

**DALLAS FORT WORTH INTERNATIONAL AIRPORT  
Committee Meetings  
November 30, 2021**

**Retirement/Investment Committee – 12:30 p.m.  
Operations Committee - 12:45 p.m.  
Finance/Audit Committee – 12:55 p.m.  
Concessions/Commercial Development Committee – 1:00 p.m.  
Executive Compensation Committee – 1:05 p.m.**

**Meeting Place  
2400 Aviation Drive  
Board Room – DFW Headquarters Building  
DFW Airport, Texas 75261**

Please be aware that due to COVID-19 restrictions, seating will be limited in the Airport Board Room. An overflow room will be set up. A face mask must be worn at all times. Please also observe social distancing while in the building. Should you wish to attend virtually, please follow the instructions below:

**Public Listening:**

**To enable video:**

1. On your computer or tablet device, open the following link:  
<https://e-meetings.verizonbusiness.com/nc/join.php?i=PWXW2472229&p=1158861&t=c>
2. It is best if you use Google Chrome or download the WebEx Software to your device.
3. Google Chrome may ask you to install a WebEx extension, please do install it.
4. Until the meeting begins, you may not see any video or may see a blank screen.

**To enable audio:**

1. On your phone please dial **800-779-1640**.
2. When prompted, enter the code **1158861#**.
3. You will then hear the audio of the meeting. Please note that it may be silent until the meeting begins.

This meeting location is accessible. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting by contacting Donna Schnell at 972 973-5752 or [BoardSecretary@dfwairport.com](mailto:BoardSecretary@dfwairport.com) or T.D. 1-800-RELAY-TX (1-800-735-2989) for information or assistance.

For DFW Airport Board Meeting information or to register to speak at a Board Meeting please call the board secretary at 972 973-5752 by 5:00 p.m. the day before the meeting.

Consent Agenda – all items under this heading are a part of the Consent Agenda and require little or no deliberation by the Board. Approval of the Consent Agenda authorizes the Chief Executive Officer or his designee to implement each item in accordance with staff recommendation.

A closed executive session may be held with respect to a posted agenda item if the discussion concerns one of the following:

1. Contemplated or pending litigation or matters where legal advice is requested of the Board's Legal Counsel. Texas Government Code Section 551.071.
2. Discussion concerning sale or lease of real property, or negotiated contracts for donations to the Board, when such discussions would have a detrimental effect on the negotiating position of the Board. Texas Government Code Section 551.072.
3. Personnel matters involving discussions of the qualifications or performance of identifiable individuals already employed or being considered for employment by the Board. Texas Government Code Section 551.074.
4. The deployment, or specific occasions for implementation, of security personnel or devices. Texas Government Code Section 551.076.

**AGENDA**  
**RETIREMENT/INVESTMENT COMMITTEE MEETING**  
**Tuesday, November 30, 2021**  
**12:30 p.m.**

**RETIREMENT/INVESTMENT COMMITTEE**

1. Approve Minutes of the Retirement/Investment Committee Meeting of August 31, 2021.

**Discussion Item**

2. Quarterly Investment Report – Tony Kay, AndCo Consulting.

**Action Items for Consideration**

- |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| James Mauldin | <ol style="list-style-type: none"><li>3. Approve an Asset Management Agreement with Artemis Real Estate Partners for their Artemis Fund VI, in a commitment amount of \$10 million.</li><li>4. Approve full redemption of the investment in the Ivy International Core Equity Fund.</li><li>5. Approve an Asset Management Agreement with Riverside Investment Management for their Riverside Micro-Cap Fund VI, in a commitment amount of \$7.5 million.</li><li>6. Approve ratification of management's election to liquidate the Retirement Trust's investment in the MC Seamax Shipping Opportunities Fund effective November 29, 2021.</li></ol> |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Investment Performance Review  
Period Ending September 30, 2021

## Dallas / Ft. Worth International Airport

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# Dallas / Fort Worth International Airport

## Total Portfolio Walkforward

in \$Millions

	Total	Pension	OPEB
Balance 1/1/2021	\$ 863.4	\$ 829.1	\$ 34.3
Contributions	\$ 11.9	\$ 11.9	\$ -
Distributions	\$ (35.0)	\$ (33.5)	\$ (1.5)
Fees and Expenses	\$ (6.2)	\$ (6.2)	\$ (0.0)
Income	\$ 12.9	\$ 12.5	\$ 0.4
Asset Appreciation	\$ 72.9	\$ 70.5	\$ 2.4
Balance 9/30/2021	<u>\$ 919.9</u>	<u>\$ 884.3</u>	<u>\$ 35.6</u>

## Executive Summary - Portfolio Performance vs Goals

- **Goal #1 - Gross returns should exceed the benchmark portfolio for the five-year period**
  - Achieved – 10.1% return versus fund policy benchmark of 9.2%
- **Goal #2 – Return, net of fees, should exceed the actuarially required return of 7.25% for the five-year period**
  - Achieved – Net return of 9.2%
- **Goal #3 - Be in the top 50% compared to the peer median universe for the five-year period**
  - Not Achieved – Peer universe rank was 55<sup>th</sup> percentile
  - Last quarter, five-year peer rank was 65<sup>th</sup> percentile

# Dallas / Fort Worth International Airport

## Portfolio Performance Summary (General Comments)

	Quarter	Year-To- Date	1 Year	3 Years	5 Years	Inception*
<b>Total Fund Net</b>	-0.4%	9.6%	17.7%	8.5%	9.2%	6.8%
<b>Benchmark</b>	-0.3%	7.9%	18.1%	9.9%	9.2%	6.5%

\* AndCo Consulting Inception 7/2010

- **The Total Plan net returns outperformed the benchmark since inception.**
- **For the quarter, returns were mixed, with positive returns in Fixed Income and Real Estate offset by declines in Equities and Real Assets.**
- **The portfolio's returns year-to-date were relatively strong in International Equity, Non-Core Fixed Income, and Private Equity.**
- **The private equity allocation continues to drive long-term relative outperformance with a return of 17.7% since inception.**

# Dallas / Ft. Worth International Airport

## Asset Allocation Summary

	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>	<u>Current</u>
Domestic Equity	15.0%	25.0%	20.0%	<b>23.2%</b>
International/Global Equity	12.5%	27.5%	17.5%	<b>18.8%</b>
Core Fixed Income	7.5%	17.5%	12.5%	<b>13.1%</b>
Non-Core Fixed Income	10.0%	20.0%	15.0%	<b>11.5%</b>
Cash Equivalents	0.0%	5.0%	2.5%	<b>4.5%</b>
Real Estate*	5.0%	15.0%	10.0%	<b>8.3%</b>
Private Equity*	7.5%	17.5%	12.5%	<b>12.8%</b>
Real Assets & Master Limited Partnerships*	5.0%	15.0%	10.0%	<b>7.6%</b>
Totals			<u>100%</u>	<u><b>100%</b></u>

\*The total allocation to "Alternative Investments" is 29%, within the policy limit of 40%.

Please note: **Green** font signifies the allocation is within policy limit, **red** font signifies allocation is outside of the limit.



**Asset Allocation & Performance**  
**Trailing Returns - Net of Fees**  
**As of September 30, 2021**

Asset Allocation & Performance	Allocation		Performance(%)							
	Market Value \$	%	QTR	YTD	1 YR	3 YR	5 YR	10 YR	Inception	Inception Date
Pension Fund (Net)	884,317,743	100.0	-0.36	9.63	17.69	8.53	9.22	9.26	6.83	06/01/2005
Total Fund Policy			-0.26	7.89	18.09	9.87	9.18	9.16	6.51	
Pension Fund (Net) from AndCo inception	884,317,743	100.0	-0.36	9.63	17.69	8.53	9.22	9.26	9.18	07/01/2010
Total Fund Policy			-0.26	7.89	18.09	9.87	9.18	9.16	9.00	
Total Equity Composite	371,396,273	42.0	-1.27	11.48	27.36	12.19	13.46	12.85	11.38	12/01/2009
Total Equity Policy			-1.39	10.90	28.42	12.52	13.50	13.20	11.65	
Total Domestic Equity Composite	204,838,253	23.2	0.19	14.23	29.47	14.77	16.08	15.22	13.66	12/01/2009
Total Domestic Equity Policy			-0.10	14.99	31.88	16.00	16.85	16.60	14.95	
Total International/Global Equity Composit	166,558,020	18.8	-3.02	8.22	24.82	9.10	10.27	9.24	7.46	01/01/2010
Total International Policy			-2.88	6.29	24.45	8.52	9.44	7.97	5.90	
Total Fixed Income Composite	218,089,513	24.7	0.38	2.43	4.79	5.78	5.17	4.82	5.06	01/01/2010
Total Fixed Policy			0.06	-1.18	-0.27	5.12	3.03	2.80	3.43	
Total Core Fixed Income Composite	116,251,112	13.1	-0.11	-1.51	-0.65	4.67	2.63	2.58	3.31	01/01/2010
Total Domestic Fixed Policy			0.05	-1.56	-0.90	5.35	3.11	2.83	3.47	
Total Non-Core Fixed Income Composite	101,838,401	11.5	0.99	6.84	10.95	7.14	8.22	8.75	7.70	09/01/2011
Blmbg. U.S. Universal Index			0.07	-1.07	0.20	5.57	3.30	3.46	3.46	
Total Real Estate Composite	73,739,382	8.3	1.97	15.29	17.01	6.73	7.04	9.17	9.57	04/01/2011
NCREIF Fund Index-ODCE (EW)			6.96	14.20	15.75	7.73	7.96	10.15	10.47	
Total Real Assets & MLPs Composite	67,580,283	7.6	-0.36	12.51	21.14	1.58	2.14	3.30	2.25	03/01/2011
50% Blmbg. Agg/ 50% Alerian MLP			-2.78	17.68	36.64	3.59	2.26	3.35	3.05	
Total Private Equity Managers	113,478,089	12.8	-0.40	14.53	16.82	8.84	11.23	8.76	17.69	07/01/2010
Cambridge Associates Private Equity Index			0.00	10.41	23.89	15.09	16.29	14.70	14.90	
Cash Accounts Composite *	40,034,202	4.5	0.01	0.05	0.06	0.96	N/A	N/A	1.09	08/01/2017
** R&D Account only	39,377,527	4.5								

Returns are expressed as % and annualized for periods greater than 1 year. The MVs reflected are based on the most recently available data, including capital statements where available, +/- any capital calls and / or distributions. Green marks indicate >+1% difference from BM, yellow marks indicate <-1% difference from BM - this only applies to 5+ years for closed end funds.

Managers shown in orange indicate managers on watchlist, and any deviance from BM highlighted. Fees and expenses paid from the investment's capital balance are not reported.

\*Cash composite includes R&D, and cash from private funds. \*\*R&D line is included in cash composite. Realized and unrealized gains are not reported as this information is not generally available.



**Asset Allocation & Performance**  
**Trailing Returns - Gross of Fees**  
**As of September 30, 2021**

Asset Allocation & Performance	Allocation		Performance(%)							
	Market Value \$	%	QTR	YTD	1 YR	3 YR	5 YR	10 YR	Inception	Inception Date
Pension Fund (Gross)	884,317,743	100.0	-0.21 (64)	10.21 (25)	18.69 (72)	9.41 (83)	10.08 (55)	10.08 (43)	7.54 (48)	06/01/2005
Total Fund Policy			-0.26 (69)	7.89 (70)	18.09 (76)	9.87 (71)	9.18 (83)	9.16 (72)	6.51 (90)	
Pension Fund (Gross) from AndCo inception	884,317,743	100.0	-0.21 (64)	10.21 (25)	18.69 (72)	9.41 (83)	10.08 (55)	10.08 (43)	9.97 (35)	07/01/2010
Total Fund Policy			-0.26 (69)	7.89 (70)	18.09 (76)	9.87 (71)	9.18 (83)	9.16 (72)	9.00 (74)	
Total Equity Composite	371,396,273	42.0	-1.18	11.81	27.88	12.66	13.91	13.34	11.89	12/01/2009
Total Equity Policy			-1.39	10.90	28.42	12.52	13.50	13.20	11.65	
Total Domestic Equity Composite	204,838,253	23.2	0.30 (35)	14.62 (57)	30.06 (64)	15.30 (49)	16.63 (47)	15.76 (56)	14.22 (51)	12/01/2009
Total Domestic Equity Policy			-0.10 (46)	14.99 (55)	31.88 (57)	16.00 (44)	16.85 (45)	16.60 (42)	14.95 (40)	
Total International/Global Equity Composit	166,558,020	18.8	-2.94 (83)	8.48 (53)	25.27 (52)	9.51 (45)	10.62 (34)	9.66 (36)	7.93 (36)	01/01/2010
Total International Policy			-2.88 (83)	6.29 (79)	24.45 (59)	8.52 (52)	9.44 (56)	7.97 (96)	5.90 (98)	
Total Fixed Income Composite	218,089,513	24.7	0.51 (3)	3.11 (1)	5.76 (4)	6.69 (11)	6.04 (2)	5.55 (1)	5.72 (3)	01/01/2010
Total Fixed Policy			0.06 (63)	-1.18 (54)	-0.27 (60)	5.12 (96)	3.03 (85)	2.80 (98)	3.43 (99)	
Total Core Fixed Income Composite	116,251,112	13.1	-0.04 (87)	-1.29 (59)	-0.35 (62)	5.00 (97)	2.95 (91)	2.93 (98)	3.65 (95)	01/01/2010
Total Domestic Fixed Policy			0.05 (68)	-1.56 (79)	-0.90 (86)	5.35 (92)	3.11 (81)	2.83 (98)	3.47 (99)	
Total Non-Core Fixed Income Managers	101,838,401	11.5	1.20	8.06	12.74	8.69	9.72	9.94	8.87	09/01/2011
Blmbg. U.S. Universal Index			0.07	-1.07	0.20	5.57	3.30	3.46	3.46	
Total Real Estate Managers	73,739,382	8.3	2.17 (92)	16.66 (14)	19.18 (17)	8.34 (41)	8.46 (44)	10.72 (38)	11.06 (42)	04/01/2011
NCREIF Fund Index-ODCE (EW)			6.96 (31)	14.20 (45)	15.75 (49)	7.73 (48)	7.96 (57)	10.15 (60)	10.47 (60)	
Total Real Assets & MLPs Managers	67,580,283	7.6	-0.27	12.82	21.61	2.02	2.53	3.59	2.52	03/01/2011
50% Blmbg. Agg/ 50% Alerian MLP			-2.78	17.68	36.64	3.59	2.26	3.35	3.05	
Total Private Equity Managers	113,478,089	12.8	0.03	15.65	19.17	10.73	13.16	11.92	21.04	07/01/2010
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Cash Accounts Composite *	40,034,202	4.5	0.01	0.05	0.06	0.96	N/A	N/A	1.09	08/01/2017
** R&D Account only	39,377,527	4.5								

Returns are expressed as % and annualized for periods greater than 1 year. The MVs reflected are based on the most recently available data, including capital statements where available, +/- any capital calls and / or distributions. Green marks indicate >+1% difference from BM, yellow marks indicate <-1% difference from BM - this only applies to 5+ years for closed end funds.

Managers shown in orange indicate managers on watchlist, and any deviance from BM highlighted. Fees and expenses paid from the investment's capital balance are not reported.

\*Cash composite includes R&D, and cash from private funds. \*\*R&D line is included in cash composite. Realized and unrealized gains are not reported as this information is not generally available.



# DFW Manager Watch List

Open-end Strategies					
Manager	Asset Class	Market Value 9/30/2021	Date Added	Reason	Next Steps
<b>JP Morgan Chase</b> <ul style="list-style-type: none"> <li>JPM Alerian ETN (AMJ)</li> </ul>	Real Assets & MLPs	\$5,217,443	12/31/2019	<b>Performance</b> <ul style="list-style-type: none"> <li>Total return (gross) trails the benchmark over the trailing 5-year period.</li> </ul>	<ul style="list-style-type: none"> <li>Review for possible removal from watchlist.</li> </ul>
<b>Invesco</b> <ul style="list-style-type: none"> <li>Core Real Estate</li> </ul>	Real Estate	\$11,423,924	06/30/2020	<b>Performance</b> <ul style="list-style-type: none"> <li>Total return ranks in the bottom half of the peer group over the trailing 5-year period.</li> <li>Total return (gross) trails the benchmark over the trailing 5-year period.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor.</li> </ul>
<b>Westwood</b> <ul style="list-style-type: none"> <li>All Cap Value</li> </ul>	Domestic Equity	\$34,861,632	12/31/2020	<b>Performance</b> <ul style="list-style-type: none"> <li>Total return ranks in the bottom half of the peer group over the trailing 5-year period.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor.</li> </ul>
<b>Barrow Hanley</b> <ul style="list-style-type: none"> <li>Large Cap Value</li> </ul>	Domestic Equity	\$35,283,469	3/31/2021	<b>Performance</b> <ul style="list-style-type: none"> <li>Total return ranks in the bottom half of the peer group over the trailing 5-year period.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor.</li> </ul>
<b>Waddell &amp; Reed (Ivy)</b> <ul style="list-style-type: none"> <li>International Equity</li> </ul>	International Equity	\$41,362,309	9/30/2021	<b>Performance/Personnel</b> <ul style="list-style-type: none"> <li>Total return ranks in the bottom half of the peer group over the trailing 5-year period.</li> <li>Total return (gross) trails the benchmark over the trailing 5-year period.</li> <li>Portfolio management team is being replaced.</li> </ul>	<ul style="list-style-type: none"> <li>Terminate and seek alternatives.</li> </ul>

# DFW Manager Watch List Criteria

## Criteria for Open-end Strategies

### Primary Criteria:

- Total return (gross of fees) must meet or exceed the benchmark return over trailing 5-year period.
- Total return (gross of fees) must rank in the top half of the peer group over the trailing 5-year period.
- Style drift from original mandate.
- Performance dispersion from composite.
- Turnover of personnel determined to be key to management of firm, execution of strategy or service of relationship.

### Secondary Criteria:

- Four or more consecutive quarters where total return (gross of fees) fails to exceed the benchmark.
- Investment process change including a change to the stated benchmark.
- Investigation of firm by the SEC or other regulatory body.
- Asset flows deemed to be significant into or out of the firm or strategy.
- Merger or sale of firm.
- Change in fee outside of competitive range.
- Failure to adhere to parameters established within the IPS or IMA regarding the management of the portfolio.

## Criteria for Closed-end Strategies

### Primary Criteria:

- Total return must rank in the top half of the peer group over the trailing 10-year period.
- Turnover of personnel determined to be key to management of firm, execution of strategy or service of relationship.

### Secondary Criteria:

- Investigation of firm by the SEC or other regulatory body.
- Asset flows deemed to be significant into or out of the firm.
- Merger or sale of firm.
- Total return must rank in the top half of the peer group over the trailing 5-year period.

# Private Asset Barometer– December 31, 2020

Classification Key	
Classification	Characteristics
Realized Performer	<ol style="list-style-type: none"> <li>1) The fund is likely in distribution mode and significant value has been created with distributions made.</li> <li>2) The fund has generally met AndCo's performance expectations for the strategy.</li> <li>3) AndCo does not expect the performance to change materially at this point.</li> </ol>
On-Track	<ol style="list-style-type: none"> <li>1) The returns are largely unrealized. However, performance is positive relative to peers.</li> <li>2) The fund is generally performing in-line with AndCo's expectations.</li> </ol>
Too Early	<ol style="list-style-type: none"> <li>1) The fund is early in its life, which makes any conclusions drawn at this stage less meaningful.</li> <li>2) The funds that are substantially uncalled fall under this category.</li> </ol>
Underperforming	<ol style="list-style-type: none"> <li>1) The fund is not meeting the expectations that AndCo has for the strategy for either qualitative reasons (investments made) or quantitative reasons (performance relative to peers).</li> <li>2) Organizational factors could fall under this classification.</li> <li>3) While the fund has underperformed, there is potential for recovery.</li> </ol>
Realized Underperformer	<ol style="list-style-type: none"> <li>1) The fund is likely in distribution mode and has largely locked in its underperformance.</li> <li>2) A fund that falls within this classification is not expected to have a material change in performance.</li> </ol>

# Private Asset Barometer– December 31, 2020

## Total Portfolio Summary

Realized Performer	On-Track	Too Early	Underperforming	Realized Underperformer
Bay Hills Capital Partners II Blackstone Real Estate Debt II Crescent Direct Lending Fund Pennybacker Real Estate III	AEW Partners Fund VII <i>AMP Capital Global Infrastructure Fund II</i> Bay Hills Capital Partners III Blackstone Real Estate Debt III Capital Dynamics Global Secondaries IV <i>Crow Holdings Realty Partners VII</i> <i>Crow Holdings Realty Partners VIII</i> Glouston PE Opportunities V Ironsides Partnership Fund III Ironsides Co-Investment Fund III Ironsides Direct Investment Fund IV Ironsides Partnership Fund IV LBC Credit Partners III <i>LBC Credit Partners IV</i> Marathon European Credit Opps. Fund III McNally Capital Mezzanine II <i>PIMCO Corporate Opps. II</i> Starwood Global Opportunity Fund X	AG Europe Realty Fund III BlackRock Direct Lending Feeder IX-L Cerberus Corporate Credit Contrarian Distressed RE Debt IV Davis Investment Ventures Fund IV Deerpath Capital Advantage V Dune Real Estate Fund IV H.I.G. Bayside Loan Opportunity Fund VI MC-Seamax Shipping Opp Fund New Mountain Partners VI Strategic Value Special Situations Fund V Tenex Capital Partners III Torchlight Debt Fund VII Veritas Capital Fund VII Vista Equity Partners VII	Altius Real Asset Fund Altius Private Equity Fund II Capital International PE Fund VI Dune Real Estate Fund III <i>Golub Capital Partners Int'l 11</i> Lone Star CRA Fund Morgan Stanley Div. Credit Opp I <i>RCP SBIC Opportunities Fund</i> <i>Tortoise Direct Opp Fund</i> <i>Tortoise Direct Opp Fund II</i>	Glouston PE Opportunities IV Ironsides Partnership Fund II

Mature Stage

Early Stage

Mature Stage

Signifies a rating upgrade from last report.

Signifies a rating downgrade from last report.

