address / voice evacuation
- Distributed antenna system / radios
- Disaster recovery software

Professional services/staff augmentation (\$2.6 million)

- Cyber security projects
- Project managers
- Reset to pre-pandemic levels

Upgrade to 10G / equipment (\$0.8 million)

Restore Budgets to Pre-COVID Levels - \$10.6 million

Restore training, business development and G&A (\$3.0 million)

Restore environmental, planning and commercial development professional services (\$2.4 million)

Restore asset management and other services and supplies (\$2.5 million)

Contingency:

- Restore CEO contingency inside the rate base to \$8.0 million (\$2.6 million)
- Maintain Board approved contingency outside the rate base at \$10 million
- Eliminate passenger driven contingency outside the rate base (was \$8 million in FY21)



Federal Relief Proceeds and DFW Cost Center



Federal Relief Proceeds (FRP) Summary

The FY22 Budget includes the \$112.4 million of FRP to keep rates flat, plus \$30.7 million for concessions relief; leaving approximately \$161.3 million for the future.

Federal Relief Proceeds Available	Debt	Conc	Total
CARES	\$ 299.2	\$ -	\$ 299.2
CRRSA	52.6	7.7	60.3
ARPA	221.1	30.7	251.8
Total Federal Relief Available	<u>\$ 572.9</u>	<u>\$ 38.4</u>	<u>\$ 611.2</u>
FRP Projected Uses			
FY20 and FY21	\$ 299.2	\$ 7.7	\$ 306.9
FY22 budget	112.4	30.7	143.1
Available for future	161.3	-	161.3
Total FRP Projected Uses	<u>\$ 572.9</u>	<u>\$ 38.4</u>	<u>\$ 611.2</u>

DFW Cost Center Net Revenues

Federal Relief Proceeds utilized to keep net revenues and the transfer to the DFW Capital Account relatively flat. Total revenues 7.2% less than FY19.

DFW Cost Center (in Millions)	FY19 Actual	FY21 Budget	FY22 Budget	FY21 vs FY22	
				Increase (Decrease) Amount	Percent
Revenues					
Parking	\$178.7	\$107.6	\$145.1	\$37.6	34.9%
Concessions	80.0	58.7	80.4	21.7	37.0%
Advertising	14.2	11.1	14.8	3.6	32.4%
Rental Car (RAC)	33.5	25.1	33.4	8.3	33.0%
Commercial Development	49.7	57.4	64.4	7.0	12.3%
Miscellaneous Revenue	43.3	34.5	32.5	(2.1)	(0.0%)
Subtotal	399.4	294.4	370.5	76.1	25.9%
Federal Relief Proceeds	0.0	97.4	41.1	(56.3)	(57.8%)
Total Revenues	399.4	391.7	411.6	19.9	5.1%
Less Expenses and Net Debt Service	247.0	227.8	248.6	20.8	9.1%
Total Net Revenues	\$152.4	\$164.0	\$163.1	(0.9)	(0.5%)
Allocation of Net Revenues					
Transfer to Airfield Cost Center	\$70.5	\$70.0	\$67.5	(2.5)	(3.5%)
DFW Capital Account	81.9	94.0	95.6	1.6	1.7%
Total Net Revenues	\$152.4	\$164.0	\$163.1	(0.9)	(0.5%)

Parking and TNC

Parking rates were last increased for all products in FY2016 (six years ago).

Terminal Parking rates increase from \$24 to \$27 – customers have Prepaid Parking option for lower rates

Return Express Covered rates to pre-pandemic levels in May 2022 (from \$10 - \$12 to \$12 - \$15)



Airline Cost Centers

Airfield Cost Center

Federal Relief Proceeds are utilized in amounts necessary to keep the landing fee rate the same as the FY20 and FY21 Budgets.

Airfield CC (in Millions)	FY20 Actuals	FY21 Budget	FY22 Budget	FY21 vs FY22	
				Increase (Decrease) Amount	Percent
Revenues					
Landing Fees	\$85.3	\$93.5	\$99.4	\$5.9	6.3%
Transfer from DFWCC	70.5	70.0	67.5	(2.5)	(3.5%)
Federal Relief Proceeds	28.9	18.1	0.0	(18.1)	(100.0%)
Other	11.8	10.7	12.0	1.2	11.5%
Total Revenues	196.4	192.3	178.8	(13.5)	(7.0%)
Expenditures					
Operating Expenses	99.1	108.4	107.2	(1.2)	(1.1%)
Net Debt Service	97.3	83.9	71.6	(12.3)	(14.6%)
Total Expenditures	196.4	192.3	178.8	(13.5)	(7.0%)
Net Airfield Revenue	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Landing Fee Rate	\$2.23	\$2.23	\$2.23	\$0.0	0.0%

