

★ **Roll Call Number**

Agenda Item Number

28

.....
Date December 22, 2008

WHEREAS, the ordinance establishing the Des Moines International Airport gives the Airport Board the power to establish and enforce regulations for the control, operation, supervision and maintenance and security of the Airport and further gives the Board the power to establish rates and charges for use of the airport, airport facilities, or airport services; and

WHEREAS, the Airport Board is required by section 22-51(a)(3) of the Municipal Code to notify the City Council of the proposed effective date of the regulation and to provide a copy of the proposed regulation to the City Council for its review; and

WHEREAS, the Airport Board pursuant to section 22-51 of the Municipal Code intends to enact the attached proposed regulation No. 08-58 amending section 5-6 through 5-10 of the Airport Board Regulations relating to minimum standards for ground service equipment maintenance providers at the Des Moines International Airport; and

WHEREAS, on December 2, 2008, through Resolution A08-241, the Airport Board approved by first reading the proposed regulation, set a public hearing date of January 6, 2009, and set the resolution's effective date to be March 1, 2009; and

WHEREAS, the City Council, if upon review of the proposed regulation, determines that such regulation is inconsistent with the provisions of the Municipal Code, or is inconsistent with any applicable state or federal law or regulation, or is otherwise objectionable, the City Council may so declare by resolution, and in that event the proposed regulation will not be published and shall not take effect;

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NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF DES MOINES, IOWA:

That the attached communication from the Chairperson of the Des Moines International Airport Board submitting proposed Airport Board Regulation No. 08-58 and duly notifying the Council of the proposed effective date of March 1, 2009, for the regulation is hereby received and filed.

Moved by _____ to adopt.

FORM APPROVED:



David A. Ferree
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
VLASSIS				
MEYER				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

Date _____

Agenda Item 28

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December 22, 2008

The Honorable Mayor
and Members of City Council
400 Robert D. Ray Dr
Des Moines, IA 50309

**RE: Proposed Airport Regulation No. 08-58, Minimum Standards for
Ground Service Equipment Maintenance Operators**



DES MOINES INTERNATIONAL AIRPORT
DEPARTMENT OF AVIATION
5800 FLEUR DRIVE, ROOM 201
DES MOINES, IOWA 50321-2854
(515) 256-5100

ALL-AMERICA CITY
1949, 1976, 1981
2003

Dear Mayor and Members of the City Council:

The City Council created the Airport Board under Iowa Code chapter 392 for the purpose of governing the operation of the Des Moines International Airport. The Council has delegated power to the Board to establish regulations for the control, operation, supervision, maintenance, and security of the Airport.

At its meeting of December 2, 2008, the Airport Board approved the first reading of a resolution that would adjust the minimum standards for all ground service equipment maintenance operators.

The Airport is required by Federal Aviation Regulations to have agreements with all parties conducting business on the Airport, including ground equipment maintenance operators. On May 4, 2004, through Resolution No. A04-76, the Board approved for the first time Sections 5-6 through 5-10, which established minimum standards in this area.

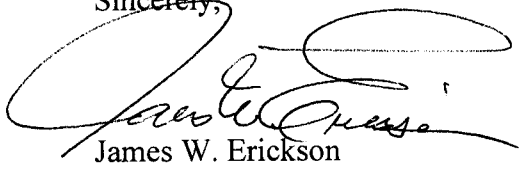
As commercial service airlines continue to modify their business models, they now typically contract with service providers to provide repair and servicing for ground equipment such as luggage carts and tugs. The previous set of standards adopted in 2004 included several requirements that appear outdated given 1) the current state of the airline and insurance industries and 2) the terms and conditions in the recently approved Signatory Airline Agreement. The proposed changes to the regulations will correct these deficiencies. Changes to the insurance article (Section 5-7) were recommended by the City's Risk Manager. Among the other changes is a clarification that the ground equipment maintenance operator needs to have a contractual relationship with an airport tenant (most likely an airline or FBO).

Honorable Mayor and Members of City Council
December 22, 2008
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The Airport Board, pursuant to the ordinance regarding its establishment, is required to file proposed revisions of Regulations with the City Clerk and to publish both a notice of intent to adopt the Regulation, as well as the time and place of a public hearing. The Airport Board is further required to notify the City Council of the proposed effective date of the Regulation and provide a copy of the Regulation to the City Council for its review, as well as to hold a public hearing on the proposed Regulation. The Board then must adopt the Regulation by Board Resolution and have the City Clerk publish it prior to its effective date, which is in this case March 1, 2009. The Airport Board plans to conduct a public hearing on this item at its regularly-scheduled meeting of January 6, 2009.

The Board herewith submits for City Council information and review, the proposed Regulation pursuant to Section 22.51 of the Municipal Code.

Sincerely,



James W. Erickson
Airport Board Chairperson

JWE:trs

Enclosure

cc: Richard A. Clark, City Manager

5-6. AGREEMENT REQUIRED - GROUND EQUIPMENT MAINTENANCE OPERATOR.