**Clients first.**



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**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

<b>Date</b> 12/02/2021	<b>Committee</b> Retirement & Investments	<b>Subject</b> Approve an Asset Management Agreement with Artemis Real Estate Partners	<b>Resolution #</b>
<b>Action</b> That the Chief Executive Officer or designee be authorized to enter into an Asset Management Agreement with Artemis Real Estate Partners for their Artemis Fund VI, in a commitment amount of \$10 million.			
<b>Description</b> <ul style="list-style-type: none"> <li>• Relationship: New</li> <li>• Headquarters: Chevy Chase, MD</li> <li>• Return Objective: 15% net IRR and 1.5x net multiple on invested capital</li> <li>• Term: Eight years with two, one-year extensions</li> <li>• Fees: Industry average. During the investment period, the Fund's management fee is 1.5% on committed capital. During the harvest period, the management fee of 1.5% per annum is based on remaining invested capital. After an 8% hurdle, there is a 20% incentive fee.</li> <li>• Strategy: Artemis Fund IV will seek to take advantage of attractive real estate investment opportunities, including undervalued, mispriced, underperforming, distressed, or overlooked scenarios where assets may be acquired below perceived market value. Additionally, Artemis will be able to enhance value and mitigate risk via investment structuring and active asset management, including renovating, repositioning, and re-leasing of these assets. The investment objective is to create a diversified portfolio that will deliver attractive risk-adjusted returns to its investors by making equity and debt investments in real estate located in the U.S.</li> <li>• Funding Source: Airport annual contribution and distributions from existing real estate funds.</li> </ul> <b>Justification</b> <ul style="list-style-type: none"> <li>• This action will provide additional diversification for the portfolio, with a top tier MWBE investment manager, while growing the real estate allocation to target.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>• Artemis Real Estate Partners is a women-owned firm with over 50% of its team members women and minorities in addition to the firm ownership.</li> </ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0 <b>Revised Amount</b> \$0
<b>For Information contact</b> James Mauldin 3-5447	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b> Amount \$0

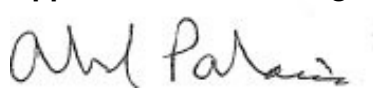


**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to enter into an Asset Management Agreement with Artemis Real Estate Partners for their Artemis Fund VI, in a commitment amount of \$10 million.

**Approved as to Form by**

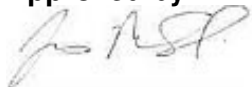

Rodriguez, Elaine  
Legal Counsel  
Nov 16, 2021 5:20 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 8:58 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:53 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 16, 2021 2:09 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

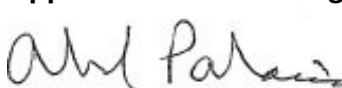
<b>Date</b> 12/02/2021	<b>Committee</b> Retirement & Investments	<b>Subject</b> Approve Redemption of Ivy Asset Management	<b>Resolution #</b>
<b>Action</b> That the Chief Executive Officer or designee be authorized to fully redeem the investment in the Ivy International Core Equity Fund.			
<b>Description</b> <ul style="list-style-type: none"> <li>• DFW pension fund management and AndCo held a meeting on October 12, 2021, with Ivy to discuss the upcoming change in portfolio managers effective November 15, 2021, the result of a purchase of Ivy Funds, Inc. by the large global asset manager Macquarie.</li> <li>• Presently, Ivy combines global top-down themes, macroeconomic and political calculations, and bottom-up stock selection to generate investment ideas. The manager uses a disciplined approach while looking for investment opportunities around the world, preferring what it believes are cash-generating and reasonably valued companies that are exposed to global investment themes which the manager believes will yield above-average returns.</li> <li>• With the change in ownership, the following is expected: <ul style="list-style-type: none"> <li>◆ Transition to a new portfolio management team that employs a different process and philosophy.</li> <li>◆ Existing portfolio managers John Maxwell and Catherine Murray will no longer manage the strategy and will depart from Macquarie. The new team will utilize a growth-based approach, so the strategy's characteristics and holdings are expected to change with the transition.</li> <li>◆ The strategy's benchmark will change. This news is a result of Macquarie's acquisition of Ivy Funds, Inc. as they work through strategy rationalization.</li> </ul> </li> </ul>			
<b>Justification</b> <ul style="list-style-type: none"> <li>• Both Retirement Fund management and consultant AndCo have determined that the anticipated change in the management of the strategy is too drastic a departure from the strategy that was originally hired in 2016. It is recommended that the investment in Ivy be redeemed, and a search conducted for a replacement strategy in the international equity space immediately. The proceeds from the liquidation will be allocated to an international equity index fund until a replacement for Ivy is hired.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0 <b>Revised Amount</b> \$0
<b>For Information contact</b> James Mauldin 3-5447	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b> Amount \$0

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to fully redeem the investment in the Ivy International Core Equity Fund.

**Approved as to Form by**

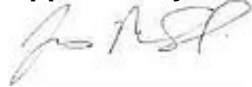

Rodriguez, Elaine  
Legal Counsel  
Nov 16, 2021 5:21 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:02 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:53 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 16, 2021 2:10 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

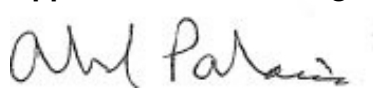
<b>Date</b> 12/02/2021	<b>Committee</b> Retirement & Investments	<b>Subject</b> Approve an Asset Management Agreement with Riverside Investment Management.	<b>Resolution #</b>
<b>Action</b> That the Chief Executive Officer or designee be authorized to enter into an Asset Management Agreement with Riverside Investment Management for their Riverside Micro-Cap Fund VI, in a commitment amount of \$7.5 million.			
<b>Description</b> <ul style="list-style-type: none"> <li>Relationship: New</li> <li>Headquarters: New York, NY</li> <li>Return Objective: 18% net IRR and 1.8x net multiple on invested capital.</li> <li>Term: 10 years with three, one-year extensions.</li> <li>Fees: Industry average. During the investment period, the Fund's management fee is 2% on committed capital. During the harvest period, the management fee of 2% per annum is based on remaining invested capital. After an 8% hurdle, there is a 20% incentive fee.</li> <li>Strategy: Riverside, founded in 1988, is a global private equity firm focused on acquiring companies in the smaller end of the middle market. The Riverside Micro-Cap Fund will target fast-growing, North American companies with generally less than \$10 million in EBITDA (earnings before interest, taxes, depreciation, and amortization). These businesses will have thrived under an entrepreneurial business model, or are corporate orphans lost in a larger organization with the potential to blossom on their own, but require strategic or operational changes to reach a higher level of growth and profitability.</li> <li>Funding Source: Airport annual contribution and distributions from existing private equity funds.</li> </ul> <b>Justification</b> <ul style="list-style-type: none"> <li>This action will provide additional diversification and returns for the portfolio while working to maintain the invested level of the private equity allocation.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>Not Applicable</li> </ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0 <b>Revised Amount</b> \$0
<b>For Information contact</b> James Mauldin 3-5447	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b> Amount \$0

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to enter into an Asset Management Agreement with Riverside Investment Management for their Riverside Micro-Cap Fund VI, in a commitment amount of \$7.5 million.

**Approved as to Form by**

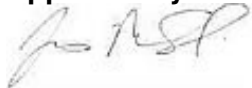

Rodriguez, Elaine  
Legal Counsel  
Nov 16, 2021 5:21 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:00 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:53 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 16, 2021 2:10 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

<b>Date</b> 12/02/2021	<b>Committee</b> Retirement & Investments	<b>Subject</b> Ratification of the liquidation of MC Seamax Shipping Opportunities Fund LP	<b>Resolution #</b>
<b>Action</b> That the Board ratify management's election to liquidate the Retirement Trust's investment in the MC Seamax Shipping Opportunities Fund effective November 29, 2021			
<b>Description</b> <ul style="list-style-type: none"> <li>• The Retirement Trust was invested in the MC Seamax Shipping Opportunities Fund LP, a 2013 vintage fund that holds a portfolio of 12 container ships. The Trust's investment had a net asset value as of June 30, 2021, of \$11.8 million from a 2015 commitment of \$10 million.</li> <li>• On November 1st, Seamax gave all LP's two options: <ul style="list-style-type: none"> <li>◆ (1) Full liquidation of investors' interests at a purchase price of 92% of NAV as of June 30, 2021, which would result in an estimated 7% net IRR since inception for DFW;</li> <li>◆ or (2) consent to the extension of the life of the Fund for an additional five-year term for which the buyer of the Fund estimates a gross IRR of 10.3%.</li> <li>◆ The election deadline was November 29, 2021.</li> </ul> </li> <li>• The Shipping Opportunities Fund completed its official harvest period on January 15, 2020. It was operating in the second year of its extension period with a final termination date of January 15, 2022.</li> <li>• After evaluating its limited liquidity options this past fall, MC Seamax held a competitive auction process to: (i) identify investors interested in acquiring Limited Partner (LP) interests in the Fund; (ii) to provide liquidity options for existing LPs in the Fund; and (iii) to manage a process to allow for the extension of the life of the Fund for another five years. Fortress Investment Group was the selected buyer of the Fund.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>			
<b>Schedule/Term</b> Liquidated funds are anticipated to be received by year end.			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0
			<b>Revised Amount</b> \$0
<b>For Information contact</b> James Mauldin 3-5447	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b> Amount \$0

**Justification**

- Both DFW management and consultant AndCo agreed that option one should be selected based on the following:
  - ◆ Accelerating growth in ship construction
  - ◆ The aging portfolio assets
  - ◆ The potential misalignment with the new buyer's future strategy
  - ◆ Shipping is not a traditional DFW investment
  - ◆ DFW will receive a reasonable net return of approximately 7% now versus the buyer's estimate of a 10.3% gross return in five years
  - ◆ The liquidated funds can be reinvested at higher return

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Board ratify management's election to liquidate the Retirement Trust's investment in the MC Seamax Shipping Opportunities Fund effective November 29, 2021

**Approved as to Form by**

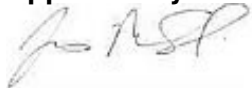

Rodriguez, Elaine  
Legal Counsel  
Nov 16, 2021 5:19 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 8:58 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:52 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 16, 2021 2:04 pm

Pending

Chief Executive Officer

Date

**AGENDA**  
**OPERATIONS COMMITTEE MEETING**  
**Tuesday, November 30, 2021**  
**12:45 p.m.**

**OPERATIONS COMMITTEE**

7. Approve Minutes of the Operations Committee Meeting of November 2, 2021.

**Consent Items for Consideration**

- |                 |                                                                                                                                                                                                                                                                                                       |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bobby Rodriguez | 8. Approve execution of Contract No. 7007115, for Reflective Sheeting Material and Supply, with Centerline Supply, Inc., of Grand Prairie, Texas, in an amount not to exceed \$141,015.78, for the initial one-year term of the Contract, with options to renew for four additional one-year periods. |
|                 | 9. Approve an increase to Contract No. 7007021, for Pest Management Services, with Prime Pest Management, of Carrollton, Texas, in an amount not to exceed \$182,700.00, for a revised not to exceed Contract amount of \$1,944,122.00.                                                               |
| Jon Taylor      | 10. Approve execution of Purchase Order No. 278472, for Ammunition, to GT Distributors, Inc., of Austin Texas, in the amount of \$74,164.75.                                                                                                                                                          |

**Action Items for Consideration**

- |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Robert Horton    | 11. Approve execution of Contract No. 8005443, for Air Monitoring, Environmental Testing and Consulting Services, with Apex Companies, LLC of Dallas, Texas, in an amount not to exceed \$1,480,000.00, and Contract No. 8005457, for Air Monitoring, Environmental Testing, and Consulting Services, with Terracon Consultants, Inc., of Fort Worth, Texas, in an amount not to exceed \$1,480,000.00, for the initial three-year term of the Contracts with options to renew for two additional one-year periods. Total action amount is \$2,960,000.00. |
| Tammy Huddleston | 12. Approve execution of a deductive Change Order to Contract No. 9500638, for Rehabilitate 31st, 32nd, 33rd Streets, and Southwest Construction Road, with SEMA Construction, Inc., of Grapevine, Texas, in a deductive amount not less than (\$116,900.22), for a revised Contract amount of \$7,049,188.63.                                                                                                                                                                                                                                             |



- |                 |                                                                                                                                                                                                                                                                                                                               |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | 13. Approve execution of Contract No. 9500760, for Indoor Air Quality Heating, Ventilation and Air Conditioning Improvements at Non-Terminal Facilities, with DFW Electric Group, LLC, of Wylie, Texas, in an amount not to exceed \$1,226,696.00, for the 240-calendar day term of the Contract.                             |
|                 | 14. Approve execution of Contract No. 9500752, for Skylink Uninterrupted Power Supply Replacements, with E-MC Electrical, Inc., of Kennedale, Texas, in an amount not to exceed \$2,039,342.00, for the 240 calendar day term of the Contract.                                                                                |
| Bobby Rodriguez | 15. Approve execution of Contract No. 7007142, for Runway Deicing Products, with Nachurs Alpine Solutions LLC dba Nachurs Alpine Solutions Industrial, of Marion, Ohio, in an amount not to exceed \$1,246,566.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods. |
|                 | 16. Approve execution of Contract No. 7007065, for Airfield Lighting and Component Parts, with Airport Lighting Systems, Inc., of Grapevine, Texas, in an amount not to exceed \$2,492,676.60, for the initial two-year term of the Contract, with options to renew for three additional one-year periods.                    |

**Discussion Items**

- |                  |                                                                                                                                     |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Tammy Huddleston | 17. There are no Construction and Professional Services Contract increase(s) approved by authorized staff for tis reporting period. |
|                  | 18. There are no decrease(s)/increase(s) in Scope of Work approved by authorized staff for this reporting period.                   |

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Operations	Reflective Sheeting Material and Supply		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007115, for Reflective Sheeting Material and Supply, with Centerline Supply, Inc., of Grand Prairie, Texas, in an amount not to exceed \$141,015.78, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Reflective Sheeting Material and Supply in support of the Airport's Energy, Transportation &amp; Asset Management Department.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>Replaces an existing Contract which has been in place for five years</li><li>This material is used to provide reflectivity to roadway control and guidance signs produced in the Airport's Sign Shop.</li><li>The material conforms to the requirements of the U.S. Department of Transportation's Federal Highway Administration Standard Specifications for Construction of Roads and Bridges on Federal Highway Projects.</li><li>Reflective signs enhance the safety of motorists and pedestrians by increasing nighttime visibility. The main purpose of the signage is to warn, inform, and regulate while providing safe directions to drivers.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>N/A - not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement. (Goods/Finished Products)</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: December 2021</li><li>Contract Term: One year, with four one-year renewal options</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7007115			NTE \$141,015.78	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Robert Rodriguez 3-1783 David Foster 3-2988	Operating Fund			\$141,015.78

**Additional Information**

- Three Bids, including one from an M/WBE firm, were received on or before the due date of October 20, 2021.
- Bid Tabulation attached
- Centerline Supply, Inc., of Grand Prairie, Texas, is the lowest responsive, responsible bidder.
- Projected total of Contract including all renewals, if approved, is \$705,078.90.

Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007115, for Reflective Sheeting Material and Supply, with Centerline Supply, Inc., of Grand Prairie, Texas, in an amount not to exceed \$141,015.78, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:29 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:02 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:54 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Energy & Transportation Mgmt  
Nov 17, 2021 3:43 pm

Pending

Chief Executive Officer

Date

**Contract No. 7007115**  
**Reflective Sheeting Material and Supply**  
**Bid Tabulation**

<b>Bidders</b>	<b>Bid Amount</b>
Centerline Supply, Inc. Grand Prairie, Texas	\$141,015.78
Allied Supply Chain Support & Services (Allied SCSS) <sup>N1</sup> Dallas, Texas	\$177,373.54
Osburn Associates, Inc. Logan, Ohio	\$80,887.00 (partial bid)
<b>Note:</b> 1. MBE certified through the North Central Texas Regional Certification Agency	

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #		
12/02/2021	Operations	Pest Management Services			
<b>Action</b> That the Chief Executive Officer or designee be authorized to increase Contract No. 7007021, for Pest Management Services, with Prime Pest Management, of Carrollton, Texas, in an amount not to exceed \$182,700.00, for a revised not to exceed Contract amount of \$1,944,122.00.					
<b>Description</b> <ul style="list-style-type: none"><li>• Increase the Contract for Airport-wide Pest Control Management Services in support of the Airport's Energy, Transportation &amp; Asset Management Department.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>• Modify the facilities included in the scope of work to remove facilities which the Tennant is responsible for pest management services.</li><li>• Remove one facility that has been demolished since the execution of the Contract.</li><li>• Increase scope of work to include Terminals A and C.</li></ul>					
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the M/WBE Program is 31%.</li><li>• In accordance with the Board's M/WBE Program, the M/WBE goal for this contract is 13%</li><li>• Prime Pest Management has committed to achieving 20% M/WBE participation utilizing AA Parson Pest Management, Inc. (BF-C).</li></ul>					
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• The current Contract completion date of July 31, 2024 is not affected by this action.</li></ul>					
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount	
7007021			NTE \$182,700.00	\$1,944,122.00	
<b>For Information contact</b>		<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
Robert Rodriguez 3-1783 Peggy Watkins 3-5619		Operating Fund			\$1,944,122.00

**Additional Information**

- On June 3, 2021, by Resolution No. 2021-06-110, the Board awarded Contract No. 7007021, to Prime Pest Management, of Carrollton, Texas.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to increase Contract No. 7007021, for Pest Management Services, with Prime Pest Management, of Carrollton, Texas, in an amount not to exceed \$182,700.00, for a revised not to exceed Contract amount of \$1,944,122.00.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:32 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:03 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:54 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Energy & Transportation Mgmt  
Nov 17, 2021 3:43 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Operations	Purchase of Ammunition for Department of Public Safety		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Purchase Order No. 278472, for Ammunition, to GT Distributors, Inc., of Austin Texas, in the amount of \$74,164.75.				
<b>Description</b> <ul style="list-style-type: none"><li>• Purchase of Ammunition in support of the Airport's Department of Public Safety.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>• This ammunition order is vital to resupplying the current inventory. The Police firearms program requires monthly live-fire pistol and rifle practice, semi-annual department and State qualification mandates, as well as an array of advanced firearms training for specialized units and personnel.</li><li>• In addition, Police Service's active shooter response and deterrence programs have led to an increase in long rifles deployed in the field. Long rifle programs (as well as pistol programs) require high proficiency standards and constant training.</li><li>• Orders can take up to 18 months to procure. It is important that the Airport's DPS maintain a healthy supply of ammunition to sustain Police Services.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the M/WBE Program is 31%.</li><li>• N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement. (Goods/Finished Products)</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• Purchase Date: December 2021</li><li>• Delivery Date: June 2022</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
		278472	\$74,164.75	\$0
<b>For Information contact</b> Jon Taylor 3-3530  Melissa Turner 3-5632		<b>Fund</b> Operating Fund	<b>Project #</b>	<b>External Funding Source</b>  <b>Amount</b> \$74,164.75

**Additional Information**

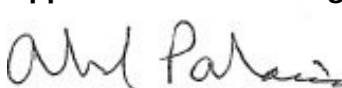
- This purchase will be made through an Interlocal Agreement with, Texas Association of School Boards (BuyBoard), in accordance with Board Resolution No. 2006-08-246, dated August 3, 2006.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Purchase Order No. 278472, for Ammunition, to GT Distributors, Inc., of Austin Texas, in the amount of \$74,164.75.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:56 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:03 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:54 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**

Department Head  
Public Safety  
Nov 17, 2021 10:20 am

Pending

\_\_\_\_\_  
Chief Executive Officer

Date



**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Operations	Air Monitoring, Environmental Testing and Consulting Services		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 8005443, for Air Monitoring, Environmental Testing and Consulting Services, with Apex Companies, LLC of Dallas, Texas, in an amount not to exceed \$1,480,000.00, and Contract No. 8005457, for Air Monitoring, Environmental Testing, and Consulting Services, with Terracon Consultants, Inc., of Fort Worth, Texas, in an amount not to exceed \$1,480,000.00, for the initial three-year term of the Contracts with options to renew for two additional one-year periods. Total action amount is \$2,960,000.00.				
<b>Description</b> <ul style="list-style-type: none"><li>• Award two Contracts for Air Monitoring, Environmental Testing, and Consulting Services in support of the Airport's Environmental Affairs Department.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>• Replaces an existing Contract that has been in place for three years.</li><li>• This Contract will be used to provide asbestos abatement consulting services, mold consulting services, and industrial hygiene services on an as-needed basis.</li><li>• This will also ensure construction and maintenance activities comply with 40 CFR Part 61 National Emission Standards for Hazardous Air Pollutants, 25 TAC Chapter 296 Subchapter C Texas Asbestos Health Protection, and 16 TAC Chapter 78 Mold Assessors and Remediators.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the M/WBE Program is 31%.</li><li>• In accordance with the Board's M/WBE Program, the M/WBE goal for this contract is 25%.</li><li>• 8005443: Apex Companies, LLC. has committed to achieving 25% M/WBE participation utilizing Cates Laboratories (WF-C: 5%), Moody Laboratories (WF-C: 5%), and LCA Environmental (WF-C: 15%).</li><li>• 8005457: Terracon Consultants, Inc. has committed to achieving 25% M/WBE participation utilizing Cates Laboratories, Inc. (WF-C: 2%), Moody Laboratories, Inc. (WF-C: 2%), MoldLab, LTd. (WF-C: 5%), and Stan's Enviroservice, Inc. (BM-C: 16%).</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• Start Date: January 2022</li><li>• Contract Term: Three years, with two one-year renewal options</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
8005443			NTE \$1,480,000.00	\$0
8005457			NTE \$1,480,000.00	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Robert Horton 3-5563 Helen Chaney 3-2523	Various			\$2,960,000.00

**Additional Information**

- Five proposals, none from M/WBE firms, were received on or before the due date of September 17, 2021.
  - ◆ Apex Companies, LLC of Dallas, Texas
  - ◆ Atlas Technical Consultants, LLC of Farmers Branch, Texas
  - ◆ ERC Environmental & Construction Services, Inc., of Houston, Texas
  - ◆ Farmer Environmental Group, LLC of Carrollton, Texas
  - ◆ Terracon Consultants, Inc., of Fort Worth, Texas
- Based upon the evaluations of Proposals submitted, the Evaluation Committee, consisting of representatives from the Airport's Environmental Affairs, Risk Management, Public Safety and Business Diversity and Development Departments, recommends that the Contracts be awarded to Apex Companies, LLC of Dallas, Texas, and Terracon Consultants, Inc., of Fort Worth, Texas, which is the incumbent.
- Projected Total for the Contract including all renewals, if approved, is \$4,933,333.33.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 8005443, for Air Monitoring, Environmental Testing and Consulting Services, with Apex Companies, LLC of Dallas, Texas, in an amount not to exceed \$1,480,000.00, and Contract No. 8005457, for Air Monitoring, Environmental Testing, and Consulting Services, with Terracon Consultants, Inc., of Fort Worth, Texas, in an amount not to exceed \$1,480,000.00, for the initial three-year term of the Contracts with options to renew for two additional one-year periods. Total action amount is \$2,960,000.00.