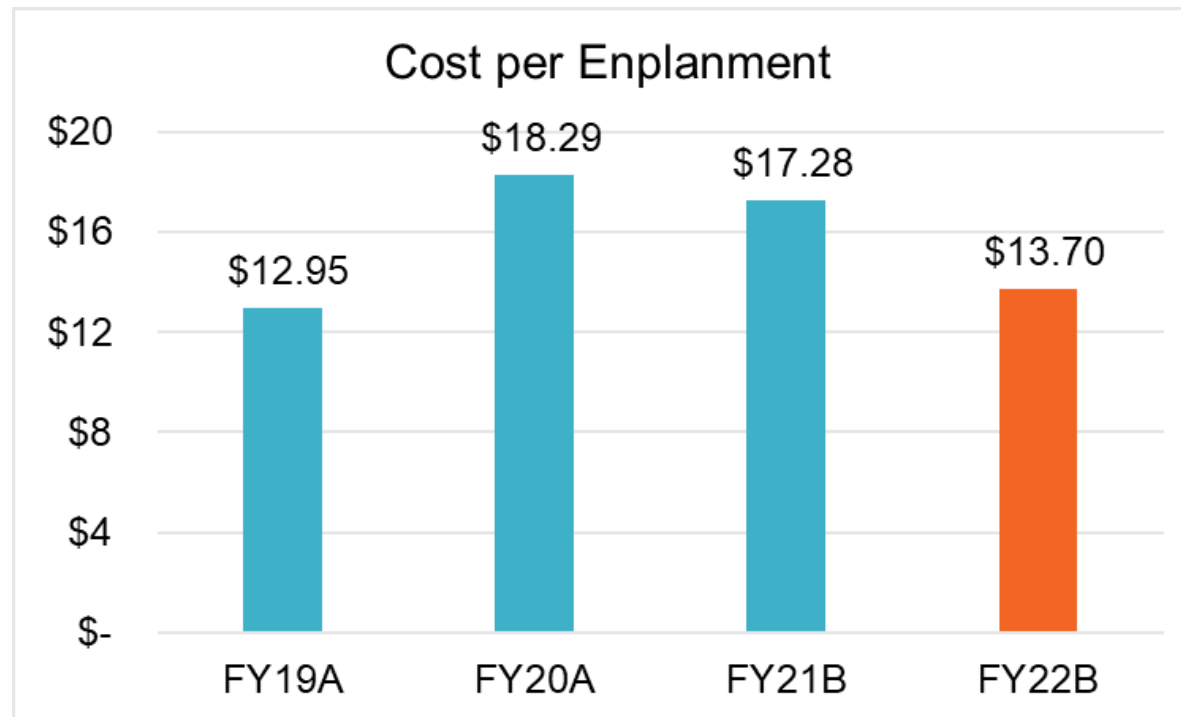
Terminal Cost Center

Federal Relief Proceeds have been used to keep terminal rental rates constant with the FY20 and FY21 Budgets.

Terminal CC (in Millions)	FY20 Actuals	FY21 Budget	FY22 Budget	FY21 vs FY22	
				Increase (Decrease) Amount	Percent
Revenues					
Terminal Leases	\$332.1	\$331.8	\$326.7	(5.1)	(1.5%)
FIS Fees	13.9	15.3	17.4	2.1	13.4%
Turn Fees & Office Rents	19.0	27.9	25.3	(2.6)	(9.3%)
Other Revenues and Transfers	21.2	20.4	21.6	1.2	6.0%
Federal Relief Proceeds	7.6	27.0	71.3	44.3	n/m
Total Revenues	393.8	422.5	462.4	39.8	9.4%
Expenditures					
Operating Expenses	213.5	237.8	269.4	31.6	13.3%
Net Debt Service	172.5	184.7	193.0	8.3	4.5%
Total Expenditures	386.0	422.5	462.4	39.8	9.4%
Net Terminal Revenue	\$7.8	\$0.0	\$0.0	\$0.0	0.0%
Terminal rental rate per sq. ft.	\$307	\$307	\$307	\$0	0%

Cost Per Enplanement (CPE)

CPE decreases due to passengers growing faster (26.5%) than airline costs (0.1%).