No ground equipment maintenance operator shall be allowed to operate at the airport without obtaining and keeping current an annually renewable permit issued by the City. Additionally, a ground equipment maintenance operator must enter into written agreements with customers and clients for the provision of services on the airport. A ground equipment maintenance operator may not perform services for a customer or client on the airport until it has submitted the agreement to the Aviation Director, received the Aviation Director's approval of the agreement and filed a copy of the final, executed agreement with the Aviation Director. Customers or clients are limited to airport tenants only.

The ground equipment maintenance operator will provide certification in writing from the customer or client that the operator is qualified and properly trained to perform the service required.~~an agreement between the city and the ground equipment maintenance operator. In addition to space rental fees, the agreement shall provide that a percentage of the gross revenues received by the ground equipment maintenance operator, as compensation for services performed at the airport shall be paid to the city. The agreement shall provide for the ground equipment maintenance operator to act as the city's agent for the collection of fees and/or information necessary for the invoicing of fees by the city. (08-58) (04-44)~~

5-7. FINANCIAL STATUS AND LIABILITY.

- (a) Operator shall purchase, and maintain in continuous effect, Worker's Compensation Insurance, Employer's Liability Insurance, Commercial General Liability Insurance and Automobile Liability Insurance, including all coverages and limits, as specified in the operator's permit with the City.
- (b) Operator's General Liability and Automobile Liability Insurance policies shall include the additional insured, governmental immunities and cancellation and nonrenewal endorsements as specified in the operator's permit with the City.
- (c) Operator shall not commit any act which could invalidate any policy of insurance required in operator's permit with the City.
- (d) Operator shall defend, indemnify and hold harmless the City in accordance with the indemnification requirements included in operator's permit with the City.
- (e) Operator shall waive subrogation against the city in accordance with the waiver of subrogation included in operator's permit with the City.

~~(a) A ground equipment maintenance operator proposing to enter into an agreement with the city at the airport must demonstrate financial solvency and integrity of business activity to the satisfaction of the city.~~

~~(b) Ground equipment maintenance operators having an agreement with the city shall obtain and maintain continuously in effect insurance as follows:~~

~~(1) Single limit bodily injury and property damage liability insurance in the minimum amount of \$50,000,000.00.~~

~~(2) Automobile liability insurance in the amount of \$1,000,000.00.~~

~~(3) The city shall be named as an additional insured on any such policy and shall receive written notice of cancellation, termination or change of such insurance at least 30 days before the effective date of any such event.~~

~~(4) Each ground equipment maintenance operator shall indemnify and hold harmless the city of and from all claims of liability for personal injury, death, or property damage resulting from its operations on the airport.~~
~~(08-58) (04-44)~~

5-8. MINIMUM FACILITY REQUIREMENTS.

A ground equipment maintenance operator is not required to lease or construct a building for its operation, but shall demonstrate to the satisfaction of the City the safety and environmental compliance of the proposed operation. ~~However, if~~ if it does construct a building, it shall meet the requirements set forth in Section 5-9. ~~(08-58) (04-44)~~

(a) All work performed by ground equipment maintenance operator must be performed in areas identified as either, 1) a ground service equipment parking area or, 2) an area exclusively leased to an Airport tenant. Either such area must otherwise be fully compatible with such activities and acceptable under applicable building codes, laws, and regulations.

(b) No maintenance activities are allowed in the East Cargo Building (#5).

5-9. CONSTRUCTION REQUIREMENTS.

(a) All required construction, including but not limited to offices, public areas, restroom facilities and cargo areas, of a ground equipment maintenance operator shall be in accordance with design and construction standards approved by the aviation director and in accordance with city codes and ordinances.

(b) All buildings shall be fireproof and of metal or masonry construction.

(c) Maintenance area floors shall be rigid pavement of sufficient design load strength to sustain all types of support equipment on which repair work is being done.

(d) Performance, payment and other appropriate bonds, as determined by the Aviation Director, must be furnished to the city. A performance bond shall be furnished to the city commensurate with the construction required under the minimum standards of service to be performed. ~~(08-58) (04-44)~~

5-10. MINIMUM PERSONNEL AND EQUIPMENT REQUIREMENTS.

(a) ~~All ground equipment maintenance operators having an agreement with the city to engage in ground equipment maintenance shall be a full-time enterprise, providing shall provide~~ the following qualified personnel:

(1) An on-call supervisor available at the airport with one-half-hour prior notice, 24 hours per day, seven days per week.

~~(2) A uniformed crew of sufficient size to handle equipment maintenance, 24 hours per day, seven days per week, on call with two hours prior notice.~~

~~(3) In addition to those services shown in Section 1-2(h), ground equipment maintenance operator may conduct training of personnel employed or to be employed by ground equipment maintenance operator in connection with its ground equipment maintenance operation.~~

(2) A properly investigated crew of sufficient size to handle equipment maintenance, 24 hours per day, seven days per week, on call with two hours prior notice. Such crew shall be required to obtain a Security Identification Display Area credential.

~~(b) All ground equipment maintenance operators having an agreement with the city and engaged in ground equipment maintenance shall have necessary support equipment associated with those ground equipment services being provided.~~

(e)(b) The city reserves the right to require operators to provide personnel or equipment in addition to the minimums set forth in this section; however, such additional personnel or equipment requirements shall be reasonable, based on public benefit and need. (08-58) (04-44)