**Approved as to Form by**

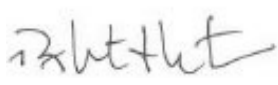

Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:56 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:03 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:54 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Environmental Affairs  
Nov 17, 2021 9:30 am

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Operations	Rehabilitate 31st, 32nd, 33rd and SW Construction Road		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute a deductive Change Order to Contract No. 9500638, for Rehabilitate 31st, 32nd, 33rd Streets, and Southwest Construction Road, with SEMA Construction, Inc., of Grapevine, Texas, in a deductive amount not less than (\$116,900.22), for a revised Contract amount of \$7,049,188.63.				
<b>Description</b> <ul style="list-style-type: none"><li>This action accounts for final quantity adjustments between the estimated quantities and the actual quantities installed at the completion of the project.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>Final adjustments have been determined on actual quantities installed, resulting in a credit of (\$116,900.22).</li><li>The final Contract work quantities are field verified by the Board's Quality Assurance (QA) representatives.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the historical MBE Program is 25%.</li><li>In accordance with the Board's historical MBE Program, the MBE goal for this contract is 28%.</li><li>SEMA Construction, Inc. committed to achieving 28.11% MBE participation on this contract and is currently achieving 29%.</li><li>SEMA Construction, Inc. has committed to achieving the original 28.11% MBE commitment inclusive of this Board Action.</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>The Contract term is not affected by this action.</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
9500638			NLT (\$116,900.22)	\$7,049,188.63
For Information contact	Fund	Project #	External Funding Source	Amount
Tammy Huddleston 3-6132 Jennifer Nguyen 3-1733	DFW Capital Acct	26642-01		(\$116,900.22)

**Additional Information**

- On April 11, 2019, by Resolution No. 2019-04-069, the Board approved award of Contract No. 9500638, for Rehabilitation of 31st, 32nd, 33rd Streets, & SW Construction Road, with SEMA Construction, Inc., of Grapevine, Texas.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute a deductive Change Order to Contract No. 9500638, for Rehabilitate 31st, 32nd, 33rd Streets, and Southwest Construction Road, with SEMA Construction, Inc., of Grapevine, Texas, in a deductive amount not less than (\$116,900.22), for a revised Contract amount of \$7,049,188.63.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:57 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:04 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:55 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 17, 2021 2:25 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Operations	Indoor Air Quality Heating, Ventilation and Air Conditioning Improvements at Non-Terminal Facilities		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 9500760, for Indoor Air Quality Heating, Ventilation and Air Conditioning Improvements at Non-Terminal Facilities, with DFW Electric Group, LLC, of Wylie, Texas, in an amount not to exceed \$1,226,696.00, for the 240 calendar day term of the Contract.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Indoor Air Quality Heating, Ventilation and Air Conditioning Improvements at Non-Terminal Facilities in support of the Airport.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>This project is in response to the COVID-19 pandemic and seeks to install Ultraviolet C (UV-C) light technology in existing HVAC systems to improve the air quality at select Airport Non-Terminal facilities.</li><li>When the use of UV-C light technology is combined with other health and safety recommendations such as social distancing, use of face coverings and janitorial sanitization practices, the exposure risk to Airport employees and visitors is reduced, preventing the spread of the coronavirus.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, the M/WBE goal for this contract is 18%.</li><li>DFW Electric Group, LLC, a certified Woman Business Enterprise (WF-C), has committed to achieving 75% through self-performance.</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: December 2021</li><li>Contract Duration: 240 calendar days</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
9500760			NTE \$1,226,696.00	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Tammy Huddleston 3-6132 Ilse De La Rosa 3-1730	DFW Capital Acct	26916-01		\$1,226,696.00

**Additional Information**

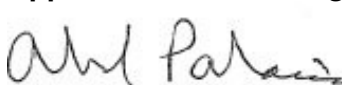
- Two Bids, including two from M/WBE firms, were received on or before the due date to November 2, 2021.
- Bid tabulation attached
- DFW Electric Group, LLC, of Wylie, Texas, is the lowest responsive, responsible Bidder.

Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 9500760, for Indoor Air Quality Heating, Ventilation and Air Conditioning Improvements at Non-Terminal Facilities, with DFW Electric Group, LLC, of Wylie, Texas, in an amount not to exceed \$1,226,696.00, for the 240 calendar day term of the Contract.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:57 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:04 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:55 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 17, 2021 2:26 pm

Pending

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

**Contract No. 9500760**  
**Indoor Air Quality Heating, Ventilation and Air Conditioning Improvements at**  
**Non-Terminal Facilities**  
**Bid Tabulation**

<b>Bidders</b>	<b>Bid Amount w/Alternates</b>
DFW Electric Group, LLC <sup>N1</sup> Wylie, Texas	\$1,226,696.00
Real Network Services, Inc. Dallas, Texas <sup>N1</sup>	\$1,851,503.00
<b>Notes</b> 1. M/WBE certified through the North Central Texas Regional Certification Agency	

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Operations	Skylink Uninterrupted Power Supply Replacements		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 9500752, for Skylink Uninterrupted Power Supply Replacements, with E-MC Electrical, Inc., of Kennedale, Texas, in an amount not to exceed \$2,039,342.00, for the 240 calendar day term of the Contract.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Skylink Uninterrupted Power Supply (UPS) Replacements in support of the Airport.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>The UPS units for the Skylink train systems have reached the end of service life and require replacement.</li><li>The units are being replaced to reduce risks of unit downtime and maintenance costs associated with repairs.</li><li>Existing UPS unit parts are becoming obsolete creating difficulties in the procurement of adequate repair parts for maintenance of down units.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, the M/WBE goal for this contract is 20%.</li><li>EMC Electrical, Inc. has committed to achieving 21.25% M/WBE participation utilizing Dennis Services LLC (WF-C: 20%) and Pecos Construction, LLC (BM-C: 1.25%).</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: December 2021</li><li>Contract Duration: 240 calendar days</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
9500752			NTE \$2,039,342.00	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Tammy Huddleston 3-6132 Ilse De La Rosa 3-1730	Joint Capital Acct	26877-01		\$2,039,342.00



**Additional Information**

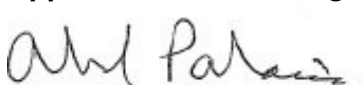
- Eight Bids, including three from M/WBE firms, were received on or before the due date to November 2, 2021.
- Bid tabulation attached
- E-MC Electrical, Inc., of Kennedale, Texas, is the lowest responsive, responsible Bidder.

Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 9500752, for Skylink Uninterrupted Power Supply Replacements, with E-MC Electrical, Inc., of Kennedale, Texas, in an amount not to exceed \$2,039,342.00, for the 240 calendar day term of the Contract.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:57 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:05 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:56 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 17, 2021 2:26 pm

Pending

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

**Contract No. 9500752**  
**Skylink Uninterrupted Power Supply Replacements**  
**Bid Tabulation**

<b>Bidders</b>	<b>Bid Amount</b>
E-MC Electrical, Inc. Kennedale, Texas	\$2,039,342.00
Real Network Services, Inc. <sup>N1</sup> Dallas, Texas	\$2,249,893.00
Holt Construction Irving, Texas	\$2,359,360.04
Azteca Enterprises, Inc. <sup>N1</sup> Dallas, Texas	\$2,403,400.00
Prism Electric Garland, Texas	\$2,675,000.00
F.H. Paschen Dallas, Texas	\$2,695,000.00
Skye Building Services Farmers Branch, Texas	\$3,485,000.00
Gilbert May, Inc. dba Phillips/May Corporation <sup>N1</sup> Dallas, Texas	\$3,996,333.00
<b>Notes</b> <ol style="list-style-type: none"> <li>1. M/WBE certified through the North Central Texas Regional Certification Agency</li> <li>2. Bid price variance is based on estimated higher cost identified for materials, insurance and bonding.</li> </ol>	

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Operations	Runway Deicing Products		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007142, for Runway Deicing Products, with Nachurs Alpine Solutions LLC dba Nachurs Alpine Solutions Industrial, of Marion, Ohio, in an amount not to exceed \$1,246,566.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Runway Deicing Products in support of the Airport's Energy, Transportation &amp; Asset Management Department.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>Replace an existing Contract that has been in place for six years.</li><li>The Contract will provide for the purchase of potassium acetate runway deicing fluid and sodium formate solid deicing material to be used on an as-needed basis.</li><li>These materials are used on runway and taxiway surfaces to prevent the formation of ice or to break up existing ice.</li><li>Potassium acetate fluid and sodium formate solid material are FAA approved for airfield application, environmentally friendly and do not require containment, collection or treatment like glycol-based aircraft deicing fluids.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement. (Goods/Finished Products)</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: December 2021</li><li>Contract term: One year, with four one-year renewal options</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7007142			NTE \$1,246,566.00	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Robert Rodriguez 3-1783 David Foster 3-2988	Operating Fund			\$1,246,566.00

**Additional Information**

- One Bid, not from an M/WBE firm, was received on or before the due date of October 22, 2021.
- Nachurs Alpine Solutions LLC dba Nachurs Alpine Solutions Industrial, of Marion, Ohio, is the lowest responsive, responsible bidder and is the incumbent.
- Projected total of Contract including all renewals, if approved, is \$6,232,830.00.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007142, for Runway Deicing Products, with Nachurs Alpine Solutions LLC dba Nachurs Alpine Solutions Industrial, of Marion, Ohio, in an amount not to exceed \$1,246,566.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:58 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:05 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:56 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Energy & Transportation Mgmt  
Nov 17, 2021 3:43 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Operations	Airfield Lighting and Component Parts		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007065, for Airfield Lighting and Component Parts, with Airport Lighting Systems, Inc., of Grapevine, Texas, in an amount not to exceed \$2,492,676.60, for the initial two-year term of the Contract, with options to renew for three additional one-year periods.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Airfield Lighting and Component Parts in support of the Airport's Energy, Transportation &amp; Asset Management Department.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>Replaces an existing Contract which has been in place for six years.</li><li>Airfield lighting is an integral component of the airfield and is essential in providing a safe environment for Airline operations.</li><li>The Airport has an ongoing need for airfield lighting and repair components, ranging from new fixtures required for runways and taxiways to repair parts for maintenance of systems currently in place.</li><li>These repair items include light cans, lamps, lamp lenses, transformers, fixtures and other components that at compatible with operating existing airfield lighting systems.</li><li>Products must comply with all pertinent Federal Aviation Administration Standards for airfield lighting parts and components.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, no /M/WBE goal was set for this Contract due to the nature of the procurement. (Goods/Finished Products).</li><li>Airport Lighting Systems, Inc. is a certified Women Business Enterprise (WF-C) and will be counted towards the Board's overall M/WBE Program goal.</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: December 2021</li><li>Contract Term: Two years, with three one-year renewal options</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7007065			NTE \$2,492,676.60	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Robert Rodriguez 3-1783 David Foster 3-2988	Operating Fund			\$2,492,676.60

**Additional Information**

- One Bid, from an M/WBE firm, was received on or before the due date of November 5, 2021.
- Airport Lighting Systems, Inc., is the lowest responsive, responsible bidder and is the incumbent.
- Projected total of Contract including all renewals, if approved, is \$6,231,691.50.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007065, for Airfield Lighting and Component Parts, with Airport Lighting Systems, Inc., of Grapevine, Texas, in an amount not to exceed \$2,492,676.60, for the initial two-year term of the Contract, with options to renew for three additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:58 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:06 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:56 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Energy & Transportation Mgmt  
Nov 17, 2021 3:43 pm

Pending

Chief Executive Officer

Date

**AGENDA**  
**FINANCE/AUDIT COMMITTEE MEETING**  
**Tuesday, November 30, 2021**  
**12:55 p.m.**

**FINANCE/AUDIT COMMITTEE**

19. Approve Minutes of the Finance/Audit Committee Meeting of November 2, 2021.

Abel Palacios

20. Financial Report.

**Consent Items for Consideration**

Elaine Rodriguez

21. Approve an increase to Legal Services Contract No. 8005262 with Kelly Hart & Hallman, LLP in the amount of \$50,000.00 for a new not to exceed amount \$98,750.00.
22. Approve an increase to Legal Services Contract No. 8004985 with the firm of Moses, Palmer & Howell, L.L.P., of Fort Worth, Texas, in an amount not to exceed \$65,000.00 for a revised contract amount not to exceed \$1,056,750.00

Michael Youngs

23. Approve an increase to Contract No. 7006668, Information Technology Service Management Tool with Cloudaction LLC, of Tulsa, Oklahoma, in an amount not to exceed \$21,400.00, for a revised Contract not to exceed amount of \$1,214,681.00.
24. Approve execution of Contract No. 7007162, for Proactive Cyber Scanner, with vPrime Tech Inc, of Houston, Texas, in an amount not to exceed \$129,692.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Action Items for Consideration**

Ron Duncan

25. Approve rejection of all bids received for Solicitation No. 7007125, for Print Services; and execute Contract No. 7007153, for Print Services, with Exalt Printing Solutions of Carrollton, Texas, in an amount not to exceed \$265,168.79, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

Catrina Gilbert

26. Approve authorization to bind and procure an Insurance Policy for Medical Stop Loss Insurance, with Blue Cross and Blue Shield of Texas (BCBSTX), in the amount of \$3,721,667.00, for the policy year effective January 1, 2022.

- |               |                                                                                                                                                                 |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| James Mauldin | 27. Approve Investment policy, Investment Strategies, Approved Broker/Dealers and Training sources for the period of February 1, 2022 through January 31, 2023. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Discussion Items**

- |            |                                                                                                 |
|------------|-------------------------------------------------------------------------------------------------|
| Tamela Lee | 28. Monthly D/S/M/WBE Expenditure Report.                                                       |
| Ron Duncan | 29. Purchase Orders/Contracts and Professional Services Contracts approved by authorized staff. |





# KPIs and Financial Report – FY 2022

One month ending October 31, 2021 - Unaudited

# Key Performance Indicator Scorecard

One month ending October 31, 2021 – Unaudited

(\$ in millions)

Key Performance Indicator	Year-To-Date						FY 2022
	FY 2021 Actuals	FY 2022 Actuals	FY 2022 Budget	Actuals vs. Budget Increase/(Decrease)			Annual Budget
DFWCC Total Revenues before FRP	\$20.5	\$34.7	\$30.3	\$4.4	14.7%	■	\$370.5
Application of Federal Relief Proceeds	\$0.0	\$3.3	\$9.4	(\$6.0)	(64.2%)	■	\$112.4
Total Expenditure Budget	\$77.2	\$89.2	\$90.9	(\$1.7)	(1.8%)	■	\$1,036.4
Total Passengers (Ms)	3.8	6.0	5.1	0.8	16.7%	■	67.2
Total Landed Weights (Bs)	2.9	3.8	3.6	0.2	5.3%	■	44.6

## Results Status Bar

- Improved/Constant
- Worse

# DFW Cost Center

One month ending October 31, 2021 – Unaudited

		Year-To-Date					FY 2022
		FY 2021	FY2022	FY 2022	Actuals vs. Budget		Annual
		Actuals	Actuals	Budget	Increase/(Decrease)		Budget
Revenues							
Parking	1	\$6.7	\$15.6	\$12.2	\$3.4	27.6%	\$145.1
Concessions	2	4.7	7.9	7.5	0.4	5.2%	95.1
Rental Car	3	1.9	3.1	2.8	0.4	12.9%	33.4
Commercial Development		4.6	5.3	5.3	(0.0)	(0.2%)	64.4
Other Revenues		2.7	2.9	2.5	0.3	13.2%	32.5
Total Revenues before FRP		20.5	34.7	30.3	4.4	14.7%	370.5
DFW CC Expenditures							
Operating Expenditures		6.9	12.8	12.9	(0.1)	(1.0%)	141.2
Debt Service, net		5.2	3.8	4.3	(0.4)	(9.9%)	50.8
Total Expenditures		12.1	16.6	17.2	(0.5)	(3.2%)	192.0
Gross Margin - DFW Cost Center		8.4	18.1	13.1	5.0	38.0%	178.5
Less Transfers and Skylink							
DFW Terminal Contribution		0.2	0.2	0.2	0.0	0.0%	2.8
Skylink Costs		4.1	5.9	6.0	(0.1)	(1.1%)	53.7
Net Revenues before FRP		4.1	11.9	6.9	5.1	73.4%	122.0
Federal Relief Proceeds (FRP)		0.0	0.0	3.4	(3.4)	(100.0%)	41.1
Net Revenues		\$4.1	\$11.9	\$10.3	\$1.6	15.8%	\$163.1

# Airfield and Terminal Cost Centers

One month ending October 31, 2021 – Unaudited

	Year-To-Date					FY 2022
	FY 2021 Actuals	FY2022 Actuals	FY 2022 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Revenues						
Landing Fees	\$6.3	\$8.5	\$8.1	\$0.4	5.0%	\$99.4
Other Airfield	1.0	1.2	1.0	0.3	27.7%	12.0
Transfer from DFW Cost Center	4 5.8	6.8	5.6	1.2	21.7%	67.5
Total Airfield Revenue	13.1	16.6	14.7	1.9	12.9%	178.8
Terminal Leases	27.7	27.0	27.0	0.0	0.1%	326.7
FIS Fees	0.7	1.3	1.2	0.1	9.5%	17.4
Turn Fees	0.9	1.7	1.5	0.2	11.5%	22.4
Other Terminal	1.5	2.0	1.8	0.2	11.1%	21.7
Total Terminal Revenues	30.8	32.0	31.5	0.5	1.7%	388.2
DFW Terminal Contributions	0.2	0.2	0.2	0.0	0.0%	2.8
Total Revenues before FRP	44.2	48.9	46.5	2.4	5.2%	569.9
Expenditures						
Operating Expenditures	27.5	32.4	33.9	(1.5)	(4.3%)	376.5
Debt Service, net	23.1	19.4	21.0	(1.6)	(7.7%)	264.6
Total Expenditures	50.6	51.8	54.8	(3.1)	(5.6%)	641.2
Net Income/(Loss) before FRP	(6.4)	(2.9)	(8.4)	5.5	(65.5%)	(71.3)
Federal Relief Proceeds (FRP)	0.0	3.3	5.9	(2.6)	(43.6%)	71.3
Net Income/(Loss)	(\$6.4)	\$0.5	(\$2.4)	\$2.9	(119.1%)	\$0.0

# Operating Fund – Total Expenditures

One month ending October 31, 2021 – Unaudited

		Year-To-Date					FY 2022
		FY 2021	FY2022	FY 2022	Actuals vs. Budget		Annual
		Actuals	Actuals	Budget	Increase/(Decrease)		Budget
Operating Expenditures							
Salaries and Wages	5	\$13.6	\$12.2	\$12.7	(\$0.5)	(4.2%)	\$164.9
Benefits		5.3	6.3	6.5	(0.2)	(3.1%)	72.6
Facility Maintenance Contracts		6.0	6.9	7.0	(0.1)	(1.1%)	104.6
Other Contract Services	6	6.4	7.7	8.3	(0.5)	(6.2%)	132.3
Utilities		2.0	2.4	2.4	0.0	0.1%	28.4
Equipment and Other Supplies		1.2	1.3	1.4	(0.1)	(7.6%)	21.0
Insurance		0.6	1.0	0.9	0.1	10.4%	12.1
Fuels		0.1	0.2	0.3	(0.0)	(11.5%)	2.6
General, Administrative, and Other		0.3	0.3	0.5	(0.2)	(38.4%)	15.7
Change in Operating Reserves		2.2	12.6	12.6	(0.0)	(0.0%)	12.6
Total Operating Expenditures		37.9	50.9	52.4	(1.5)	(2.9%)	566.9
Debt Service, gross		39.3	38.3	38.5	(0.1)	(0.4%)	469.5
Total Operating Fund Expenditures		\$77.2	\$89.2	\$90.9	(\$1.7)	(1.8%)	\$1,036.4

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

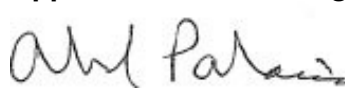
<b>Date</b> 12/02/2021	<b>Committee</b> Finance/Audit	<b>Subject</b> Increase to Legal Services Contract No 8005262 with the firm of Kelly Hart & Hallman LLP.	<b>Resolution #</b>
<b>Action</b> That the Chief Executive Officer or designee be authorized to increase Legal Services Contract No. 8005262 with Kelly Hart & Hallman, LLP in the amount of \$50,000.00 for a new not to exceed amount \$98,750.00.			
<b>Description</b> <ul style="list-style-type: none"> <li>This action would increase the Board's contract for legal services in connection with car sharing issues.</li> </ul> <b>Justification</b> <ul style="list-style-type: none"> <li>This Letter Agreement is entered into between the Dallas/Fort Worth International Airport Board ("Board") and Kelly Hart &amp; Hallman LLP ("Outside Counsel"), effective June 14, 2021.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>The annual goal for the M/WBE Program is 31%.</li> <li>An M/WBE goal will be applied on this contract if further litigations services are required.</li> </ul>			
<b>Schedule/Term</b> <ul style="list-style-type: none"> <li>On June 18, 2021, under the authority of the Chief Executive Officer, the Board entered into a contract with the firm of Kelly Hart and Hallman, LLP, to provide legal services in connection with car sharing issues.</li> <li>This action will increase the amount of the Contract to fund continued legal services regarding such car sharing issues.</li> </ul>			
<b>Contract #</b> 8005262	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$50,000.00 <b>Revised Amount</b> \$85,000.00
<b>For Information contact</b> Elaine Rodriguez 3-5487	<b>Fund</b> 0102	<b>Project #</b>	<b>External Funding Source</b>  <b>Amount</b> \$50,000.00