Wrap-Up

Summary

DFW is recovering from COVID-19.

Passengers increase 26.5%

Budget increase is \$58.8 million (6.0%)

Airline cost, landing fees and terminal rents flat

Cost per enplanement at \$13.70, down 20.3%

Concessionaires to receive billing credits of \$30.7 million from Federal Relief Proceeds

DFW Cost Center revenues up \$76.1 million (25.9%)

DFW Capital Account transfer \$95.6 million



OBA – Approval of Budget to be Sent to the Cities

Final budget approval by the DFW Board will be requested in September to allow 45 days for airline comment period.

Annual Expenditure (in Millions)	FY21 Budget	FY22 Budget	FY21 vs FY22	
			Increase (Decrease)	
			\$	%
Operating expenses	\$509.4	\$566.9	\$57.5	11.3%
Gross debt service	468.2	469.5	1.3	0.3%
Total expenditures budget within rate base	\$977.5	\$1,036.4	\$58.8	6.0%
Board contingency outside rate base	10.0	10.0		
Passenger driven contingency outside rate base	8.0	-		
Total Budget with Contingency	\$995.5	\$1,046.4		

OBA – FY22 Schedule of Charges

Use agreement extended on a month-to-month basis.

Rates designed to achieve revenues projected in the Annual Budget

Rates become effective October 1, 2020

Rates may be revised during fiscal year with CEO approval

No increase in landing fees or terminal rents per sq. ft.

\$3 terminal rate increase in parking

Board has received redline version of Schedule of Charges for quick reference

Final approval will be requested in September



Questions?



35. Tableau Software License and Maintenance



PURPOSE:

Ratify Contract No. 707092 with SHI Government Solutions, Inc., of Austin, Texas in support of the Airport's technology program.

DESCRIPTION:

This Contract will be for 10-months and will allow continuation of Tableau's visual analytics platform.

ITS is working on a new competitive solicitation that will replace a Contract that has been in place for four years.

The future solicitation will include an increase in licenses that aligns with the growth of the Airport's Technology program.

Tableau allows the Airport to provide reporting and analytics to the Integrated Operations Center (IOC) as well as the rest of the Airport.

Tableau is essential to the IOC to provide dashboards and analytical reports with real-time or near real-time data to facilitate quicker and better decisions.

\$92,501

ACTION
AMOUNT

Operating

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION

36. MuleSoft Software License and Professional Services



PURPOSE:

Award Contract No. 805427 with Miracle Software Systems, Inc., of Novi, Michigan in support of the Airport's technology program.

DESCRIPTION:

Replaces an existing Contract that has been in place for three years.

Software supports the integration of data feeds from airlines and other business partners that support Airport systems such as baggage reconciliation, flight information displays, and safe docking.

Helps facilitate complex system integrations required to support the Airport's Digital Strategy.

\$2,117,997

ACTION
AMOUNT

Operating/Capital

FUNDING
SOURCE(S)

31% Goal

D/S/M/WBE
PARTICIPATION

Concessions/ Commercial Development Committee

August 3, 2021



41. Re-Concept Lease No. 008654 and 008653

PURPOSE:

Re-concept Soybu (Terminal B, Gate 28) and Travel + Leisure (Terminal B, Gate 27), into Hudson Nonstop and Decanted Wine Bar and Café.

DESCRIPTION:

Hudson Nonstop, powered by Amazon's Just Walk Out technology, will revolutionize the shopping experience for our passengers offering a 24-hour cashierless experience. Terminal B is currently underserved with food and alcohol based on passenger projections.

The term for both leases will increase to a new 10 year term beginning 90 days from the closure of the current locations.

This action is an exception to Concessions Policy, 2.2.1 (F); the combined term will be in excess of 10 years.

N/A

ACTION
AMOUNT

N/A

FUNDING
SOURCE(S)

Existing
Commitments
Apply

D/S/M/WBE
PARTICIPATION

43. DART Silver Line Easement, Operating Agreement and Compensation Agreement

PURPOSE/DESCRIPTION:

Easement Request

DART is bringing rail from Plano to Terminal B, along the Cotton Belt, and then with a spur line south.

DART and Trinity Metro (TM) have agreed to share TM’s existing easement from the DFW North Station to Terminal B.

We need the Owner Cities to approve an easement for 11 slivers of land to augment Trinity Metro’s easement into Terminal B and to augment DART’s Cotton Belt right of way.

