

## **ST. LOUIS AIRPORT COMMISSION**

**Wednesday, October 1, 2008 - 2:00 P.M.**

**JoAnne Wayne Conference Room**

Members Present: Mr. Bales, Ms. Green, Mr. McKinney, Ms. Morrell-Charles, Mr. Nash, Ms. Osborn, Mr. Reed, Mr. Saracino, Mr. Sauget, Mr. Sonderegger, Mr. Schembre, Mr. Vaccaro and Chairman Hrabko

Members Absent: Mr. Esterline, Mr. Lipman, Mr. McNutt and Ms. Young

Airport Staff: Bradley, Glasper, Kopinski, Lea, Long, Mays, Slay, Spencer, Thomas, Verret, Ware and Zell

Legal Department: Niemann & Pandolfo

Guests: Lorenzo Boyd, Stifel Nicolaus; Marilyn Bush, Bank of America, Tony Drake, Unison Associates; Tim Embree, Mayor's Office; Candace Gordon, Comptroller's Office; Audrey Jones, PCA, Inc.; Reverend Joseph Parisi; Ivy Neyland-Pinkston, Comptroller's Office; Mike Reid, Senator John Loudon's Office; Chuck Reitter, Unison Associates; Rory Roundtree, Board of Aldermen; Rich Ryffel, Edward, Jones; and Judie Wise, Bookmark-Inmotion

News Media: Ken Leiser, St. Louis Post Dispatch; Kevin Killeen, KMOX Radio

The Meeting was called to order at 2:07 P.M.

1. Approval is requested for the Minutes of the Wednesday, September 3, 2008 Airport Commission Meeting.

A motion for approval was made by Mr. Vaccaro and seconded by Mr. Saracino and the motion carried unanimously.

### 2. **ORDINANCES**

Approval is requested for the following item:

- A) Draft Ordinance ratifying and adopting the actions of the Mayor and the Comptroller of the City of St. Louis ("City") in accepting the execution on behalf of the City FAA Grant Agreement No. 3-29-0085-108-2008 dated September 3, 2008. The Grant Agreement obligates the Federal Government to reimburse the City up to \$3,207,011 for direct costs associated with the replacement of Runway 12L/30R Keel Section (Center 50').

A motion for approval was made by Mr. Vaccaro and seconded by Ms. Osborn.

Ms. Kopinski provided the details of the Draft Ordinance as set out in the Executive Summary included with the agenda items and recommended approval. Ms. Kopinski explained that the FAA would provide 75% of the total needed for this project and the Airport would provide the remaining 25% as a local match.

Ms. Osborn asked whether the Airport had the local match needed. Ms. Kopinski explained that the Airport is currently waiting for the FAA to approve its Passenger Facility Charge (PFC) application and if it does not come in time the Airport will pay the money from the Airport Development Fund and then reimburse back from the PFC fund.

After further discussion, a vote was taken and the motion carried unanimously.

### **3. PLANNING & DEVELOPMENT**

Approval is requested for the following item:

- A) Approval of the Fourth Amendment to the Professional Services Agreement with NRT Settlement Services of Missouri, LLC, d/b/a US Title Guaranty Company, to provide Real Estate Title Services for the Airport. The Agreement commenced December 21, 2002 and by this Fourth Amendment is being extended by twelve (12) months and shall now end on December 31, 2009. The total Not-To-Exceed Contract Amount is being increased by \$50,000.00 from \$400,000.00 to \$450,000.00.

A motion for approval was made by Mr. Saracino and seconded by Mr. Nash.

Mr. Mays provided the details of the Fourth Amendment as set out in the Executive Summary and Briefing Paper included with the agenda materials and recommended approval.

Ms. Osborn asked whether the title services would be on an as-needed basis, not as a retainer. Chairman Hrabko stated that was correct.

After further discussion, a vote was taken and the motion carried unanimously.

### **4. FINANCE & ACCOUNTING**

Approval is requested for the following item:

- A) Approval of the Third Amendment to the Professional Services Contract with Unison Consulting, Inc. (formerly Unison Maximus, Inc.) to provide Airport Business Services for the Airport. The Agreement commenced January 18, 2002 and by this Third Amendment is being extended by 34 months and shall end on November 17, 2011. The total Not-To-Exceed Contract Amount will be increased by \$900,000.00 from \$2,136,000.00 to \$3,036,000.00.

A motion for approval was made by Mr. Nash and seconded by Mr. Schembre.