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to increase Legal Services Contract No. 8005262 with Kelly Hart & Hallman, LLP in the amount of \$50,000.00 for a new not to exceed amount \$98,7500.00.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 17, 2021 10:34 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:07 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:57 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Legal  
Nov 16, 2021 5:18 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Finance/Audit	Increase the Legal Services Contract No. 8004985 with the firm of Moses, Palmer & Howell, L.L.P. of Fort Worth, Texas		
<b>Action</b> That the Chief Executive Officer or designee be authorized to increase Legal Services Contract No. 8004985 with the firm of Moses, Palmer & Howell, L.L.P., of Fort Worth, Texas, in an amount not to exceed \$65,000.00 for a revised contract amount not to exceed \$1,056,750.00.				
<b>Description</b> <ul style="list-style-type: none"><li>This action would increase the Board's contract for Legal Services in connection with Oil and Gas matters.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>On October 20, 2015 the Board selected Moses, Palmer&amp; Howell, L.L.P. (Shayne Moses) to provide legal representation in connection with oil and gas matters, including representing the Board with pending lawsuit against Chesapeake.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the historical SBE Program is 20%.</li><li>No goal was determined for this specific board action due to the limited availability of M/WBE firms that provide this service and the nature of the work.</li></ul>				
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b>	<b>Revised Amount</b>
8004985			\$65,000.00	\$1,056,750.00
<b>For Information contact</b>	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
Elaine Rodriguez 3-5487	Joint Capital Acct-Cash	26024-15		\$65,000.00

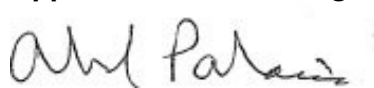


**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to increase Legal Services Contract No. 8004985 with the firm of Moses, Palmer & Howell, L.L.P., of Fort Worth, Texas, in an amount not to exceed \$65,000.00 for a revised contract amount not to exceed \$1,056,750.00.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 17, 2021 10:34 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:18 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:57 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Legal  
Nov 16, 2021 5:18 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #		
12/02/2021	Finance/Audit	Information Technology Service Management Tool			
<b>Action</b> That the Chief Executive Officer or designee be authorized to increase Contract No. 7006668, Information Technology Service Management Tool with Cloudaction LLC, of Tulsa, Oklahoma, in an amount not to exceed \$21,400.00, for a revised Contract not to exceed amount of \$1,214,681.00.					
<b>Description</b> <ul style="list-style-type: none"><li>• Increase the Contract for Information Technology Service Management Tool in support of the Airport's technology program.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>• Increase is needed to support the integration of the Call Center platform with the IT Service Management tool.</li><li>• The proposed integration moves data between applications in real-time and eliminates redundant data entry.</li><li>• The automation will allow IT Solutions Desk staff to focus on providing customer service and problem solving and not performing redundant data entry.</li></ul>					
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the historical SBE Program is 25%.</li><li>• In accordance to the Board's historical SBE Program, no SBE goal was set due to the nature of the procurement (Goods/Finished Product).</li></ul>					
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• The current Contract completion date of December 28, 2022 is not affected by this action.</li></ul>					
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount	
7006668			NTE \$21,400.00	\$1,214,681.00.	
<b>For Information contact</b>		<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
Michael Youngs 3-5350 Mubina Ashraf 3-5548		Operating Fund			\$21,400.00

**Additional Information**

- On December 6, 2018, by Resolution No. 2018-12-287, the Board awarded Contract No. 7006668, for an Information Technology Service Management Tool, with Cloudaction LLC, of Tulsa, Oklahoma.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to increase Contract No. 7006668, Information Technology Service Management Tool with Cloudaction LLC, of Tulsa, Oklahoma, in an amount not to exceed \$21,400.00, for a revised Contract not to exceed amount of \$1,214,681.00.

**Approved as to Form by**

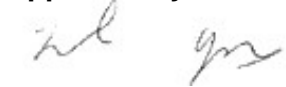

Rodriguez, Elaine  
Legal Counsel  
Nov 17, 2021 10:34 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:18 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:57 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Information Technology Svcs  
Nov 17, 2021 7:35 am

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #		
12/02/2021	Finance/Audit	Proactive Cyber Scanner			
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007162, for Proactive Cyber Scanner, with vPrime Tech Inc, of Houston, Texas, in an amount not to exceed \$129,692.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.					
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Proactive Cyber Scanner in support of the Airport's Cybersecurity program.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>Replaces an existing Contract that has been in place for one year.</li><li>The software scans the Airport's networks to identify new computer assets and detect vulnerabilities.</li><li>Ongoing scanning and identification of new assets and vulnerabilities is required for the Airport to maintain Payment Card Industry Compliance.</li><li>The solution also identifies sensitive personal or payment card data that is not encrypted or appropriately secured in the systems.</li></ul>					
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>N/A - Not subject to the goal per the Board's M/WBE Policy due to the nature of the procurement (Goods/Finished Products).</li></ul>					
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: December 2021</li><li>Contract Term: One year with four one-year renewal options</li></ul>					
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount	
7007162			NTE \$129,692.00		
<b>For Information contact</b>		<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
Michael Youngs 3-5350 Mubina Ashraf 3-5548		Operating Fund			\$129,692.00

**Additional Information**

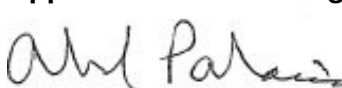
- Two Bids, none from M/WBE firms, were received on or before the due date of November 8, 2021.
- Bid Tabulation attached.
- vPrime Tech Inc, of Houston, Texas, is the lowest responsive, responsible Bidder.
- Projected total of the Contract including all renewals, if approved, is \$648,460.00

Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007162, for Proactive Cyber Scanner, with vPrime Tech Inc, of Houston, Texas, in an amount not to exceed \$129,692.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 17, 2021 10:35 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:18 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 7:58 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Information Technology Svcs  
Nov 17, 2021 7:35 am

Pending

Chief Executive Officer

Date

**Contract No. 7007162**  
**Proactive Cyber Scanner**  
**Bid Tabulation**

<b>Bidders</b>	<b>Bid Amount</b>
vPrime Tech Inc Houston, Texas	\$129,692.00
ProCorp Systems Inc Plano, Texas	\$141,806.20

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #		
12/02/2021	Finance/Audit	Print Services			
<b>Action</b> That the Chief Executive Officer or designee be authorized to reject all bids received for Solicitation No. 7007125, for Print Services; and execute Contract No. 7007153, for Print Services, with Exalt Printing Solutions of Carrollton, Texas, in an amount not to exceed \$265,168.79, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.					
<b>Description</b> <ul style="list-style-type: none"><li>Reject all Bids for Contract No. 7007125, and award a Contract for Print Services in support of all Airport Departments.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>Contract provides for printing, binding, and finishing and other print related services.</li><li>Replaces services previously provided by in-house print shop that is closed.</li></ul>					
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, the M/WBE goal for this contract is 15%.</li><li>Exalt Printing Solutions, LLC a certified Women Business Enterprise (WF-C), has committed to achieving 100% through self-performance.</li></ul>					
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: January 2022</li><li>Contract Term: One year with four additional one-year renewal options</li></ul>					
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount	
7007153			NTE \$265,168.79	\$0	
<b>For Information contact</b>		<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
Ron Duncan 3-5613 Peggy Watkins 3-5619		Operating Fund			\$265,168.79

**Additional Information**

- One Bid, from an M/WBE firm, was received on or before the due date of November 12, 2021.
- Exalt Printing Solutions of Carrollton, Texas, is the lowest responsive, responsible bidder.
- Projected total of Contract including all renewals, if approved, is \$1,325,843.95.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to reject all bids received for Solicitation No. 7007125, for Print Services; and execute Contract No. 7007153, for Print Services, with Exalt Printing Solutions of Carrollton, Texas, in an amount not to exceed \$265,168.79, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 17, 2021 10:35 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:19 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 18, 2021 11:20 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Procurement & Materials Mgmt  
Nov 17, 2021 8:43 am

Pending

Chief Executive Officer

Date



**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

<b>Date</b>	<b>Committee</b>	<b>Subject</b>	<b>Resolution #</b>
12/02/2021	Finance/Audit	Stop Loss Insurance	
<b>Action</b> That the Chief Executive Officer or designee be authorized to bind and procure an Insurance Policy for Medical Stop Loss Insurance, with Blue Cross and Blue Shield of Texas (BCBSTX), in the amount of \$3,721,667.00, for the policy year effective January 1, 2022.			
<b>Description</b> <ul style="list-style-type: none"> <li>This action will authorize the Airport's Risk Management Department to procure Medical Stop Loss Insurance to protect the employee health benefit plan from substantial claims expenditures.</li> </ul> <b>Justification</b> <ul style="list-style-type: none"> <li>This section is in support of Employee Health Benefit Service, Resolution No. 2015-07-125.</li> <li>This action will provide for the following 2022 coverage limits.               <ul style="list-style-type: none"> <li>◆ Coverage - Stop Loss Insurance</li> <li>◆ Specific Deductible - \$200,000.00</li> <li>◆ Premium - \$3,721,667.00</li> </ul> </li> <li>The premium for the upcoming policy period represented a 8.6% increase (\$293,791.00) over the expiring actual premium.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>The annual goal for the M/WBE Program is 31%.</li> <li>N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement. (Insurance Premiums)</li> </ul>			
<b>Schedule/Term</b> Policy Period: January 1, 2022 thru January 1, 2023.			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$3,721,667.00
			<b>Revised Amount</b> \$0
<b>For Information contact</b> Catrina Gilbert 3-5535	<b>Fund</b> Operating Fund	<b>Project #</b>	<b>External Funding Source</b> Amount \$3,721,667.00

**Additional Information**

- Seven insurance carriers were solicited.
- Six carriers submitted proposals.
  - ◆ BCBSTX (incumbent)
  - ◆ HMIG
  - ◆ Optum
  - ◆ Sun Life
  - ◆ Symetra
  - ◆ Voya
- One carrier declined to quote.
- Quoted renewal premiums ranged from the 8.6% to a 72.4% increase over expiring. The average quoted increase was 28.7%.
- The quote from BCBSTX (incumbent) is considered final with no additional claim disclosure and is the recommended carrier for the 2022-2023 renewal term.
- BCBSTX is a member of the Health Care Service Corporation, which has an A.M. Best rating as A (Excellent), XV (\$2 Billion or Greater) financially stable company.
- BCBSTX is the current provider of Employee Medical and Pharmacy Health Plan Services to DFW International Airport Board.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to bind and procure an Insurance Policy for Medical Stop Loss Insurance, with Blue Cross and Blue Shield of Texas (BCBSTX), in the amount of \$3,721,667.00, for the policy year effective January 1, 2022.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:58 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:19 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 8:00 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 17, 2021 9:56 am

Pending

Chief Executive Officer

Date

# DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

## OFFICIAL BOARD ACTION/RESOLUTION

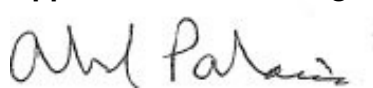
Date	Committee	Subject	Resolution #	
12/02/2021	Finance/Audit	Approval of Investment Policy		
<b>Action</b> That the Airport Board approve the attached Investment policy, Investment Strategies, Approved Broker/Dealers and Training sources for the period of February 1, 2022 through January 31, 2023.				
<b>Description</b> <ul style="list-style-type: none"><li>• As required by the Texas Public Funds Investment Act (PFIA), all governing bodies of public entities must annually approve an investment policy, providing guidance for the investment of public funds.</li><li>• Additionally, the PFIA requires that the governing body also approve the investment strategies for the entity, the broker/dealers authorized to sell investments to the entity and the training sources utilized by the investment officers of the entity to meet their training requirements under the Act.</li><li>• A copy of the proposed Policy has been provided as well as a red-lined draft marked to the last approved policy.</li><li>• Notable changes to the investment policy include:<ul style="list-style-type: none"><li>◆ New Broker added - UBS Financial Services, replacing Vining Sparks.</li><li>◆ Updated guide for internal sale of security.</li></ul></li><li>• No changes were made to the approved training sources.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>• This provides guidelines for the Investment of DFW Public Funds and compliance with Texas Public Funds Investment Act.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• Not Applicable</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
			\$0	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
James Mauldin 3-5447				\$0

**Additional Information**Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Airport Board approve the attached Investment policy, Investment Strategies, Approved Broker/Dealers and Training sources for the period of February 1, 2022 through January 31, 2023.

**Approved as to Form by**

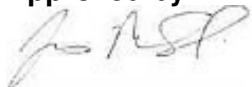

Rodriguez, Elaine  
Legal Counsel  
Nov 16, 2021 5:19 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:19 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 8:00 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 16, 2021 10:55 am

Pending

Chief Executive Officer

Date

# Dallas Fort Worth International Airport

## INVESTMENT POLICY and STRATEGIES

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Revised and Approved: December 2<sup>nd</sup>, 2021

Effective Date of Policy: February 1<sup>st</sup>, 2022

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## **SECTION I**

### **INVESTMENT POLICY**

#### **1.0 INTRODUCTION AND PURPOSE**

- A. This policy ("Investment Policy") shall provide the guidelines by which the Dallas/Fort Worth International Airport Board ("DFW") will maintain adequate cash to meet its liquidity needs and to provide protection for its principal while optimizing yield. This policy also serves to satisfy the statutory requirements of defining and adopting a formal investment policy as required by the Texas Public Funds Investment Act, Government Code Chapter 2256 (the "Act") as amended and effective June 17, 2011 (see Section V below) and provides compliance with existing bond ordinances. All investments made by DFW shall comply with the Act, and federal, state and local statutes, rules and regulations.

#### **2.0 SCOPE**

- A. This Investment Policy applies to the operating funds, special purpose funds, interest and sinking funds, reserve funds, bond funds and FIC funds of DFW. Excluded from this policy are the Dallas/Fort Worth International Airport Employees' Retirement Plans and funds held by a trustee in accordance with an authorized trust agreement. The investment of bond funds (as defined by the Internal Revenue Service) is managed in accordance with their governing resolution and all applicable state and federal law.

#### **3.0 INVESTMENT OBJECTIVES**

- A. Investment of the funds covered by this policy is governed by the following objectives in the order of priority:
- 1) Safety of Principal
    - a) The primary objective of all investment activity is the preservation of capital and safety of principal in the overall portfolio. Each investment transaction will seek to ensure first that capital losses are avoided, whether they are from security defaults or erosion of market value.
    - b) DFW seeks to control risk of loss due to the failure of a security issuer or grantor. Such risk will be controlled by investing only in the safest type of securities as defined in the policy; by collateralization as required by law; and through portfolio diversification by maturity and type.
  - 2) Maintenance of Adequate Liquidity: To the extent that cash flow requirements can be reasonably anticipated, investments are managed to meet them. Liquidity needs are met by investing in investment pools, no-load money market funds and interest-bearing demand bank accounts that allow for same day withdrawals.
  - 3) Public Trust: All participants in DFW's investment process shall seek to act responsibly as custodians of the public trust. Investment Officers (as defined in Section 13.0 below) shall avoid any transactions that impair the public confidence in DFW.
  - 4) Optimization of Interest Earnings: The investment portfolio is managed with the objective of optimizing interest earnings while remaining in compliance with the policy, the law, and the Airport's risk tolerance, as expressed in this policy. Optimizing interest earnings, although important, is subordinate to the safety and liquidity objectives of DFW.

#### **4.0 AUTHORIZED INVESTMENTS**

- A. Investments described below are authorized by the Act and are eligible investments for DFW. The purchase of specific issues may at times be restricted or prohibited by the Finance/Audit Committee and Board of Directors. Except for money market mutual funds, at no time shall any single security (cusip) exceed 5% of total DFW funds unless said investment consists of or is collateralized by instruments described in Section 9.0. DFW funds governed by this policy may be invested in:
- 1) Obligations of the United States or its agencies or instrumentalities as permitted by Government Code 2256.009(a)(1)



- 2) Obligations of the State of Texas or its agencies or instrumentalities as permitted by Government Code 2256.009(a)(2)
- 3) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, as permitted by Government Code 2256.009 (a)
- 4) Municipal obligations having a minimum bond rating of A as permitted by Government Code 2256.009(a)(5)
- 5) Certificates of deposit and share certificates as permitted by Government Code 2256.010
- 6) Fully collateralized repurchase agreements permitted by Government Code 2256.011
- 7) Banker's acceptances as permitted by Government Code 2256.012
- 8) Commercial paper as permitted by Government Code 2256.013 that is issued in the United States and pre-approved by at least two Investment Officers
- 9) Two types of mutual funds as permitted by Government Code 2256.014 - money market mutual funds and no-load mutual funds
- 10) A guaranteed investment contract ("GIC") as an investment vehicle for bond proceeds provided it meets the criteria and eligibility requirements established by Government Code 2256.015
- 11) Public funds investment pools as permitted by Government Code 2256.016

#### **5.0 INTEREST-BEARING DEMAND BANK ACCOUNTS**

- A. In addition to regular demand bank accounts, DFW may deposit funds into interest-bearing demand bank accounts.
  - 1) Interest-bearing demand bank accounts shall be considered the same as demand bank accounts in that collateral shall conform to the same levels contractually agreed upon in the depository contract.
  - 2) Letters of credit issued by the Federal Home Loan Bank ("FHLB") agency can be accepted as collateral for interest bearing demand bank accounts, in an amount not to exceed \$200 million.

#### **6.0 UNAUTHORIZED INVESTMENTS**

- A. The following investments are specifically prohibited under this Policy:
  - 1) Collateral mortgage obligations and any derivatives thereof
  - 2) Asset-backed commercial paper
  - 3) Investments specifically prohibited by Government Code 2256.009(b)
  - 4) Investments with maturities greater than ten years based on DFW's original settlement (purchase) date
- B. Disposition of investments that were authorized investments at the time of purchase but have subsequently become unauthorized:
  - 1) DFW is not required to liquidate investments that were authorized investments at the time of purchase. Per Government Code 2256.017, the decision to sell such a security will be reasonably and prudently reviewed by the Investment Officers and a determination made with the best interest of DFW in mind.

#### **7.0 CREDIT RATING MONITORING**

- A. DFW will monitor credit rating changes monthly through the Bloomberg Launchpad Program. Investments required to be monitored must have a minimum required rating as stated in Government Code 2256.009. If an investment no longer has the minimum rating required, the Investment Officers will take all prudent measures that are consistent with this investment policy, including possible liquidation of the investment.

#### **8.0 SPECIAL PLACEMENT OF CERTIFICATES OF DEPOSIT**

- A. The Board of Directors may authorize placement of certificates of deposit ("CD") with small, local financial institutions located in the Dallas/Fort Worth metropolitan statistical area, in an amount not greater than \$1,000,000 and with maturities of one year or less, without seeking competitive bids.

## 9.0 COLLATERAL

### A. CERTIFICATES OF DEPOSIT COLLATERAL

- 1) Authorization: Consistent with the Texas Government Code, Chapter 2257 (see Section VI), DFW requires all bank and savings and loan association deposits to be federally insured or collateralized with authorized securities. Financial institutions providing CDs, where collateral will be pledged, are required to sign a depository agreement with DFW. The safekeeping portion of the depository agreement will define DFW's rights to the collateral in case of default, bankruptcy, or closing and will establish a perfected security interest in compliance with federal and state regulations. The depository agreement must:
  - a) Be inwriting;
  - b) Be executed by the depository and DFW contemporaneously with the acquisition of the asset;
  - c) Be approved by the depository's board of directors or loan committee, with a copy of the meeting minutes delivered to DFW; and
  - d) Be part of the depository's "official record" continuously since its execution.
- 2) Allowable Collateral
  - a) Obligations of the United States or its agencies or instrumentalities, as permitted by Government Code 2256.009.
  - b) Obligations of the State of Texas or its agencies or instrumentalities, as permitted by Government Code 2256.009.
  - c) Municipal obligations having a minimum bond rating of AA as permitted by Government Code 2256.009.
  - d) Letters of credit issued by the Federal Home Loan Bank ("FHLB") agency. The use of FHLB letters of credit as a form of collateral may be used for special placement of CDs as defined in Section 8.0.
  - e) Surety bonds issued by financial institutions having at least an AA or an equivalent credit rating from at least one nationally recognized rating firm. Surety bonds shall be monitored annually to assure the bond remains in place and is of an amount adequate to meet this policy.
  - f) Collateral as permitted by the pooled collateral state program under Subchapter F of the Public Funds Collateral Act.
- 3) Collateral Levels
  - a) The market value of the principal portion of collateral pledged for CDs must at all times be equal to or greater than the par value of the CD plus accrued interest, less the applicable level of FDIC insurance. The collateral market value must be maintained at the following levels:
    - (1) US Treasuries or agencies, State of Texas agencies or instrumentalities, and municipal obligations rated AA – 102%
    - (2) Surety bonds rated AA – 100%
    - (3) FHLB letters of credit – 100%
    - (4) If multiple forms of collateral are utilized, the total collateral should be at least 102%
- 4) Monitoring Collateral Adequacy: Surety bonds and FHLB letters of credit will be monitored on an annual basis. Other types of acceptable collateral will be monitored on a monthly basis. An Investment Officer will monitor adequacy of collateralization levels to verify market values and total collateral positions. If the collateral pledged for a certificate of deposit falls below the par value of the deposit, plus accrued interest, less FDIC insurance, the institution issuing the CD will be notified by an Investment Officer and will be required to pledge additional collateral no later than the end of the next succeeding business day after notice.
- 5) Safekeeping of Collateral: All collateral securing bank and savings and loan deposits, with the exception of surety and FHLB Letters of Credit, must be held by a third-party institution, in DFW's name, meeting the requirements of the Public Funds Collateral Act and acceptable to DFW, or by the Federal Reserve Bank.