Joint Operating Agreement Amendment

Both DART and TM will agree to be jointly and severally liable for environmental obligations in the shared easement areas and for any other liability where individual fault is not ascertainable.

Compensation Agreement

DART will pay \$3,723,446 to the Airport Board for the easement.

DART will build an at-grade crossing of the Cotton Belt at DPS Station 6 to facilitate DPS access north of the Cotton Belt.

The Board will pay DART approximately \$1.5 for the construction cost of the crossing.

DART will agree to pay the Board half the cost of a future grade-separated crossing of the spur lines at Dallas Road. This will provide access to the severed parcel east of the spur lines. TM already agreed to pay half.

N/A

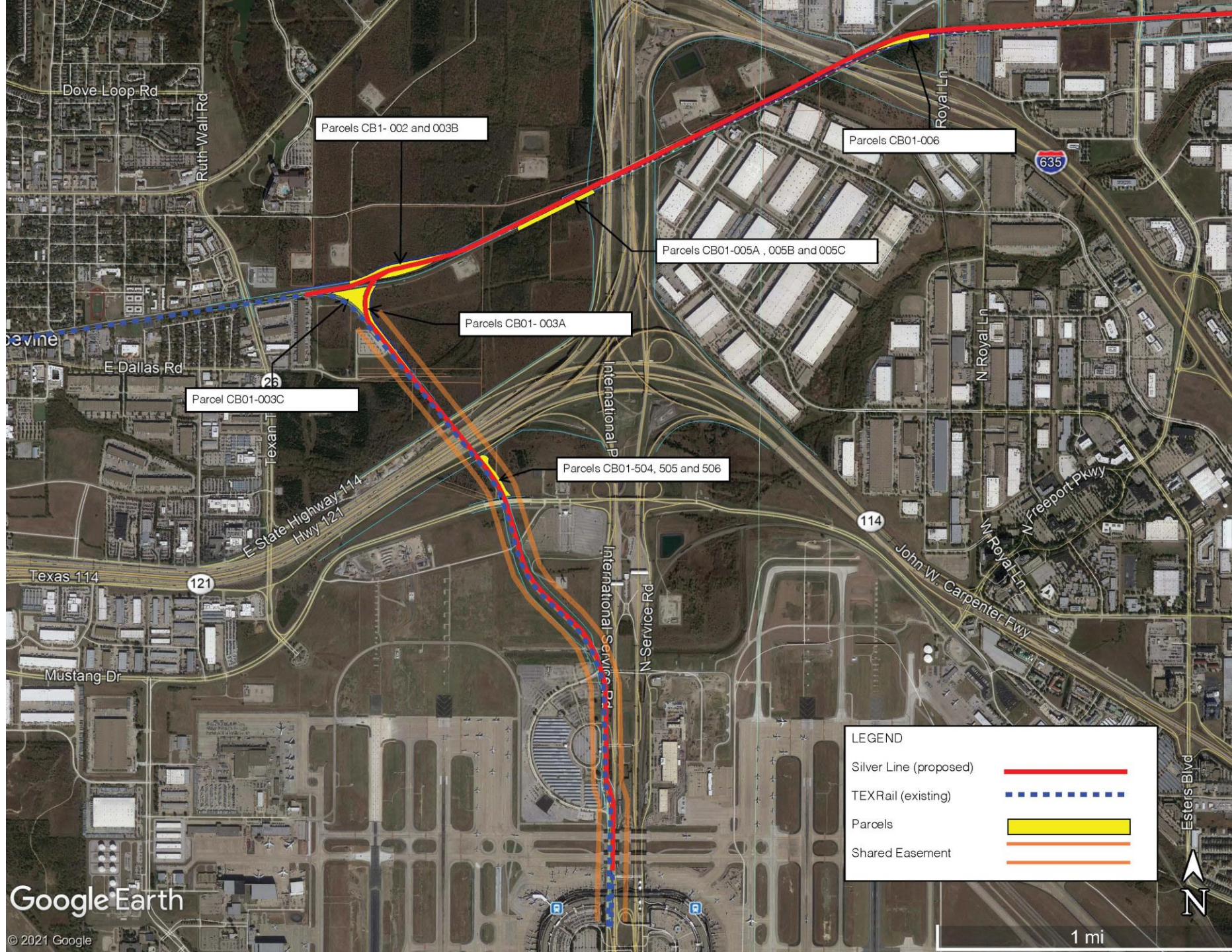
ACTION
AMOUNT

N/A

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION



Google Earth

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DFW

Thank You