Ms. Kopinski provided the details of the Third Amendment as set out in the Executive Summary and Briefing Paper included with the agenda materials and recommended approval.

Ms. Osborn asked whether Unison Consulting, Inc. was different from Unison Maximus, Inc. Mr. Tony Drake of Unison Consulting, Inc. explained that Unison Maximus, Inc. changed its name to Unison Consulting, Inc. Ms. Osborn asked whether the principles were the same and Mr. Drake stated that there were a few changes, some principles added, but for the most part it has the same principles and that he is the lead person.

After further discussion, a vote was taken and the motion carried unanimously.

5. **PROPERTIES**

Approval is requested for the following item:

- A) Award and approval of the Vending Concession Agreement AL-435 to Airport Vending, LLC.

A motion for approval was made by Mr. Saracino and seconded by Ms. Morrell-Charles.

Ms. Verret provided the details of the Vending Agreement as set out in the Executive Summary and Briefing paper included with the agenda materials and recommended approval.

Mr. Schembre asked whether this Agreement would cover the vending machines in all the new facilities in the Main Terminal. Ms. Verret explained that it would cover all public areas of the Main Terminal and East Terminal, both secure and non-secure. The non-public areas are maintained by another company.

There being no further discussion, a vote was taken and the motion carried unanimously.

6. **OTHER BUSINESS**

Chairman Hrabko mentioned the newly opened Bookmark/Inmotion store on the C-Concourse, which would be selling not only hard-bound books and documents but also electronic versions of these materials as well. The new store has been very successful and two more stores will be opening shortly on the A-Concourse and the East Terminal. Chairman Hrabko then introduced Judie Wise, of Bookmark, who stated that the stores will be selling electronic books and other electronic items that passengers can use while on their flight. Sales have been very brisk and the other two locations should be open by November 1, 2008.

Chairman Hrabko then introduced Darlene Green, Comptroller, who explained that the bond issue approved by the Airport Commission earlier this year that was going to be handled by Lehman Brothers is on hold. Recently, the Comptroller's Office sent a memo to all the banks involved in the bond issue stating that the deal is being put on hold. After the third quarter results are obtained in mid-October, a new Request for Proposals will be issued, being sent only to banks that appear to be strong and have a good outlook for the future. The Airport is also

reviewing the amount needed to finish the terminal repairs and upgrades and is awaiting FAA approval of its PFC application, which said PFC funds will be a source of funds for the financing. Action will not be taken on the new bond issue until 2009.

Mr. Sonderegger asked about Lehman Brothers' strategy of increasing the Airport's bond rating by downsizing to a moderate-size airport rather than a major airport.

Ms. Green responded by stating that the City of St. Louis' bond rating was upgraded, it now being an A+ rated city. The Airport's bond rating is unfortunately BBB+. Airport industry bonds are currently under a watch because of the general state of the industry. As the industry improves, the bond rating should go up for the Airport. The City's bond rating remains strong because the City's debt portfolio is a conservative one.

Chairman Hrabko explained that this should not delay the scheduling of the current improvements being planned at the Airport. The baggage carousels, ceiling, ticketing dome, signage and monuments projects are proceeding as planned. Since the designs and plans will not be ready until the beginning of next year, this phase should not be adversely affected. The PFC approval is in process and will be completed in about 90 days. If, however, in January things have not improved, changes may have to be made to the renovation plans.

Chairman Hrabko introduced the new Lambert Airport Fire Chief, Adam Long, whom he is very pleased to have at the Airport. Chief Long stated that he has 30 years with the City and briefly listed his accomplishments and his employment history with the City of St. Louis' Fire Department.

Chairman Hrabko announced the retirement of Jack Thomas, Director of the Disadvantaged Business Enterprises (DBE) Program at the Airport. Mr. Thomas will be retiring from the City of St. Louis after 29 years to take a job directing the DBE program in Jackson, Mississippi. The Airport Director commended Mr. Thomas on his fine work for the Airport and the City. Commissioners Osborn and Reed made similar remarks as to the importance and quality of Mr. Thomas' outstanding service.

Ms. Osborn then asked Chairman Hrabko to comment about the flight reductions. Chairman Hrabko explained that American Airlines is pulling 21 daily flights from the Airport, which will take place in November. The Airport will still have about 300 flights per day.

7. **NEXT MEETING**

Wednesday, November 5, 2008 at 2:00 P.M.

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 2:33 p.m.