B. COLLATERAL FOR REPURCHASE AGREEMENTS AND GUARANTEED INVESTMENT CONTRACTS (“GICs”)

- 1) Authorization: Repurchase agreements or GICs must also be secured in accordance with State law. Counter-parties to a repurchase transaction will be required to sign a copy of the Bond Market Association Master Repurchase Agreement or a form compliant with such agreement as approved by DFW. An executed copy of this Agreement must be on file before DFW will enter into any transaction with counter-parties. The Finance and Audit Committee and the Board of Directors must approve all Master Repurchase Agreements and GICs.
- 2) Allowable Collateral
  - a) United States Treasuries
  - b) United States Agencies or Instrumentalities
  - c) Collateral as permitted by the pooled collateral state program under Subchapter F of the Public Funds Collateral Act.
  - d) Cash in combination with the obligations described in a) through c) above.
- 3) Collateral Levels
  - a) A repurchase agreement or GIC’s security value will be the par value plus accrued interest. The collateral market value must be maintained at the following minimum levels:

Agreement Maturities Greater Than One Business Day

U. S. Treasury Securities 102%

U. S. Agency and Instrumentalities 102%

Agreement Maturities Not Exceeding One Business Day

All Securities 100%

- 4) Monitoring Collateral Adequacy: Monthly monitoring by an Investment Officer of market values of all underlying securities purchased as collateral for repurchase agreements and GICs is required. If the value of the securities underlying an agreement should fall below the required amount, an Investment Officer will notify the repo or GIC issuer, who will have one business day from notice to remedy the insufficiency.
  - 5) Safekeeping of Collateral: The securities pledged under repurchase agreements and GICs must be delivered to a third-party custodian with whom DFW has established a safekeeping agreement.
- C. COLLATERAL SUBSTITUTION
- 1) Collateral substitutions are permitted when the substitute collateral is of the type allowable by this policy and maintains the collateral levels required by this policy. Notice of collateral substitution must be submitted in writing to DFW within three business days of the substitution and include the type and market value of both the collateral substituted and the substitute collateral. The Investment Officers may prohibit or limit substitution and assess appropriate fees if substitution becomes excessive or abusive. Any costs relating to the substitution of collateral must be the responsibility of the institution requesting the substitution.

**10.0 SAFEKEEPING OF INVESTMENTS**

- A. All securities transactions will be executed by “delivery versus payment” (DVP) or “receive versus payment” (RVP) through DFW’s Safekeeping Agent (as defined below). By so doing, DFW funds are not released until DFW has received, through the Safekeeping Agent, the securities purchased.
- 1) Safekeeping Agreement - DFW will contract with an independent third-party custodian (the “Safekeeping Agent”) for the safekeeping of securities owned by DFW as a part of its investment portfolio. All securities shall be held in the name of DFW and shall be evidenced by a monthly statement from the Safekeeping Agent.

**11.0 FINANCE/AUDIT COMMITTEE**

- A. The Finance and Audit Committee shall serve as the oversight committee relating to the investment of DFW’s funds. Responsibilities in this regard are to:

- 1) Review and recommend approval by the Board of Directors of the Investment Policy on an annual basis as required by the Act.
- 2) Review and recommend approval by the Board of Directors of an Annual Investment Strategy for each fund on an annual basis as required by the Act.
- 3) Review investment reports on a quarterly basis.

#### **12.0 REVIEW AND ADOPTION**

- A. This Investment Policy, Investment Strategies, Approved Investment Training Sources, and Approved Broker/Dealers List will be reviewed annually by the Finance and Audit Committee and approved by the Board of Directors. Interim amendments must be reviewed by the Finance and Audit Committee and approved by the Board of Directors.

#### **13.0 AUTHORITY TO INVEST**

- A. The Chief Financial Officer, the Vice President of Treasury Management, , Senior Cash & Investment Manager, Treasury Analyst and the Cash & Investment Manager are the “Investment Officers” of DFW. Except as limited below, Investment Officers are authorized to deposit, withdraw, transfer, and execute documentation with regards to investments, and manage DFW funds in accordance with this Investment Policy and Strategies. All investment purchases and sales, excluding money market fund transfers on established accounts, require the approval of two investment officers. Approval may be effected by email or text message with signatures to follow.
- B. The Cash & Investment Manager and the Treasury Analyst will exercise the rights of an Investment Officer, respectively, solely in the absence of any one or more of the primary officers – Chief Financial Officer, Vice President Treasury Management and Senior Cash and Investment Manager.
- C. All documents pertaining to this policy signed by Adobe, similar electronic reproduction or signature transmitted by mail or facsimile shall constitute effective execution and delivery and may be used in lieu of originals for all purposes.

#### **14.0 INVESTMENT TRAINING**

- A. All “Investment Officers” are required to take at least 10 hours of investment training from an approved training source within 12 months after taking office or assuming duties. Thereafter, 10 hours of training is required once in every two fiscal years. The training will address investment controls, security risks, strategy risks, market risks, and compliance with the Act. If an Investment Officer is not in compliance with the Act, the officer will be suspended from the duties and responsibilities of the office until such time as they regain compliance. To ensure quality and suitability, training will be obtained from independent sources not involved in investment transactions with DFW, and that are approved by the Board of Directors. See Section IV of this policy book for a list of approved investment training sources

#### **15.0 PRUDENCE**

- A. The standard of prudence to be used by DFW will be the “prudent person standard” and will be applied in the context of managing the overall portfolio within the applicable legal constraints and under the prevailing economic conditions. The standard states: “Investments will be made with judgment and care, under circumstances then prevailing, that a person of prudence, discretion and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived”.
- B. The designated Investment Officers will perform their duties with judgment and care in accordance with the adopted Investment Policy and internal procedures. Investment Officers, acting in good faith and in accordance with these policies and procedures, will be relieved of personal liability. In determining whether an investment officer has exercised prudence with respect to an investment decision (in addition to compliance with policies and procedures) the determination will be made taking into consideration the investment of all funds, or funds under the entity’s control, over which the officer had responsibility rather than a single investment.

## **16.0 STANDARD OF ETHICS**

- A. The designated Investment Officers will adhere to Dallas / Fort Worth International Airport Board Code of Business Ethics and the Act. All Investment Officers will disclose to the Finance and Audit Committee their financial interests in financial institutions that conduct business with DFW, and they will disclose all personal financial/investment positions that could be related to the performance of DFW's portfolio. Investment Officers will refrain from personal business activity, other than routine banking relations, that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.  
  
Additionally, all Investment Officers will file with the Texas Ethics Commission and DFW a statement disclosing any personal business relationship with an entity seeking to sell investments to DFW or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to DFW.
- B. All Investment Officers shall certify in writing to the Chief Executive Officer no later than December 31 of each year that they have no personal business relationship with any investors or investment companies currently involved in investment activities or seeking investment opportunities with DFW. Written notice shall be made to the Texas Ethics Commission only if such relationship exists.

## **17.0 ESTABLISHMENT OF INTERNAL CONTROLS**

- A. The Finance and Audit Committee of the Board of Directors will oversee the investment officers in the maintenance of a system of internal controls over the investment activities of DFW. DFW, in conjunction with its annual financial audit, will perform a compliance audit of management controls on investments and adherence to the Investment Policy.

## **18.0 REPORTING**

- A. Investment performance will be monitored and evaluated by the Investment Officers. The Investment Officers will provide a quarterly comprehensive report, as defined in the Act, signed by all Investment Officers to the Finance and Audit Committee, the Board of Directors and to the Chief Executive Officer. An independent auditor will formally review the investment reports at least annually and the result of the review reported to the governing body by that auditor. DFW will utilize a nationally recognized pricing service to obtain market prices for investments acquired with public funds. This investment report will:
  - 1) Describe in detail the investment position of DFW on the date of the report;
  - 2) State the reporting period beginning market value and ending market value for the period of each pooled fund group.
  - 3) Include all fully accrued interest as of the end of the reporting period.
  - 4) State the reporting period, beginning market value and book value and ending market value and book value for each investment security by asset type and fund type.
  - 5) State the maturity date of each investment security.
  - 6) State the fund for which each investment security was purchased, and
  - 7) State the compliance of the investment portfolio with the Investment Policy, Investment Strategy and the Act.

## **19.0 BROKER/DEALERS**

- A. Annually, DFW shall adopt a list of qualified broker/dealer firms authorized to engage in investment transactions with DFW.
- B. The Investment Officers shall evaluate the broker/dealers and select not less than five and not more than seven broker/dealers, excluding the depository bank, to be presented to the Board of Directors for approval.
- C. Each broker/dealer firm, at least annually, shall sign a letter of acknowledgment that:
  - 1) The qualified broker/dealer representative signing the acknowledgment is authorized to execute the document on behalf of the Broker/Dealer company;
  - 2) That the qualified broker/dealer representative has received and reviewed the Investment Policy and Strategies;

- D. DFW may not purchase investments from a new broker/dealer until the acknowledgement has been signed and received by the Investment Officer(s).
- E. New broker/dealers shall complete and submit a broker/dealer questionnaire provided by DFW
- F. Approved broker/dealers with securities inventories available electronically for view and/or purchase, shall provide DFW the ability to view and purchase investments electronically. Failure of a broker/dealer to notify DFW of the ability to view and/or purchase investments electronically or to deny access may be cause for termination.
- G. In the event that DFW's current depository is not an approved broker/dealer, there shall be a separate certification signed by a qualified representative of the bank. Such certification will cover daily sweep investments and money market transactions within the depository bank.
- H. This Investment Policy is in effect until the Board of Directors approves a superseding policy and said policy has been made available to the broker/dealers. The Investment Officers shall provide a new investment policy approved by the Board of Directors within 60 days of approval.

#### **20.0 COMPETITIVE PRACTICES**

- A. Investment transactions governed by this policy will adhere to bidding procedures t, whether the transaction is executed by an Investment Officer or by a contracted investment advisor. Viewing published broker/dealer's inventories available for sale may be considered an offer and a part of the competitive review process. At least three (3) competitive offers/bids for all security transactions is required.

#### **21.0 ELECTRONIC PORTALS**

- A. Investment Officers may use electronic portals such as Bloomberg to view, solicit and complete securities sales and purchase transactions.

#### **22.0 DIVERSIFICATION**

- A. Diversification by investment type will be maintained to ensure an active and efficient secondary market in portfolio investments and to control the market and credit risks associated with specific investment types.
- B. Bond proceeds may be invested in a single security or investment if the Finance/Audit Committee determines that such an investment is necessary to comply with federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation.

#### **23.0 SALE OF SECURITIES**

- A. A security may be liquidated to meet unanticipated cash requirements, to minimize the loss of principal on a declining credit security or to re-deploy cash into other investments expected to outperform current holdings, or otherwise improve the quality, yield or target duration in the portfolio.

#### **24.0 INVESTMENT POLICY ADOPTION**

- A. DFW's Investment Policy shall be adopted by resolution of the Board of Directors at least annually. It is DFW's intent to comply with state law and regulations. The Investment Policy shall be subject to revisions consistent with changing laws, regulations, and needs of DFW. The resolution of the Board of Directors shall include a detail of all substantive changes to the policy.

#### **25.0 PRECEDENCE**

- A. Should there be any discrepancies, conflicts or inconsistencies between the Act and the Investment Policy, the Act shall take precedence. Similarly, if the Investment Policy does not provide complete or clear direction, the Act shall be the controlling guidance.

## **26.0 EFFECTIVE DATE**

- A. In order to allow sufficient time for the approval process and to notify broker/dealers under this Investment Policy, the effective date of this Investment Policy is February 1<sup>st</sup>, 2022. The Investment Policy approved on January 7<sup>th</sup>, 2021 shall remain effective until that date.

**SECTION II**  
**INVESTMENT STRATEGIES**  
**A. PORTFOLIO STRATEGY**

**1.0 PURPOSE**

- A. These investment strategies ("Investment Strategies") conform to the requirements of the Texas Public Funds Investment Act ("the Act") Government Code 2256.005 (d) which states: "As an integral part of an investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:
  - 1) Understanding of the suitability of the investment to the financial requirements of the entity
  - 2) Preservation and safety of principal
  - 3) Liquidity
  - 4) Marketability of the investment if a need arises to liquidate before maturity
  - 5) Diversification of the investment portfolio
  - 6) Yield
- B. The strategies provide guidelines for the day-to-day management of DFW's investment portfolio in a dynamic and changing market environment.
- C. In the event a new fund is created that is not covered in the strategies below, that fund may be invested according to the guidelines established at the time by the Chief Financial Officer until this Investment Policy is amended by the approval of the board no later than the next annual adoption of the policy.

**2.0 OPTIMIZATION OF INTEREST**

- A. To optimize interest earnings, below are the recommended strategies to employ when market conditions vary.
  - 1) In markets where time risk is rewarded, invest for longer terms. This market has a normal Treasury yield curve.
  - 2) In markets where time risk is not rewarded, invest for shorter terms. This will provide the opportunity and the funds to reinvest when markets improve. This market has a flat or inverted Treasury yield curve.

**3.0 PORTFOLIO DIVERSIFICATION**

- A. Risk in the portfolio will be minimized by diversifying investment types and issuers according to the following limitations.
- B. Diversification targets and limits will be monitored on a quarterly basis.
- C. In the event a pooled fund group is formed at DFW, as defined in the Act, the maximum dollar-weighted average maturity will be 90 days.
- D. In case of Internal sales from one fund to another, the buying fund maximum maturity may not be a deterrent to buy. However; the buying fund cash balance may not go negative at the end month of transfer or purchase



<b>Limits by Investment Sector</b>	<b>Minimum Ratings</b>	<b>Maximum</b>	<b>Maximum Maturity</b>
U.S. Treasury Notes/Bills	N/A	100%	10 years
U.S. Agencies & Instrumentalities	N/A	100%	10 years
Texas Agencies or Instrumentalities	N/A	100%	10 years
Certificates of Deposit	N/A	100%	5 years
Banker's Acceptances	Short-Term A1/P1	20%	270 days
Municipals	A or equivalent by one nationally recognized ratings agency	30%	10 years
Repurchase Agreements	A or equivalent by one nationally recognized ratings agency	100%	5 years
Guaranteed Investment Contract	A or equivalent by one nationally recognized ratings agency	100%	5 years
Money Market Mutual Funds Stable Value	N/A	55%	N/A
No Load Mutual Funds	AAA or AAAM by one nationally recognized rating agency	15%	N/A
Local Government Pool	AAA or AAAM by one nationally recognized rating agency	55%	
Callable U.S. Agencies	N/A	40%	10 years
Commercial Paper	A1/P1 by two recognized ratings agencies	25%	270 days

<b><u>Limits for Individual Issuers Under Each Category</u></b>	<b><u>Maximum Issuer Percentage</u></b>
U.S. Agencies & Instrumentalities	40%
Certificates of Deposit	20%
Banker's Acceptances	5%
Municipals – State & Local	10%
Municipals – Out-of-State	10%
Repurchase Agreements	25%
Guaranteed Investment Contracts	25%
Money Market Mutual Funds (A1)	20%
Local Government Pools	55%
No Load Mutual Funds	15%
Commercial Paper	10%

## **B. STRATEGIES BY FUND**

### **1.0 OPERATING FUNDS (102)**

- A. The Operating Fund has two strategies. One for general operating funds and another for reserve-type funds
  - 1) General Operating Funds (Funds 1XX -other than reserve -type Funds)
    - (a) Fund Purpose: The main Operating Fund is used to meet daily operating and maintenance expenses, and to provide for the monthly transfers to the various interest and sinking funds that accumulate the annual debt service coverage.
    - (b) Estimated Fund Retention: Securities will be positioned to mature within one year. Up to 20% or approximately \$25Million may be up to 2 years
    - (c) Maximum Maturity: Two years
    - (d) Target Weighted Average Maturity ("WAM"): 180 days to 270 days
    - (e) Appropriate Investments: Liquidity is essential to meet DFW's ongoing obligations and may be effectively achieved with approved short-term investments. Diversification by maturity date may assure that funds are available to meet obligations.
    - (f) Yield Objective: Shall be to optimize investment earnings within policy guidelines and liquidity constraints.
    - (g) Benchmark: The benchmark is the average 3-6 month Treasury Bill yield over the quarterly reporting period.
  - 2) Three Month Operating Reserve and Rolling Coverage Funds
    - (a) Fund Purpose: The Three-Month Operating Reserve Fund is a long-term reserve fund equal to one-quarter of the current operating expenses of DFW. The Rolling Coverage Fund is a long-term reserve fund equal to one-quarter of DFW's annual debt service payments.
    - (b) Estimated Fund Retention: As reserve funds, the balance is stable and long-term.
    - (c) Maximum Maturity: The maximum maturity is 10 years, however, at the end of the preceding quarter, at least 75% of the combined funds referenced in 2) above shall have final maturities of five years or less.
    - (d) Target WAM: Shall range from 24 to 48 months depending on perceived market conditions.
    - (e) Appropriate Investments: Any investments authorized by policy, except Guaranteed Investment Contracts (GIC's) and Flexible Repurchase Agreements are suitable for this reserve fund. Liquidity is not a primary concern. Diversification by issuer is also preferred but shall be considered primarily as part of the overall portfolio.
    - (f) Yield Objective: Shall be to optimize interest earnings by extending portfolio maturities thereby taking advantage of upward sloping yield curves or locking in higher yields during periods of monetary policy easing.
    - (g) Benchmark: Shall be the average 2-Year Treasury Note yield over the quarterly reporting period.

### **2.0 PFC FUND (252)**

- A. Fund Purpose: This fund is for passenger facility charges ("PFC") revenue that is segregated per law.
- B. Estimated Fund Retention: DFW will spend PFCs at the same rate they are collected.
- C. Maximum Maturity: One year
- D. Target WAM: 180 days
- E. Appropriate Investments: Liquidity is essential to meet the monthly debt service payments to the Interest and Sinking Funds. Therefore, securities with active secondary markets and a high degree of marketability are preferred. Diversification by issuer is also preferred but shall be considered primarily as part of the overall portfolio.
- F. Yield Objective: Shall be to optimize interest earnings within policy guidelines and liquidity constraints.
- G. Benchmark: The 3-month Treasury Bill yield will be the benchmark.

### 3.0 CAPITAL FUNDS

#### A. Joint Capital Account (320)

- 1) Fund Purpose: As part of the new Use Agreement, the Joint Capital Fund is a segregated fund for capital improvements subject to airline approval (MII).
- 2) Estimated Funds Retention: Funds in this account will be expended over a one to three years period. DFW currently plans to use the Joint Capital Account to fund scheduled projects, then to reimburse the Joint Capital Account from the issuance of bonds during construction. In addition, DFW expects to maintain a core amount of about \$200 million that may be held for longer periods. This Account is funded from proceeds from natural gas royalties and the sale of real estate.
- 3) Maximum Maturity: Five years,
- 4) Target WAM: The target weighted average maturity of the Joint Capital Account shall be based on an annual review of expected cash flows; but will normally range from 180 days to three years. Whenever possible, the maturity structure shall be ladder with securities maturing on various dates to meet known obligations.
- 5) Appropriate Investments: Liquidity is essential to meet DFW's ongoing obligations and may be effectively achieved with the use of short and long-term investments. Diversification by maturity date will assure that funds are available to meet obligations.
- 6) Yield Objective: Shall be to optimize interest earnings within policy guidelines and liquidity constraints.
- 7) Benchmark: The benchmark for this fund shall be the one-year Moving Treasury Average ("MTA") over the quarterly reporting period.

#### B. DFW Capital Account (340)

- 1) Fund Purpose: The DFW Capital Fund is a segregated account for discretionary capital improvements. Expenditures from this fund do not require approval from the airlines.
- 2) Estimated Funds Retention: The DFW Capital Fund will generally pay for capital projects in one to three years. However, at the end of the preceding quarter, up to 25% or approximately \$40Million of this fund may have maximum maturities of five years.
- 3) Maximum Maturity: Five years.
- 4) Target WAM: The target weighted average maturity shall be 180 days to two years depending on perceived market conditions and expected liquidity in the fund
- 5) Appropriate Investments: Any short-term investments authorized by policy
- 6) Yield Objective: Shall be to optimize interest earnings within policy guidelines and liquidity constraints.
- 7) Benchmark: Shall be the 6-month Treasury Bill yield over the quarterly reporting period.

#### C. Bond and Commercial Paper Funds (Joint and DFW Capital)

- 1) The investing of bond/commercial paper proceeds is subject to policy limitations and the bond covenants. Where differences exist, the bond covenants will prevail. The bond/commercial paper proceeds are designated for construction and capitalized interest payments.
  - (a) Fund Purpose: The bond funds are used to reimburse construction funds and are to be expended in accordance with the anticipated timeframe for the projects involved. to pay capitalized interest on semi-annual debt service payments.
  - (b) Estimated Fund Retention: Fund will be expended based on construction.
  - (c) Maximum Maturity: Not to exceed three years.
  - (d) Target WAM: 270 days to Two years.
  - (e) Appropriate Investments: Subject to the restrictions of individual bond covenants, any investment authorized by policy except non-2a7 mutual funds are suitable for investment of Bond Funds. Liquidity is essential to meet capitalized interest debt service payments.
  - (f) Yield Objective: Shall be to optimize interest earnings within known cash flow requirements,

- policy guidelines and individual bond covenants.
- (g) Benchmark: The benchmark for this fund is the 6-month Treasury Bill
- 2) Construction Funds (Joint and DFW Capital) – Funds are zero balance accounts.

#### **4.0 INTEREST AND SINKING FUNDS (500s)**

- A. Fund Purpose: The purpose of the Interest and Sinking (I&S) Funds is to meet semi-annual debt service obligations.
- B. Estimated Funds Retention: Short-term to meet semi-annual debt service payments
- C. Maximum Maturity: One year
- D. Target WAM: 90 –270days
- E. Appropriate Investments: Any short-term investments authorized by policy, except 2a7 mutual funds, are suitable for the Interest & Sinking Funds. Securities possessing active secondary markets and a high degree of marketability are preferred. Diversification by issuer is also preferred but will be considered primarily as part of the overall portfolio.
- F. Yield Objective: The yield objective shall be to optimize interest earnings within policy guidelines and liquidity constraints.
- G. Benchmark: The benchmark for this fund shall be the average 3-month Treasury Bill yield over the quarterly reporting period.

#### **5.0 DEBT SERVICE RESERVE FUNDS (600s)**

- A. Fund Purpose: In case of an emergency, the Debt Service Reserve Fund will be used to make debt service payments.
- B. Estimated Funds Retention: Long-term
- C. Maximum Maturity: The maximum maturity is 10 years, however, at the end of the preceding quarter, at least 75% of the fund shall have final maturities of five years or less.
- D. Target WAM: Shall be from 2 - 4 years depending on perceived market conditions.
- E. Appropriate Investments: Any investments authorized by policy, except Guaranteed Investment Contracts (GIC's) are suitable for the Debt Service Reserve Fund. Liquidity is not a primary concern, although securities possessing active secondary markets and a high degree of marketability are preferred. Issuer and maturity date diversification is also preferred, but shall be considered primarily as part of the overall portfolio.
- F. Yield Objective: Shall be to optimize interest earnings by extending portfolio maturities, thereby taking advantage of upward sloping yield curves, or locking in higher yields during periods of monetary policy easing.
- G. Benchmark for this fund shall be the average 2-Year Treasury Note yield over the quarterly reporting period.

#### **6.0 PFIC FUNDS – Funds 9 or 9XX**

- A. CTC Funds
  - 1) Fund Purpose: Used to pay rental car center ("RAC") bus operating expenses.
  - 2) Estimated Funds Retention: Less than one year.
  - 3) Maximum Maturity: One year.
  - 4) Target WAM: 180 days
  - 5) Appropriate Investments: short-term
  - 6) Yield Objective: Liquidity takes precedence and then maximize yield within the short-term time frame
  - 7) Benchmark: Average 3-month Treasury Bill over the reporting period
- B. CFC Funds
  - 1) Fund Purpose: To pay monthly debt service payments of RAC refunding bonds and to use for PFIC-approved capital expenditures.
  - 2) Estimated Funds Retention: Three to five years for a core amount (approximately \$25 million) and one to two years for the remaining.

- 3) Maximum Maturity: Five years for the core amount and two years for the remainder.
  - 4) Target WAM: 180 to 360 days depending on projected cash flows.
  - 5) Appropriate Investments: short to mid-term
  - 6) Yield Objective: Liquidity takes precedence and then maximize yield within the short to mid-term time frame for the non-core
  - 7) Benchmark: Average 6-month Treasury Bill over the reporting period
- C. Hotels Operating Funds
- 1) Fund Purpose: To pay for hotel operating expenses may be used for PFIC-approved expenditures.
  - 2) Estimated Funds Retention: Approximately one year.
  - 3) Maximum Maturity: One Year
  - 4) Target WAM: 180 days
  - 5) Appropriate Investments: Short-term
  - 6) Yield Objective: Liquidity takes precedence and then maximize yield within the short to mid-term time frame
  - 7) Benchmark: 3-month Treasury Bill
- D. Hotels FF&E Funds
- 1) Fund Purpose: To purchase furniture, fixtures and equipment for the hotel per budget.
  - 2) Estimated Funds Retention: One year.
  - 3) Maximum Maturity: One year.
  - 4) Target WAM: 90 to 180 days
  - 5) Appropriate Investments: Short-term investments such as discos, money markets and commercial paper.
  - 6) Yield Objective: Liquidity takes precedence and then maximize yield within the short-term time frame
  - 7) Benchmark: 3-month Treasury Bill
- E. Hotels and West Business Center Capital Accounts
- 1) Fund Purpose: To supplement the FF&E funds to pay for PFIC approved long-term capital projects.
  - 2) Estimated Funds Retention: Up to three years, based on new PFIC Investment opportunities.
  - 3) Maximum Maturity: 3 years
  - 4) Target WAM: 180 days to 2 years
  - 5) Appropriate Investments: Any investments authorized by policy, except GICs and Repos.
  - 6) Yield Objective: Maximize yield by extending maturities of funds that will not be expended soon.
  - 7) Benchmark: 1-year Treasury Bill.

### SECTION III

#### 2022 APPROVED BROKER/DEALERS

**UBS Financial Services**

200 Crescent Court, Suite 630  
Dallas, Texas 75201  
Phil Hartigan  
214-382-2210

**Rice Securities, LLC**

**Minority Owned**

55 Broad Street, 27<sup>th</sup> Floor  
New York, NY 10004

**Jared Fragin & Tim Barbera**  
**(212)-908-9260**

**Piper Sandler & Co.**

1177 West Loop South,  
Suite 1500  
Houston, TX 77027

**Jason Jeansonne**  
**(713) 343-3915**

**Samuel A. Ramirez & Co., Inc.**

**Minority Owned**

61 Broadway, Suite 2924  
New York, NY 10006

**T. Ryan Greenwalt**  
**(212) 378-7137**

**Stifel Nicolaus & Company**

5956 Sherry Lane,  
Suite 875  
Dallas, TX 75225

**Mike Bell**  
**(214) 706-9469**

**Wells Fargo Securities LLC**

1445 Ross Avenue,  
2nd Floor  
Dallas, TX 75202

**Michael Minahan**  
**(214) 777-4014**

**Multi-Bank Securities, Inc.**

20 North Wacker Dr.  
Chicago, IL 60606

**Carol Mackoff**  
**(888) 857-4740**  
**Ken Bruce**  
**(888) 537-0740**

**Money Market Investments**

**JP Morgan Chase**

(Commercial Bank)  
420 Throckmorton, 4th Floor  
Fort Worth, TX. 76102

**Mike Wilson**  
**(817) 884-4283**

Note: If a broker/dealer is minority-owned or a primary dealer this is noted under the firm's name.

**SECTION IV**  
**2022 APPROVED INVESTMENT TRAINING SOURCES**  
**&**  
**INVESTMENT OFFICER’S TRAINING CERTIFICATES**

- Alliance of Texas Treasury Associations (TEXPO Conferences)
- University of North Texas Center for Public Management
- Patterson & Associates
- Texas State University - William P. Hobby Center for Public Service
- Government Treasury Association of Texas - Conferences/Classes

**SECTION V**  
**PUBLIC FUNDS INVESTMENT ACT**

There were no amendments to the PFIAs in 2021 by the Texas Legislature, that affects this policy.



**SECTION VI**  
**PUBLIC FUNDS COLLATERAL ACT**

There were no amendments to the Texas PFCAs in 2021 that affects this policy.

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# Dallas Fort Worth International Airport

## INVESTMENT POLICY and STRATEGIES

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Revised and Approved: December 2<sup>nd</sup>, 2021  
Effective Date of Policy: February 1<sup>st</sup>, 2022

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## **SECTION I**

### **INVESTMENT POLICY**

#### **1.0 INTRODUCTION AND PURPOSE**

- A. This policy ("Investment Policy") shall provide the guidelines by which the Dallas/Fort Worth International Airport Board ("DFW") will maintain adequate cash to meet its liquidity needs and to provide protection for its principal while optimizing yield. This policy also serves to satisfy the statutory requirements of defining and adopting a formal investment policy as required by the Texas Public Funds Investment Act, Government Code Chapter 2256 (the "Act") as amended and effective June 17, 2011 (see Section V below) and provides compliance with existing bond ordinances. All investments made by DFW shall comply with the Act, and federal, state and local statutes, rules and regulations.

#### **2.0 SCOPE**

- A. This Investment Policy applies to the operating funds, special purpose funds, interest and sinking funds, reserve funds, bond funds and FIC funds of DFW. Excluded from this policy are the Dallas/Fort Worth International Airport Employees' Retirement Plans and funds held by a trustee in accordance with an authorized trust agreement. The investment of bond funds (as defined by the Internal Revenue Service) is managed in accordance with their governing resolution and all applicable state and federal law.

#### **3.0 INVESTMENT OBJECTIVES**

- A. Investment of the funds covered by this policy is governed by the following objectives in the order of priority:
- 1) Safety of Principal
    - a) The primary objective of all investment activity is the preservation of capital and safety of principal in the overall portfolio. Each investment transaction will seek to ensure first that capital losses are avoided, whether they are from security defaults or erosion of market value.
    - b) DFW seeks to control risk of loss due to the failure of a security issuer or grantor. Such risk will be controlled by investing only in the safest type of securities as defined in the policy; by collateralization as required by law; and through portfolio diversification by maturity and type.
  - 2) Maintenance of Adequate Liquidity: To the extent that cash flow requirements can be reasonably anticipated, investments are managed to meet them. Liquidity needs are met by investing in investment pools, no-load money market funds and interest-bearing demand bank accounts that allow for same day withdrawals.
  - 3) Public Trust: All participants in DFW's investment process shall seek to act responsibly as custodians of the public trust. Investment Officers (as defined in Section 13.0 below) shall avoid any transactions that impair the public confidence in DFW.
  - 4) Optimization of Interest Earnings: The investment portfolio is managed with the objective of optimizing interest earnings while remaining in compliance with the policy, the law, and the Airport's risk tolerance, as expressed in this policy. Optimizing interest earnings, although important, is subordinate to the safety and liquidity objectives of DFW.

#### **4.0 AUTHORIZED INVESTMENTS**

- A. Investments described below are authorized by the Act and are eligible investments for DFW. The purchase of specific issues may at times be restricted or prohibited by the Finance/Audit Committee and Board of Directors. Except for money market mutual funds, at no time shall any single security (cusip) exceed 5% of total DFW funds unless said investment consists of or is collateralized by instruments described in Section 9.0. DFW funds governed by this policy may be invested in:
- 1) Obligations of the United States or its agencies or instrumentalities as permitted by Government Code 2256.009(a)(1)

- 2) Obligations of the State of Texas or its agencies or instrumentalities as permitted by Government Code 2256.009(a)(2)
- 3) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, as permitted by Government Code 2256.009 (a)
- 4) Municipal obligations having a minimum bond rating of A as permitted by Government Code 2256.009(a)(5)
- 5) Certificates of deposit and share certificates as permitted by Government Code 2256.010
- 6) Fully collateralized repurchase agreements permitted by Government Code 2256.011
- 7) Banker's acceptances as permitted by Government Code 2256.012
- 8) Commercial paper as permitted by Government Code 2256.013 that is issued in the United States and pre-approved by at least two Investment Officers
- 9) Two types of mutual funds as permitted by Government Code 2256.014 - money market mutual funds and no-load mutual funds
- 10) A guaranteed investment contract ("GIC") as an investment vehicle for bond proceeds provided it meets the criteria and eligibility requirements established by Government Code 2256.015
- 11) Public funds investment pools as permitted by Government Code 2256.016

#### **5.0 INTEREST-BEARING DEMAND BANK ACCOUNTS**

- A. In addition to regular demand bank accounts, DFW may deposit funds into interest-bearing demand bank accounts.
  - 1) Interest-bearing demand bank accounts shall be considered the same as demand bank accounts in that collateral shall conform to the same levels contractually agreed upon in the depository contract.
  - 2) Letters of credit issued by the Federal Home Loan Bank ("FHLB") agency can be accepted as collateral for interest bearing demand bank accounts, in an amount not to exceed \$200 million.

#### **6.0 UNAUTHORIZED INVESTMENTS**

- A. The following investments are specifically prohibited under this Policy:
  - 1) Collateral mortgage obligations and any derivatives thereof
  - 2) Asset-backed commercial paper
  - 3) Investments specifically prohibited by Government Code 2256.009(b)
  - 4) Investments with maturities greater than ten years based on DFW's original settlement (purchase) date
- B. Disposition of investments that were authorized investments at the time of purchase but have subsequently become unauthorized:
  - 1) DFW is not required to liquidate investments that were authorized investments at the time of purchase. Per Government Code 2256.017, the decision to sell such a security will be reasonably and prudently reviewed by the Investment Officers and a determination made with the best interest of DFW in mind.

#### **7.0 CREDIT RATING MONITORING**

- A. DFW will monitor credit rating changes monthly through the Bloomberg Launchpad Program. Investments required to be monitored must have a minimum required rating as stated in Government Code 2256.009. If an investment no longer has the minimum rating required, the Investment Officers will take all prudent measures that are consistent with this investment policy, including possible liquidation of the investment.

#### **8.0 SPECIAL PLACEMENT OF CERTIFICATES OF DEPOSIT**

- A. The Board of Directors may authorize placement of certificates of deposit ("CD") with small, local financial institutions located in the Dallas/Fort Worth metropolitan statistical area, in an amount not greater than \$1,000,000 and with maturities of one year or less, without seeking competitive bids.

## 9.0 COLLATERAL

### A. CERTIFICATES OF DEPOSIT COLLATERAL

- 1) Authorization: Consistent with the Texas Government Code, Chapter 2257 (see Section VI), DFW requires all bank and savings and loan association deposits to be federally insured or collateralized with authorized securities. Financial institutions providing CDs, where collateral will be pledged, are required to sign a depository agreement with DFW. The safekeeping portion of the depository agreement will define DFW's rights to the collateral in case of default, bankruptcy, or closing and will establish a perfected security interest in compliance with federal and state regulations. The depository agreement must:
  - a) Be inwriting;
  - b) Be executed by the depository and DFW contemporaneously with the acquisition of the asset;
  - c) Be approved by the depository's board of directors or loan committee, with a copy of the meeting minutes delivered to DFW; and
  - d) Be part of the depository's "official record" continuously since its execution.
- 2) Allowable Collateral
  - a) Obligations of the United States or its agencies or instrumentalities, as permitted by Government Code 2256.009.
  - b) Obligations of the State of Texas or its agencies or instrumentalities, as permitted by Government Code 2256.009.
  - c) Municipal obligations having a minimum bond rating of AA as permitted by Government Code 2256.009.
  - d) Letters of credit issued by the Federal Home Loan Bank ("FHLB") agency. The use of FHLB letters of credit as a form of collateral may be used for special placement of CDs as defined in Section 8.0.
  - e) Surety bonds issued by financial institutions having at least an AA or an equivalent credit rating from at least one nationally recognized rating firm. Surety bonds shall be monitored annually to assure the bond remains in place and is of an amount adequate to meet this policy.
  - f) Collateral as permitted by the pooled collateral state program under Subchapter F of the Public Funds Collateral Act.
- 3) Collateral Levels
  - a) The market value of the principal portion of collateral pledged for CDs must at all times be equal to or greater than the par value of the CD plus accrued interest, less the applicable level of FDIC insurance. The collateral market value must be maintained at the following levels:
    - (1) US Treasuries or agencies, State of Texas agencies or instrumentalities, and municipal obligations rated AA – 102%
    - (2) Surety bonds rated AA – 100%
    - (3) FHLB letters of credit – 100%
    - (4) If multiple forms of collateral are utilized, the total collateral should be at least 102%
- 4) Monitoring Collateral Adequacy: Surety bonds and FHLB letters of credit will be monitored on an annual basis. Other types of acceptable collateral will be monitored on a monthly basis. An Investment Officer will monitor adequacy of collateralization levels to verify market values and total collateral positions. If the collateral pledged for a certificate of deposit falls below the par value of the deposit, plus accrued interest, less FDIC insurance, the institution issuing the CD will be notified by an Investment Officer and will be required to pledge additional collateral no later than the end of the next succeeding business day after notice.
- 5) Safekeeping of Collateral: All collateral securing bank and savings and loan deposits, with the exception of surety and FHLB Letters of Credit, must be held by a third-party institution, in DFW's name, meeting the requirements of the Public Funds Collateral Act and acceptable to DFW, or by the Federal Reserve Bank.



B. COLLATERAL FOR REPURCHASE AGREEMENTS AND GUARANTEED INVESTMENT CONTRACTS (“GICs”)

- 1) Authorization: Repurchase agreements or GICs must also be secured in accordance with State law. Counter-parties to a repurchase transaction will be required to sign a copy of the Bond Market Association Master Repurchase Agreement or a form compliant with such agreement as approved by DFW. An executed copy of this Agreement must be on file before DFW will enter into any transaction with counter-parties. The Finance and Audit Committee and the Board of Directors must approve all Master Repurchase Agreements and GICs.
- 2) Allowable Collateral
  - a) United States Treasuries
  - b) United States Agencies or Instrumentalities
  - c) Collateral as permitted by the pooled collateral state program under Subchapter F of the Public Funds Collateral Act.
  - d) Cash in combination with the obligations described in a) through c) above.
- 3) Collateral Levels
  - a) A repurchase agreement or GIC’s security value will be the par value plus accrued interest. The collateral market value must be maintained at the following minimum levels:

Agreement Maturities Greater Than One Business Day

U. S. Treasury Securities 102%

U. S. Agency and Instrumentalities 102%

Agreement Maturities Not Exceeding One Business Day

All Securities 100%

- 4) Monitoring Collateral Adequacy: Monthly monitoring by an Investment Officer of market values of all underlying securities purchased as collateral for repurchase agreements and GICs is required. If the value of the securities underlying an agreement should fall below the required amount, an Investment Officer will notify the repo or GIC issuer, who will have one business day from notice to remedy the insufficiency.
  - 5) Safekeeping of Collateral: The securities pledged under repurchase agreements and GICs must be delivered to a third-party custodian with whom DFW has established a safekeeping agreement.
- C. COLLATERAL SUBSTITUTION
- 1) Collateral substitutions are permitted when the substitute collateral is of the type allowable by this policy and maintains the collateral levels required by this policy. Notice of collateral substitution must be submitted in writing to DFW within three business days of the substitution and include the type and market value of both the collateral substituted and the substitute collateral. The Investment Officers may prohibit or limit substitution and assess appropriate fees if substitution becomes excessive or abusive. Any costs relating to the substitution of collateral must be the responsibility of the institution requesting the substitution.

**10.0 SAFEKEEPING OF INVESTMENTS**

- A. All securities transactions will be executed by “delivery versus payment” (DVP) or “receive versus payment” (RVP) through DFW’s Safekeeping Agent (as defined below). By so doing, DFW funds are not released until DFW has received, through the Safekeeping Agent, the securities purchased.
- 1) Safekeeping Agreement - DFW will contract with an independent third-party custodian (the “Safekeeping Agent”) for the safekeeping of securities owned by DFW as a part of its investment portfolio. All securities shall be held in the name of DFW and shall be evidenced by a monthly statement from the Safekeeping Agent.

**11.0 FINANCE/AUDIT COMMITTEE**

- A. The Finance and Audit Committee shall serve as the oversight committee relating to the investment of DFW’s funds. Responsibilities in this regard are to:

- 1) Review and recommend approval by the Board of Directors of the Investment Policy on an annual basis as required by the Act.
- 2) Review and recommend approval by the Board of Directors of an Annual Investment Strategy for each fund on an annual basis as required by the Act.
- 3) Review investment reports on a quarterly basis.

#### **12.0 REVIEW AND ADOPTION**

- A. This Investment Policy, Investment Strategies, Approved Investment Training Sources, and Approved Broker/Dealers List will be reviewed annually by the Finance and Audit Committee and approved by the Board of Directors. Interim amendments must be reviewed by the Finance and Audit Committee and approved by the Board of Directors.

#### **13.0 AUTHORITY TO INVEST**

- A. The Chief Financial Officer, the Vice President of Treasury Management, , Senior Cash & Investment Manager, Treasury Analyst and the Cash & Investment Manager are the “Investment Officers” of DFW. Except as limited below, Investment Officers are authorized to deposit, withdraw, transfer, and execute documentation with regards to investments, and manage DFW funds in accordance with this Investment Policy and Strategies. All investment purchases and sales, excluding money market fund transfers on established accounts, require the approval of two investment officers. Approval may be effected by email or text message with signatures to follow.
- B. The Cash & Investment Manager and the Treasury Analyst will exercise the rights of an Investment Officer, respectively, solely in the absence of any one or more of the primary officers – Chief Financial Officer, Vice President Treasury Management and Senior Cash and Investment Manager.
- C. All documents pertaining to this policy signed by Adobe, similar electronic reproduction or signature transmitted by mail or facsimile shall constitute effective execution and delivery and may be used in lieu of originals for all purposes.

#### **14.0 INVESTMENT TRAINING**

- A. All “Investment Officers” are required to take at least 10 hours of investment training from an approved training source within 12 months after taking office or assuming duties. Thereafter, 10 hours of training is required once in every two fiscal years. The training will address investment controls, security risks, strategy risks, market risks, and compliance with the Act. If an Investment Officer is not in compliance with the Act, the officer will be suspended from the duties and responsibilities of the office until such time as they regain compliance. To ensure quality and suitability, training will be obtained from independent sources not involved in investment transactions with DFW, and that are approved by the Board of Directors. See Section IV of this policy book for a list of approved investment training sources

#### **15.0 PRUDENCE**

- A. The standard of prudence to be used by DFW will be the “prudent person standard” and will be applied in the context of managing the overall portfolio within the applicable legal constraints and under the prevailing economic conditions. The standard states: “Investments will be made with judgment and care, under circumstances then prevailing, that a person of prudence, discretion and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived”.
- B. The designated Investment Officers will perform their duties with judgment and care in accordance with the adopted Investment Policy and internal procedures. Investment Officers, acting in good faith and in accordance with these policies and procedures, will be relieved of personal liability. In determining whether an investment officer has exercised prudence with respect to an investment decision (in addition to compliance with policies and procedures) the determination will be made taking into consideration the investment of all funds, or funds under the entity’s control, over which the officer had responsibility rather than a single investment.

## **16.0 STANDARD OF ETHICS**

- A. The designated Investment Officers will adhere to Dallas / Fort Worth International Airport Board Code of Business Ethics and the Act. All Investment Officers will disclose to the Finance and Audit Committee their financial interests in financial institutions that conduct business with DFW, and they will disclose all personal financial/investment positions that could be related to the performance of DFW's portfolio. Investment Officers will refrain from personal business activity, other than routine banking relations, that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.  
  
Additionally, all Investment Officers will file with the Texas Ethics Commission and DFW a statement disclosing any personal business relationship with an entity seeking to sell investments to DFW or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to DFW.
- B. All Investment Officers shall certify in writing to the Chief Executive Officer no later than December 31 of each year that they have no personal business relationship with any investors or investment companies currently involved in investment activities or seeking investment opportunities with DFW. Written notice shall be made to the Texas Ethics Commission only if such relationship exists.

## **17.0 ESTABLISHMENT OF INTERNAL CONTROLS**

- A. The Finance and Audit Committee of the Board of Directors will oversee the investment officers in the maintenance of a system of internal controls over the investment activities of DFW. DFW, in conjunction with its annual financial audit, will perform a compliance audit of management controls on investments and adherence to the Investment Policy.

## **18.0 REPORTING**

- A. Investment performance will be monitored and evaluated by the Investment Officers. The Investment Officers will provide a quarterly comprehensive report, as defined in the Act, signed by all Investment Officers to the Finance and Audit Committee, the Board of Directors and to the Chief Executive Officer. An independent auditor will formally review the investment reports at least annually and the result of the review reported to the governing body by that auditor. DFW will utilize a nationally recognized pricing service to obtain market prices for investments acquired with public funds. This investment report will:
  - 1) Describe in detail the investment position of DFW on the date of the report;
  - 2) State the reporting period beginning market value and ending market value for the period of each pooled fund group.
  - 3) Include all fully accrued interest as of the end of the reporting period.
  - 4) State the reporting period, beginning market value and book value and ending market value and book value for each investment security by asset type and fund type.
  - 5) State the maturity date of each investment security.
  - 6) State the fund for which each investment security was purchased, and
  - 7) State the compliance of the investment portfolio with the Investment Policy, Investment Strategy and the Act.

## **19.0 BROKER/DEALERS**

- A. Annually, DFW shall adopt a list of qualified broker/dealer firms authorized to engage in investment transactions with DFW.
- B. The Investment Officers shall evaluate the broker/dealers and select not less than five and not more than seven broker/dealers, excluding the depository bank, to be presented to the Board of Directors for approval.
- C. Each broker/dealer firm, at least annually, shall sign a letter of acknowledgment that:
  - 1) The qualified broker/dealer representative signing the acknowledgment is authorized to execute the document on behalf of the Broker/Dealer company;
  - 2) That the qualified broker/dealer representative has received and reviewed the Investment Policy and Strategies;

- D. DFW may not purchase investments from a new broker/dealer until the acknowledgement has been signed and received by the Investment Officer(s).
- E. New broker/dealers shall complete and submit a broker/dealer questionnaire provided by DFW
- F. Approved broker/dealers with securities inventories available electronically for view and/or purchase, shall provide DFW the ability to view and purchase investments electronically. Failure of a broker/dealer to notify DFW of the ability to view and/or purchase investments electronically or to deny access may be cause for termination.
- G. In the event that DFW's current depository is not an approved broker/dealer, there shall be a separate certification signed by a qualified representative of the bank. Such certification will cover daily sweep investments and money market transactions within the depository bank.
- H. This Investment Policy is in effect until the Board of Directors approves a superseding policy and said policy has been made available to the broker/dealers. The Investment Officers shall provide a new investment policy approved by the Board of Directors within 60 days of approval.

#### **20.0 COMPETITIVE PRACTICES**

- A. Investment transactions governed by this policy will adhere to bidding procedures t, whether the transaction is executed by an Investment Officer or by a contracted investment advisor. Viewing published broker/dealer's inventories available for sale may be considered an offer and a part of the competitive review process. At least three (3) competitive offers/bids for all security transactions is required.

#### **21.0 ELECTRONIC PORTALS**

- A. Investment Officers may use electronic portals such as Bloomberg to view, solicit and complete securities sales and purchase transactions.

#### **22.0 DIVERSIFICATION**

- A. Diversification by investment type will be maintained to ensure an active and efficient secondary market in portfolio investments and to control the market and credit risks associated with specific investment types.
- B. Bond proceeds may be invested in a single security or investment if the Finance/Audit Committee determines that such an investment is necessary to comply with federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation.

#### **23.0 SALE OF SECURITIES**

- A. A security may be liquidated to meet unanticipated cash requirements, to minimize the loss of principal on a declining credit security or to re-deploy cash into other investments expected to outperform current holdings, or otherwise improve the quality, yield or target duration in the portfolio.

#### **24.0 INVESTMENT POLICY ADOPTION**

- A. DFW's Investment Policy shall be adopted by resolution of the Board of Directors at least annually. It is DFW's intent to comply with state law and regulations. The Investment Policy shall be subject to revisions consistent with changing laws, regulations, and needs of DFW. The resolution of the Board of Directors shall include a detail of all substantive changes to the policy.

#### **25.0 PRECEDENCE**

- A. Should there be any discrepancies, conflicts or inconsistencies between the Act and the Investment Policy, the Act shall take precedence. Similarly, if the Investment Policy does not provide complete or clear direction, the Act shall be the controlling guidance.

## **26.0 EFFECTIVE DATE**

- A. In order to allow sufficient time for the approval process and to notify broker/dealers under this Investment Policy, the effective date of this Investment Policy is February 1<sup>st</sup>, 2022. The Investment Policy approved on January 7<sup>th</sup>, 2021 shall remain effective until that date.

## SECTION II

### INVESTMENT STRATEGIES

#### A. PORTFOLIO STRATEGY

##### 1.0 PURPOSE

- A. These investment strategies ("Investment Strategies") conform to the requirements of the Texas Public Funds Investment Act ("the Act") Government Code 2256.005 (d) which states: "As an integral part of an investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:
  - 1) Understanding of the suitability of the investment to the financial requirements of the entity
  - 2) Preservation and safety of principal
  - 3) Liquidity
  - 4) Marketability of the investment if a need arises to liquidate before maturity
  - 5) Diversification of the investment portfolio
  - 6) Yield
- B. The strategies provide guidelines for the day-to-day management of DFW's investment portfolio in a dynamic and changing market environment.
- c. In the event a new fund is created that is not covered in the strategies below, that fund may be invested according to the guidelines established at the time by the Chief Financial Officer until this Investment Policy is amended by the approval of the board no later than the next annual adoption of the policy.

##### 2.0 OPTIMIZATION OF INTEREST

- A. To optimize interest earnings, below are the recommended strategies to employ when market conditions vary.
  - 1) In markets where time risk is rewarded, invest for longer terms. This market has a normal Treasury yield curve.
  - 2) In markets where time risk is not rewarded, invest for shorter terms. This will provide the opportunity and the funds to reinvest when markets improve. This market has a flat or inverted Treasury yield curve.

##### 3.0 PORTFOLIO DIVERSIFICATION

- A. Risk in the portfolio will be minimized by diversifying investment types and issuers according to the following limitations.
- B. Diversification targets and limits will be monitored on a quarterly basis.
- C. In the event a pooled fund group is formed at DFW, as defined in the Act, the maximum dollar-weighted average maturity will be 90 days.
- D. In case of Internal sales from one fund to another, the buying fund maximum maturity may not be a deterrent to buy. However; the buying fund cash balance may not go negative at the end month of transfer or purchase

<b>Limits by Investment Sector</b>	<b>Minimum Ratings</b>	<b>Maximum</b>	<b>Maximum Maturity</b>
U.S. Treasury Notes/Bills	N/A	100%	10 years
U.S. Agencies & Instrumentalities	N/A	100%	10 years
Texas Agencies or Instrumentalities	N/A	100%	10 years
Certificates of Deposit	N/A	100%	5 years
Banker's Acceptances	Short-Term A1/P1	20%	270 days
Municipals	A or equivalent by one nationally recognized ratings agency	30%	10 years
Repurchase Agreements	A or equivalent by one nationally recognized ratings agency	100%	5 years
Guaranteed Investment Contract	A or equivalent by one nationally recognized ratings agency	100%	5 years
Money Market Mutual Funds Stable Value	N/A	55%	N/A
No Load Mutual Funds	AAA or AAAM by one nationally recognized rating agency	15%	N/A
Local Government Pool	AAA or AAAM by one nationally recognized rating agency	55%	
Callable U.S. Agencies	N/A	40%	10 years
Commercial Paper	A1/P1 by two recognized ratings agencies	25%	270 days

<b><u>Limits for Individual Issuers Under Each Category</u></b>	<b><u>Maximum Issuer Percentage</u></b>
U.S. Agencies & Instrumentalities	40%
Certificates of Deposit	20%
Banker's Acceptances	5%
Municipals – State & Local	10%
Municipals – Out-of-State	10%
Repurchase Agreements	25%
Guaranteed Investment Contracts	25%
Money Market Mutual Funds (A1)	20%
Local Government Pools	55%
No Load Mutual Funds	15%
Commercial Paper	10%

## **B. STRATEGIES BY FUND**

### **1.0 OPERATING FUNDS (102)**

- A. The Operating Fund has two strategies. One for general operating funds and another for reserve-type funds
  - 1) General Operating Funds (Funds 1XX -other than reserve -type Funds)
    - (a) Fund Purpose: The main Operating Fund is used to meet daily operating and maintenance expenses, and to provide for the monthly transfers to the various interest and sinking funds that accumulate the annual debt service coverage.
    - (b) Estimated Fund Retention: Securities will be positioned to mature within one year. Up to 20% or approximately \$25Million may be up to 2 years
    - (c) Maximum Maturity: Two years
    - (d) Target Weighted Average Maturity ("WAM"): 180 days to 270 days
    - (e) Appropriate Investments: Liquidity is essential to meet DFW's ongoing obligations and may be effectively achieved with approved short-term investments. Diversification by maturity date may assure that funds are available to meet obligations.
    - (f) Yield Objective: Shall be to optimize investment earnings within policy guidelines and liquidity constraints.
    - (g) Benchmark: The benchmark is the average 3-6 month Treasury Bill yield over the quarterly reporting period.
  - 2) Three Month Operating Reserve and Rolling Coverage Funds
    - (a) Fund Purpose: The Three-Month Operating Reserve Fund is a long-term reserve fund equal to one-quarter of the current operating expenses of DFW. The Rolling Coverage Fund is a long-term reserve fund equal to one-quarter of DFW's annual debt service payments.
    - (b) Estimated Fund Retention: As reserve funds, the balance is stable and long-term.
    - (c) Maximum Maturity: The maximum maturity is 10 years, however, at the end of the preceding quarter, at least 75% of the combined funds referenced in 2) above shall have final maturities of five years or less.
    - (d) Target WAM: Shall range from 24 to 48 months depending on perceived market conditions.
    - (e) Appropriate Investments: Any investments authorized by policy, except Guaranteed Investment Contracts (GIC's) and Flexible Repurchase Agreements are suitable for this reserve fund. Liquidity is not a primary concern. Diversification by issuer is also preferred but shall be considered primarily as part of the overall portfolio.
    - (f) Yield Objective: Shall be to optimize interest earnings by extending portfolio maturities thereby taking advantage of upward sloping yield curves or locking in higher yields during periods of monetary policy easing.
    - (g) Benchmark: Shall be the average 2-Year Treasury Note yield over the quarterly reporting period.

### **2.0 PFC FUND (252)**

- A. Fund Purpose: This fund is for passenger facility charges ("PFC") revenue that is segregated per law.
- B. Estimated Fund Retention: DFW will spend PFCs at the same rate they are collected.
- C. Maximum Maturity: One year
- D. Target WAM: 180 days
- E. Appropriate Investments: Liquidity is essential to meet the monthly debt service payments to the Interest and Sinking Funds. Therefore, securities with active secondary markets and a high degree of marketability are preferred. Diversification by issuer is also preferred but shall be considered primarily as part of the overall portfolio.
- F. Yield Objective: Shall be to optimize interest earnings within policy guidelines and liquidity constraints.
- G. Benchmark: The 3-month Treasury Bill yield will be the benchmark.



### 3.0 CAPITAL FUNDS

#### A. Joint Capital Account (320)

- 1) Fund Purpose: As part of the new Use Agreement, the Joint Capital Fund is a segregated fund for capital improvements subject to airline approval (MII).
- 2) Estimated Funds Retention: Funds in this account will be expended over a one to three years period. DFW currently plans to use the Joint Capital Account to fund scheduled projects, then to reimburse the Joint Capital Account from the issuance of bonds during construction. In addition, DFW expects to maintain a core amount of about \$200 million that may be held for longer periods. This Account is funded from proceeds from natural gas royalties and the sale of real estate.
- 3) Maximum Maturity: Five years,
- 4) Target WAM: The target weighted average maturity of the Joint Capital Account shall be based on an annual review of expected cash flows; but will normally range from 180 days to three years. Whenever possible, the maturity structure shall be ladder with securities maturing on various dates to meet known obligations.
- 5) Appropriate Investments: Liquidity is essential to meet DFW's ongoing obligations and may be effectively achieved with the use of short and long-term investments. Diversification by maturity date will assure that funds are available to meet obligations.
- 6) Yield Objective: Shall be to optimize interest earnings within policy guidelines and liquidity constraints.
- 7) Benchmark: The benchmark for this fund shall be the one-year Moving Treasury Average ("MTA") over the quarterly reporting period.

#### B. DFW Capital Account (340)

- 1) Fund Purpose: The DFW Capital Fund is a segregated account for discretionary capital improvements. Expenditures from this fund do not require approval from the airlines.
- 2) Estimated Funds Retention: The DFW Capital Fund will generally pay for capital projects in one to three years. However, at the end of the preceding quarter, up to 25% or approximately \$40Million of this fund may have maximum maturities of five years.
- 3) Maximum Maturity: Five years.
- 4) Target WAM: The target weighted average maturity shall be 180 days to two years depending on perceived market conditions and expected liquidity in the fund
- 5) Appropriate Investments: Any short-term investments authorized by policy
- 6) Yield Objective: Shall be to optimize interest earnings within policy guidelines and liquidity constraints.
- 7) Benchmark: Shall be the 6-month Treasury Bill yield over the quarterly reporting period.

#### C. Bond and Commercial Paper Funds (Joint and DFW Capital)

- 1) The investing of bond/commercial paper proceeds is subject to policy limitations and the bond covenants. Where differences exist, the bond covenants will prevail. The bond/commercial paper proceeds are designated for construction and capitalized interest payments.
  - (a) Fund Purpose: The bond funds are used to reimburse construction funds and are to be expended in accordance with the anticipated timeframe for the projects involved. to pay capitalized interest on semi-annual debt service payments.
  - (b) Estimated Fund Retention: Fund will be expended based on construction.
  - (c) Maximum Maturity: Not to exceed three years.
  - (d) Target WAM: 270 days to Two years.
  - (e) Appropriate Investments: Subject to the restrictions of individual bond covenants, any investment authorized by policy except non-2a7 mutual funds are suitable for investment of Bond Funds. Liquidity is essential to meet capitalized interest debt service payments.
  - (f) Yield Objective: Shall be to optimize interest earnings within known cash flow requirements,

- policy guidelines and individual bond covenants.
- (g) Benchmark: The benchmark for this fund is the 6-month Treasury Bill
- 2) Construction Funds (Joint and DFW Capital) – Funds are zero balance accounts.

#### **4.0 INTEREST AND SINKING FUNDS (500s)**

- A. Fund Purpose: The purpose of the Interest and Sinking (I&S) Funds is to meet semi-annual debt service obligations.
- B. Estimated Funds Retention: Short-term to meet semi-annual debt service payments
- C. Maximum Maturity: One year
- D. Target WAM: 90 –270days
- E. Appropriate Investments: Any short-term investments authorized by policy, except 2a7 mutual funds, are suitable for the Interest & Sinking Funds. Securities possessing active secondary markets and a high degree of marketability are preferred. Diversification by issuer is also preferred but will be considered primarily as part of the overall portfolio.
- F. Yield Objective: The yield objective shall be to optimize interest earnings within policy guidelines and liquidity constraints.
- G. Benchmark: The benchmark for this fund shall be the average 3-month Treasury Bill yield over the quarterly reporting period.

#### **5.0 DEBT SERVICE RESERVE FUNDS (600s)**

- A. Fund Purpose: In case of an emergency, the Debt Service Reserve Fund will be used to make debt service payments.
- B. Estimated Funds Retention: Long-term
- C. Maximum Maturity: The maximum maturity is 10 years, however, at the end of the preceding quarter, at least 75% of the fund shall have final maturities of five years or less.
- D. Target WAM: Shall be from 2 - 4 years depending on perceived market conditions.
- E. Appropriate Investments: Any investments authorized by policy, except Guaranteed Investment Contracts (GIC's) are suitable for the Debt Service Reserve Fund. Liquidity is not a primary concern, although securities possessing active secondary markets and a high degree of marketability are preferred. Issuer and maturity date diversification is also preferred, but shall be considered primarily as part of the overall portfolio.
- F. Yield Objective: Shall be to optimize interest earnings by extending portfolio maturities, thereby taking advantage of upward sloping yield curves, or locking in higher yields during periods of monetary policy easing.
- G. Benchmark for this fund shall be the average 2-Year Treasury Note yield over the quarterly reporting period.

#### **6.0 PFIC FUNDS – Funds 9 or 9XX**

- A. CTC Funds
  - 1) Fund Purpose: Used to pay rental car center ("RAC") bus operating expenses.
  - 2) Estimated Funds Retention: Less than one year.
  - 3) Maximum Maturity: One year.
  - 4) Target WAM: 180 days
  - 5) Appropriate Investments: short-term
  - 6) Yield Objective: Liquidity takes precedence and then maximize yield within the short-term time frame
  - 7) Benchmark: Average 3-month Treasury Bill over the reporting period
- B. CFC Funds
  - 1) Fund Purpose: To pay monthly debt service payments of RAC refunding bonds and to use for PFIC-approved capital expenditures.
  - 2) Estimated Funds Retention: Three to five years for a core amount (approximately \$25 million) and one to two years for the remaining.

- 3) Maximum Maturity: Five years for the core amount and two years for the remainder.
  - 4) Target WAM: 180 to 360 days depending on projected cash flows.
  - 5) Appropriate Investments: short to mid-term
  - 6) Yield Objective: Liquidity takes precedence and then maximize yield within the short to mid-term time frame for the non-core
  - 7) Benchmark: Average 6-month Treasury Bill over the reporting period
- C. Hotels Operating Funds
- 1) Fund Purpose: To pay for hotel operating expenses may be used for PFIC-approved expenditures.
  - 2) Estimated Funds Retention: Approximately one year.
  - 3) Maximum Maturity: One Year
  - 4) Target WAM: 180 days
  - 5) Appropriate Investments: Short-term
  - 6) Yield Objective: Liquidity takes precedence and then maximize yield within the short to mid-term time frame
  - 7) Benchmark: 3-month Treasury Bill
- D. Hotels FF&E Funds
- 1) Fund Purpose: To purchase furniture, fixtures and equipment for the hotel per budget.
  - 2) Estimated Funds Retention: One year.
  - 3) Maximum Maturity: One year.
  - 4) Target WAM: 90 to 180 days
  - 5) Appropriate Investments: Short-term investments such as discos, money markets and commercial paper.
  - 6) Yield Objective: Liquidity takes precedence and then maximize yield within the short-term time frame
  - 7) Benchmark: 3-month Treasury Bill
- E. Hotels and West Business Center Capital Accounts
- 1) Fund Purpose: To supplement the FF&E funds to pay for PFIC approved long-term capital projects.
  - 2) Estimated Funds Retention: Up to three years, based on new PFIC Investment opportunities.
  - 3) Maximum Maturity: 3 years
  - 4) Target WAM: 180 days to 2 years
  - 5) Appropriate Investments: Any investments authorized by policy, except GICs and Repos.
  - 6) Yield Objective: Maximize yield by extending maturities of funds that will not be expended soon.
  - 7) Benchmark: 1-year Treasury Bill.

### SECTION III

#### 2022 APPROVED BROKER/DEALERS

UBS Financial Services  
200 Crescent Court, Suite 630  
Dallas, Texas 75201  
Phil Hartigan  
214-382-2210

**Rice Securities, LLC**  
**Minority Owned**  
55 Broad Street, 27<sup>th</sup> Floor  
New York, NY 10004  
**Jared Fragin & Tim Barbera**  
**(212)-908-9260**

**Piper Sandler & Co.**  
1177 West Loop South,  
Suite 1500  
Houston, TX 77027  
**Jason Jeansonne**  
**(713) 343-3915**

**Samuel A. Ramirez & Co., Inc.**  
**Minority Owned**  
61 Broadway, Suite 2924  
New York, NY 10006  
**T. Ryan Greenwalt**  
**(212) 378-7137**

**Stifel Nicolaus & Company**

5956 Sherry Lane,  
Suite 875  
Dallas, TX 75225  
**Mike Bell**  
**(214) 706-9469**

**Wells Fargo Securities LLC**  
1445 Ross Avenue,  
2nd Floor  
Dallas, TX 75202  
**Michael Minahan**  
**(214) 777-4014**

**Multi-Bank Securities, Inc.**  
20 North Wacker Dr.  
Chicago, IL 60606  
**Carol Mackoff**  
**(888) 857-4740**  
**Ken Bruce**  
**(888) 537-0740**

**Money Market Investments**  
**JP Morgan Chase**  
(Commercial Bank)  
420 Throckmorton, 4th Floor  
Fort Worth, TX. 76102  
**Mike Wilson**  
**(817) 884-4283**

Note: If a broker/dealer is minority-owned or a primary dealer this is noted under the firm's name.

**SECTION IV**  
**2022 APPROVED INVESTMENT TRAINING SOURCES**  
**&**  
**INVESTMENT OFFICER’S TRAINING CERTIFICATES**

- Alliance of Texas Treasury Associations (TEXPO Conferences)
- University of North Texas Center for Public Management
- Patterson & Associates
- Texas State University - William P. Hobby Center for Public Service
- Government Treasury Association of Texas - Conferences/Classes

**SECTION V**  
**PUBLIC FUNDS INVESTMENT ACT**

There were no amendments to the PFIAs in 2021 by the Texas Legislature, that affects this policy.

**SECTION VI**  
**PUBLIC FUNDS COLLATERAL ACT**

There were no amendments to the Texas PFCAs in 2021 that affects this policy.

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# Finance/Audit

## Discussion

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
COMMITTEE DISCUSSION ITEM**

<b>Meeting Date</b> 12/02/2021	<b>Subject</b> Monthly Report	<b>Committee</b> Finance/Audit
<b>Item For Discussion</b> Report to the Airport Board all Contracts and Purchase Orders valued between \$25,000.00 and \$50,000.00, and Contracts Increases/Decreases valued between \$25,000.00 and \$50,000.00, for the month of October 2021.		
<b>Description</b> <ul style="list-style-type: none"><li>• Report to the Airport Board all Contracts and Purchase Orders valued between \$25,000.00 and \$50,000.00, and Contracts Increases/Decreases valued between \$25,000.00 and \$50,000.00, for the month of October 2021.</li></ul>		

**PURCHASE ORDERS BETWEEN \$25,000.00 AND \$50,000.00 (OCTOBER 2021)**

VENDOR/LOCATION	PO/ CONTRACT NO.	DESCRIPTION	DEPARTMENT	AMOUNT
Carahsoft Technology Corp. Reston, Virginia	278391	Autodesk Licenses	Design, Code & Construction	NTE \$34,244.05
		<ul style="list-style-type: none"><li>Requisition No. 279224</li></ul>		Paid to Date: \$0.00
Grayshift, LLC Atlanta, Georgia	278376	License Renewal	Information Technology Services	NTE \$27,995.00
		<ul style="list-style-type: none"><li>Requisition No. 278997</li></ul>		Paid to Date: \$0.00
United Rentals (North America), Inc. Forest Hill, Texas	278392	Light Tower & Generator Rentals	Department of Public Safety	NTE \$34,842.03
		<ul style="list-style-type: none"><li>Requisition No. 279169</li></ul>		Paid to Date: \$0.00
TOTAL				\$97,081.08

**GENERAL SERVICES CONTRACTS BETWEEN \$25,000.00 AND \$50,000.00 (OCTOBER 2021)**

<b>VENDOR/LOCATION</b>	<b>PO/ CONTRACT NO.</b>	<b>DESCRIPTION</b>	<b>DEPARTMENT</b>	<b>AMOUNT</b>
Fal-Tech, Inc. Fort Worth, Texas	7007082	Falconry Bird Control Services	Operations	NTE \$30,000.00  Paid to Date: \$0.00
Sunbelt Rentals, Inc. Grapevine, Texas	7007087	Lift Rental Services	Information Technology Services	NTE \$28,200.67  Paid to Date: \$2,656.33
Tristar Claims Management Services, Inc. Long Beach, California	8005447	Employee Absence Management Administrative Services for Worker's Compensation	Risk Management	NTE \$40,000.00  Paid to Date: \$0.00
<b>TOTAL</b>				<b>\$98,200.67</b>

**CONTRACT/PURCHASE ORDER INCREASES/DECREASES (\$25,000 OR GREATER)**  
**(APPROVED BY BOARD STAFF UNDER THEIR DELEGATED AUTHORITY – OCTOBER 2021)**

<b>VENDOR/LOCATION</b>	<b>PO/ CONTRACT NO.</b>	<b>DESCRIPTION</b>	<b>DEPARTMENT</b>	<b>CONTRACT DATA</b>
American Concrete Washouts, Inc. Folsom, California	7006758	Concrete Washout Container Services	Energy, Transportation & Asset Management	Contract Value: \$508,500.00 <b>This Action: \$49,000.00</b> Revised Contract Value: \$557,500.00 Paid to Date: \$417,625.34
Mercer (US) Inc. New York, New York	8005320	Executive Compensation Consultant	Human Resources	Contract Value: \$162,500.00 <b>This Action: \$37,500.00</b> Revised Contract Value: \$200,000.00 Paid to Date: \$105,500.00
Nallian NV Machelen, Belgium	7006852	Cargo Community Subscription System	Global Strategy and Development	Contract Value: \$447,430.00 <b>This Action: \$26,400.00</b> Revised Contract Value: \$473,830.00 Paid to Date: \$453,430.00
SHI Government Solutions, Inc. Austin, Texas	7007092	Tableau Software License	Information Technology Services	Contract Value: \$92,501.00 <b>This Action: \$26,254.02</b> Revised Contract Value: \$118,755.02 Paid to Date: \$0.00
Southwest Disposal LLC Mansfield, Texas	7006255	Grease Interceptor Maintenance Services	Terminal Maintenance	Contract Value: \$1,363,454.00 <b>This Action: \$49,500.00</b> Revised Contract Value: \$1,412,954.00 Paid to Date: \$1,390,847.01
<b>TOTAL</b>				<b>\$188,654.02</b>

**AGENDA**  
**CONCESSIONS/COMMERCIAL DEVELOPMENT COMMITTEE**  
**Tuesday, November 30, 2021**  
**1:00 p.m.**

**CONCESSIONS/COMMERCIAL DEVELOPMENT COMMITTEE**

30. Approve the minutes of the Concessions/Commercial Development Meeting of November 2, 2021.

**Consent Item for Consideration**

- Zenola Campbell      31. Approve change of the ownership of Lease Number 010613 between Southwest Minority Financial Group, Inc. and the Dallas Fort Worth International Airport Board.

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
12/02/2021	Concessions/Commercial Development	Approval for Change of Ownership for Concessions Lease No. 010613		
<b>Action</b> That the Chief Executive Officer or designee be authorized to change the ownership of Lease Number 010613 between Southwest Minority Financial Group, Inc. and the Dallas Fort Worth International Airport Board.				
<b>Description</b> <ul style="list-style-type: none"><li>• The new entity for this location is Dickey's DFW E Satellite, LLC; comprising of 60% Dickey's Barbecue Pit, Inc. and 40% Southwest Minority Financial Group, Inc.</li><li>• All lease terms and conditions of Lease No. 010613 remain in effect.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>• Based on mutual agreement between ownership entities.</li><li>• Aligns this lease with same ownership as the Dickey's Terminal C8 location.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• In accordance with the Board's ACDBE Program, the ACDBE goal for this lease is 35% and the M/WBE goal for design and construction is 30%.</li><li>• DFW E Satellite, LLC joint venture is comprised of Dickey's Barbecue Pit, Inc. (60%) and Southwest Minority Financial Group, Inc. (ACDBE: BM-C, 40%).</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
			\$0	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Zenola Campbell 3-4830				\$0

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to revise the entity name of Lease Number 010613 between Southwest Minority Financial Group, Inc. and the Dallas Fort Worth International Airport Board.

**Approved as to Form by**

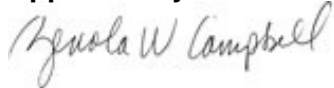

Rodriguez, Elaine  
Legal Counsel  
Nov 18, 2021 9:59 am

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Nov 18, 2021 9:20 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Nov 17, 2021 8:01 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Nov 17, 2021 1:33 pm

Pending

Chief Executive Officer

Date



**AGENDA**  
**EXECUTIVE COMPENSATION COMMITTEE MEETING**  
**Tuesday, November 30, 2021**  
**1:05 p.m.**

**EXECUTIVE COMPENSATION COMMITTEE**

32. The Committee did not meet on December 1, 2020, as scheduled. The minutes of December 3, 2019, and two action items on the December 1, 2020 agenda were deferred to the Full Board Meeting and approved on December 3, 2020. There are no minutes to approve for this meeting.

Sean Donohue     33. Fiscal Year 2021 Performance.

**CLOSED SESSION**

34. In accordance with provisions of Section 551.074 of the Texas Government Code, a closed session will be held to discuss the qualifications or performance of identifiable Board employees, to wit:
- a) Review and Evaluate the Performance of the Chief Executive Officer.
  - b) Review and Evaluate the Performance of the Interim Director of Audit Services.

**OPEN SESSION**

**Action Items for Consideration**

- Chris Poinsatte     35. Approve a Management Incentive Compensation Payment for Fiscal Year 2021 for the Chief Executive Officer.
36. Approve a Salary Adjustment for the Chief Executive Officer.
37. Approve a Salary Adjustment for the Interim Director of Audit Services.
38. Approve Fiscal Year 2022 Management Incentive Compensation Program Goals for the Chief Executive Officer.
39. Approve Fiscal Year 2022 Incentive Compensation Programs Goals for the Director of Audit Services.

# DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

## OFFICIAL BOARD ACTION/RESOLUTION

<b>Date</b> 12/2/2021	<b>Committee</b> Executive Compensation	<b>Subject</b> Fiscal Year 2021 Management Incentive Compensation Payment for CEO	<b>Resolution #</b>
<b>Action</b> That the Airport Board approves a management incentive compensation payment for Fiscal Year 2021 for the Chief Executive Officer.			
<b>Description:</b> <ul style="list-style-type: none"> <li>The Airport Board approves a __% of base pay incentive compensation payment for the Chief Executive Officer.</li> </ul>			
<b>Justification:</b> <ul style="list-style-type: none"> <li>This payment is based on management incentive compensation program performance for Fiscal Year 2021 which is attached.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>N/A - Not subject to the Board's D/S/M/WBE Program Policies (Executive Compensation).</li> </ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> <div style="text-align: right;">\$0</div>
			<b>Revised Amount</b> <div style="text-align: right;">\$0</div>
<b>For information contact</b> Chris Poinsatte 3-5211		<b>Fund</b>	<b>Project #</b>
		<b>External Funding Source</b>	<b>Amount</b>

**Additional Information**Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Airport Board approves a management incentive compensation payment for Fiscal Year 2021 for the Chief Executive Officer.

**SIGNATURES REQUIRED FOR APPROVAL:**\_\_\_\_\_  
**Executive Compensation Committee Chair**\_\_\_\_\_  
**DFW Airport Board Chair**\_\_\_\_\_  
**Date Signed**\_\_\_\_\_  
**Date Signed**

FY 2021 Management Incentive Performance Scorecard

Key Performance Indicator	Percent of Target	Levels to be Achieved			YTD vs 100% Plan	Payout Percent
		75%	100%	125%		
Business Performance						
Achieve FY21 Expenditures - (budget is \$963.4M).*	25%	\$974.5M*	\$972.5M*	\$976.5M*	\$949.0M	31.25%
Achieve DFWCC revenues (budget is \$259.9M).	20%	\$260.9M	\$262.9M	\$269.9M	\$273.2M	25.00%
Complete Strategic Plan.	5%	n/a	Complete	n/a	Complete	5.00%
Customer Experience						
Achieve DFW survey Overall Satisfaction score.	5%	4.27	4.29	4.36	4.35	5.00%
Achieve DFW survey Cleanliness score.	10%	4.28	4.30	4.40	4.33	10.00%
Operational Excellence						
Achieve zero regulatory enforcement actions.	5%	n/a	0	n/a	0	5.00%
Safe and Secure						
Reduce runway incursions: total / DFW employees only.	5%	4 / 1	3 / 1	2 / 0	4 / 0	3.75%
Community Engagement						
Achieve MWBE, DBE and ACDBE goals.	10%	n/a	3 of 3	n/a	3 / 3	10.00%
Achieve 31% MWBE contract participation.			31%		38%	
Achieve 20% DBE contract participation.			20%		33%	
Achieve 33% ACDBE concessionaire participation.			33%		42%	
Employee Engagement						
Achieve employee engagement survey participation.	5%	86%	88%	90%	89%	5.00%
Key Goals and Initiatives						
Achieve Key Goals and Initiatives (see below_.	10%	7 of 10	9 of 10	10 of 10	7 of 10	7.50%
Total	100%	Total percent earned				107.5%

\* Total expense for FY21 includes Budget Amendments

Key Goals and Initiative		Target	Actual
1	Receive e-commerce shipments from International E-Commerce Clearance Facility Pilot.	Complete	Incomplete
2	Achieve full activation of the Integrated Operations Center no later than April 30, 2021.	Complete	Complete
3	Complete two food waste recycling pilot projects by end of fiscal year.	Complete	Complete
4	Complete DFW's first "digital twin" project for Runway18R.	Complete	Complete
5	Develop innovation training program and achieve 100% employee participation.	100%	98%
6	Achieve satisfaction score of 85% for MWBE capacity building/ technical assistance program.	85%	93%
7	Develop and deliver Allyship workshop to all employees.	100%	98%
8	Achieve LiveWell participation rate of 85% (employees attaining at least two apples).	85%	86%
9	Complete implementation of electronic solicitation and evaluation process for Procurement.	Complete	Complete
10	Complete biometric exit at all mainline gates operated by American Airlines.	Complete	Complete

# DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

## OFFICIAL BOARD ACTION/RESOLUTION

<b>Date</b> 12/02/21	<b>Committee</b> Executive Compensation	<b>Subject</b> Merit Increase for CEO	<b>Resolution #</b>
<b>Action</b> That the Airport Board approves a salary adjustment for the Chief Executive Officer.			
<b>Description:</b> <ul style="list-style-type: none"> <li>The Airport Board approves a _____% merit base pay increase, effective December 20, 2021, for the Chief Executive Officer.</li> </ul>			
<b>Justification:</b> <ul style="list-style-type: none"> <li>This increase is based on performance for Fiscal Year 2021.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>N/A - Not subject to the Board's D/S/M/WBE Program Policies (Executive Compensation).</li> </ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> <div style="text-align: right;">\$0</div>
			<b>Revised Amount</b> <div style="text-align: right;">\$0</div>
<b>For information contact</b> Chris Poinsett 972 973-5752		<b>Fund</b>  <b>Project #</b>	<b>External Funding Source</b>  <b>Amount</b>

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Airport Board approves a salary adjustment for the Chief Executive Officer.

**SIGNATURES REQUIRED FOR APPROVAL:**\_\_\_\_\_  
**Executive Compensation Committee Chair**\_\_\_\_\_  
**DFW Airport Board Chair**\_\_\_\_\_  
**Date Signed**\_\_\_\_\_  
**Date Signed**

# DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

## OFFICIAL BOARD ACTION/RESOLUTION

<b>Date</b> 12/02/21	<b>Committee</b> Executive Compensation	<b>Subject</b> Merit Increase for Interim Director of Audit Services	<b>Resolution #</b>
<b>Action</b> That the Airport Board approves a salary adjustment for the Interim Director of Audit Services.			
<b>Description:</b> <ul style="list-style-type: none"> <li>The Airport Board approves a _____% merit base pay increase, effective December 20, 2021, for the Interim Director of Audit Services.</li> </ul>			
<b>Justification:</b> <ul style="list-style-type: none"> <li>This increase is based on performance for Fiscal Year 2021.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>N/A - Not subject to the Board's D/S/M/WBE Program Policies (Executive Compensation).</li> </ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> <div style="text-align: right;">\$0</div>
			<b>Revised Amount</b> <div style="text-align: right;">\$0</div>
<b>For information contact</b> Chris Poinsett 3-5211		<b>Fund</b>	<b>Project #</b>
		<b>External Funding Source</b>	<b>Amount</b>

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Airport Board approves a salary adjustment for the Interim Director of Audit Services.

**SIGNATURES REQUIRED FOR APPROVAL:**

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**Executive Compensation Committee Chair**

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**DFW Airport Board Chair**

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**Date Signed**

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**Date Signed**



# DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

## OFFICIAL BOARD ACTION/RESOLUTION

<b>Date</b> 12/2/2021	<b>Committee</b> Executive Compensation	<b>Subject</b> Fiscal Year 2022 Management Incentive Compensation Program Goals for the Chief Executive Officer	<b>Resolution #</b>	
<b>Action</b> That the Airport Board approve the Fiscal Year 2022 Chief Executive Officer Management Incentive Compensation Program Goals.				
<b>Description:</b> <ul style="list-style-type: none"><li>The FY 2022 Goals and Initiatives for each Key Result: (business performance, customer satisfaction, operational excellence, employee engagement, community impact and safe, secure and resilient) are included on the attached Management Incentive Compensation Matrix.</li><li>Also included are the percent of target pool and percent of target paid percentages.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>N/A - Not subject to the Board's D/S/M/WBE Program Policies (Executive Compensation).</li></ul>				
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0	<b>Revised Amount</b> \$0
<b>For information contact</b> Chris Poinsatte 3-5211		<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b> <b>Amount</b>

**Additional Information**Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Airport Board approve the Fiscal Year 2022 Chief Executive Officer Management Incentive Compensation Program Goals.

**SIGNATURES REQUIRED FOR APPROVAL:**

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**Executive Compensation Committee Chair**

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**DFW Airport Board Chair**

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**Date Signed**

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**Date Signed**

**DFW International Airport  
FY 2022 Management Incentive Compensation Matrix**

Key Performance Indicator	Percent of Target Pool				Notes
	75%	100%	125%		
<u>Business Performance</u>					
Achieve FY21 expenditures. (Budget = \$1,036 million)	20%	\$1,031M	\$1,028.5M	\$1,021M	Excludes use of contingency outside of rate base and budget amendments
Achieve DFWCC revenues. (Budget = \$338 million)	25%	\$343M	\$345.5M	\$350.5M	Includes parking, concessions, RAC and comm. devl. revenues only; excludes any approved revenue relief packages.
Achieve total passengers. (Budget = 67.2 million)	5%	67.2M	69.3M	72M	
<u>Customer Experience</u>					
Achieve DFW survey overall satisfaction score.	5%	4.30	4.35	4.40	
Achieve DFW survey cleanliness score.	10%	4.30	4.34	4.40	
<u>Operational Excellence</u>					
Achieve zero regulatory enforcement actions.	5%	n/a	0	n/a	Includes environmental regulatory actions and FAA, TSA, EPA letters of correction.
<u>Safe, Secure and Resilient</u>					
Reduce runway incursions total / DFW employees only.	5%	4 / 1	3 / 1	2 / 0	All vehicle incursions (Vehicle Pedestrian Deviations) / DFW employee VPDs
<u>Community Impact</u>					
Achieve M/WBE, DBE and ACDBE goals.	10%	n/a	3 of 3	n/a	Must achieve all three.
Achieve 31% MBE contract participation.			31%		
Achieve 20% DBE contract participation.			20%		
Achieve 33% ACDBE concessionaire participation.			33%		
<u>Employee Engagement</u>					
Achieve employee engagement survey participation.	5%	87%	89%	90%	
<u>Key Goals and Initiatives</u>					
Achieve Key Goals and Initiatives.	10%	8 of 11	10 of 11	11 of 11	
Total	100%				

Key Goals and Initiative	Target	Key Result/Approach
1 Achieve 1 million tons of cargo .	1.0M	Business Performance
2 Award a contract for a customer relationship management (CRM) system.	Complete	Customer Experience / Digital
3 Implement parking license plate recognition as a credential.	Complete	Operational Excellence
4 Develop 10 Quick Action Response Guides for IOC.	Complete	Operational Excellence
5 Host DFW's first Innovation Week.	Complete	Operational Excellence / Innovation
6 Award a new contract for public WIFI.	Complete	Operational Excellence / Digital
7 Add sensors to escalators in terminals and monitor unit uptime.	Complete	Operational Excellence / Digital
8 Reduce CO2 emissions to 38,035 (a 10% reduction from FY19 actual).	38,035	Operational Excellence / Digital
9 Complete strategic plan training for employees.	98%	Employee Engagement
10 Develop and publish a DFW Procurement Plan for the vendor community.	Complete	Community Impact
11 Complete installation of airfield vehicle tracking system.	Complete	Safe, Secure & Resilient / Digital

# DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

## OFFICIAL BOARD ACTION/RESOLUTION

<b>Date</b> 12/2/2021	<b>Committee</b> Executive Compensation	<b>Subject</b> Fiscal Year 2022 Incentive Compensation Program Goals for the Director of Audit Services	<b>Resolution #</b>	
<b>Action</b> That the Airport Board approve the Fiscal Year 2022 Director of Audit Services’ Incentive Program Target and Goals.				
<b>Description:</b> <ul style="list-style-type: none"><li>• The goals are to complete additional projects not specifically listed in the Annual Plan, complete Fiscal Year 2022 initiatives, reduce days between the audit exit conference and final report issuance, and achieve audit staff direct utilization rate.</li><li>• The percent of target pool and percent of target paid amount are included in the attached “Payout Matrix.”</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• N/A - Not subject to the Board's D/S/M/WBE Program Policies (Executive Compensation).</li></ul>				
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0	<b>Revised Amount</b> \$0
<b>For information contact</b> Chris Poinsatte 3-5211		<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b> Amount

**Additional Information**Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Airport Board approve the Fiscal Year 2022 Director of Audit Services' Incentive Program Target and Goals.

**SIGNATURES REQUIRED FOR APPROVAL:**\_\_\_\_\_  
**Executive Compensation Committee Chair**\_\_\_\_\_  
**DFW Airport Board Chair**\_\_\_\_\_  
**Date Signed**\_\_\_\_\_  
**Date Signed**

**DFW International Airport**  
**Director of Audit Services Incentive Compensation Program**  
**FY 2022 Payout Matrix**

	<b>% of Target Pool</b>	<b>% of Target Paid Out</b>
<b>Complete Additional Projects Not Specifically Listed in the Annual Plan <sup>(1)</sup></b>	<b>30%</b>	
Complete 7 additional projects not specifically listed		75%
Complete 8 additional projects not specifically listed		100%
Complete 9 additional projects not specifically listed		125%
<b>Complete FY 2022 Initiatives <sup>(2)</sup></b>	<b>25%</b>	
Complete 4 of the 5 initiatives		75%
Complete 5 of the 5 initiatives		100%
<b>Average Days Between Audit Exit Conference and Final Report Issuance</b>	<b>25%</b>	
Average 19.0 days		75%
Average 18.0 days		100%
Average 17.0 days		125%
<b>Achieve Audit Staff Direct Utilization Rate <sup>(3)</sup></b>	<b>20%</b>	
Achieve rate of 88.0 percent of Available Hours		75%
Achieve rate of 88.5 percent of Available Hours		100%
Achieve rate of 89.0 percent of Available Hours		125%
	<b>100%</b>	

**(1)** Complete additional projects not specifically listed in the Annual Plan, from the following categories:  
Revenue Agreements and Ground Transportation Charges, Contracts and Related Processes,  
Information Systems, and Board of Directors and Management Consulting

Specifically Listed Annual Plan Projects

- 1 - Investment Controls and Compliance
- 2 - Seized Funds
- 3 - Access DFW Financial Controls
- 4 - Parking Privileges
- 5 - Emergency Medical Services Medications
- 6 - Procurement Card Use
- 7 - Airfield Inspections
- 8 - Construction Permits and Certificates of Occupancy
- 9 - Bonfire Electronic Solicitations
- 10 - Information Security Applications and Tools
- 11 - Payment Card Industry Data Security Standard

External Auditor Assistance, Ethics Matters, and Board of Directors and Management Consulting  
(Excluding Major Requested Projects)

**(2)** FY 2022 initiatives include:

- Support Major Technology Acquisition Projects
- Undergo an External Peer Review/Perform Peer Review
- Research Robotic Process Automation Opportunities for Audit Services
- Update the Risk Assessment for FY 2023
- Complete at Least 10 of the 11 Audits Specifically Listed Above

**(3)** Direct Utilization Rate = Project Hours/Available Hours. Available Hours = Total Hours - Time Off.