

ST. LOUIS AIRPORT COMMISSION

MEETING MINUTES

**Wednesday, April 2, 2008 - 2:00 P.M.
JoAnne Wayne Conference Room**

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

Members Absent: Mr. McKinney

Airport Staff: Below, Bill, Ebert, Kinsey, Kopinski, Korte, LaBoube, Lazarus, Lea, Mason, Mays, Merritt, Salarano, Singer, Slay, Thomas, Verret, Waddle, Ware and Zell

Legal Department: Pandolfo

Guests: Carole Brown, Lehman Brothers; Marilyn Bush, Bank of America; Tony Drake, Unison; Candice Gordon, Comptroller's Office; Audrey Jones, Paradies; Kathie Lee, Lehman Brothers; Martha Linsley, Lehman Brothers; Randy Phillips, Vanguard Car Rental; Ivy Neyland-Pinkston, Comptroller's Office; Dorothy Spates, Ollie Dowell Communications; Judie Wise, BookMark

News Media: Kevin Killeen, KMOX; Ken Leiser, ST. LOUIS POST DISPATCH

The Meeting was called to order at 2:05 P.M.

1. Approval is requested for the Minutes of the Wednesday, March 5, 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

- A. Draft Ordinance providing for the issuance by the City of St. Louis, Missouri of: i) its Airport Revenue Bonds, Series 2008A, Lambert-St. Louis International Airport, in an aggregate principal amount not to exceed Two Hundred Fifty Million Dollars (\$250,000,000) to finance capital

improvements for Lambert-St. Louis International Airport; and ii) its Airport Refunding Bonds, Series 2008B, Lambert-St. Louis International Airport, in an aggregate principal amount not to exceed Fifty Million Dollars (\$50,000,000), to effect the refunding of a portion of the City's outstanding airport revenue bond.

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

Ms. Pinkston from the Comptroller's Office provided the details of the Draft Ordinance and referred to handouts to the Commissioners from Lehman Brothers (the selected banking firm). Ms. Pinkston reviewed the Proposed Airport Revenue Bonds with the Commission from these handouts and recommended approval.

Mr. McNutt asked how many bond companies were under consideration and was any of them local firms. Ms. Pinkston stated that 40 Request for Proposals were sent out and there are 3 local firms involved in this transaction, Goldman Sachs and 3 minority firms - 2 local. They are

Ms. Osborn asked about the selection criteria. Ms. Pinkston stated that what the committee looks for is the firm's credit rating and the best approach to financing that will help the Airport.

Mr. McNutt asked what percentage of the participation will be local. Ms. Pinkston stated that 45% to 60% of the transactions are usually local, although the process has not reached that point as yet.

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

- B. Draft Ordinance authorizing a supplemental appropriation in the total amount of \$4,200,000 from the Airport Development Fund to the "Annual Budget" for the fiscal year beginning July 1, 2007 and ending July 30, 2008, for current expenses of the Airport as detailed in EXHIBIT "1".

A motion for approval was made by Mr. McNutt and seconded by Ms. Green.

Mr. Below provided the details of the Draft Ordinance and recommended approval.

Mr. Reed asked how the amount for the appropriation was derived. Mr. Below stated that the number is based on an average amount of "snow events" that occur over the length of the contract. Mr. Korte replied that in the first year of the contract there were 3 events costing the Airport _____ and in the second year there were 8 events and the Airport spent \$3,500,000.

Chairman Hrabko indicated that the average is based on the average precipitation in the area.

Mr. McNutt asked that out of the \$500,000 the Airport spends on deicing, does the Airport charge the airlines for this service. Mr. Below replied yes, the Airport does charge the airlines for this service.

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

3. **FINANCE/ACCOUNTING**

A. Approval of the Airport Budget Request - Fiscal Year 2008-2009.

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

Mr. Below provided some line by line details of the Airport Budget Request and recommended approval.

Mr. Schembre asked if the budget amount (in Utilities column) was based on the square footage the airlines would have used, if that is the case who pays the utilities if the airline is not using the space. Would not the cost to the Airport be approximately \$300,000? The budget would be down, but the Airport will be picking up the balance of the unused square footage. Mr. Below stated that yes; the budget is made up of revenues coming into the Airport. The Airport will have to make up the difference.

Mr. McNutt asked for a definition of the term "interest payment" in certain categories. Mr. Below stated that the interest payment is for the bonds.

At this time there was a lengthy discussion regarding salaries concerning the terms Regular Employees and New Employees. Mr. Below indicated that Regular Employees have been with the City for a while and the increase reflects potential across the board increases for those employees; New (Salaried) Employees would be an employee that would start with the new fiscal year. Ms. Osborn asked for a clarification of Regular Employees and New Employees. She asked was it not true that if the Airport has the position open then this would be a Regular Employee, if the Airport does not have the position - meaning it is a new position - then the line item would be a New Employee.

After some confusion regarding these line items, Mr. Slay indicated that Ms. Osborn was correct in her interpretation; that an open, authorized position listed on the Table of Organization would be a Regular Employee and a New Employee would be someone filling a completely new position.

Questions were raised during the explanation of the Employee Retirement Plan and the Firemen's Retirement System Line Items which had been under funded over the years. Mr. Schembre asked what the under funded amount was for the Firemen's Retirement System. Mr. Below explained that the Airport's amount to fund is 10% of the total of

whatever the City's amount was to fund. This would be approximately \$7,000,000. The Airport's amount for Fiscal Year 2008 is \$748,451. Ms. Pinkston of the Comptroller's Office confirmed this amount.

Mr. McNutt asked why the Airport's share of the Retirement Systems was under funded four years in a row. Mr. Below explained that the Airport funds these systems at the same level as the City.

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

4. **OPERATIONS**

- A. Approval of the Second Amendment to the Service Agreement with Snow Away, Incorporated to provide Snow Removal Services for the Airport. The term of the Agreement remains unchanged. The Agreement commenced April 20, 2005 and will still end on April 19, 2008. The total Not-To-Exceed Contract Amount of the Agreement will be increased by \$959,002.16 from \$7,500,000.00 to \$8,459,002.16.

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

Mr. Korte provided the details of the Agreement and recommended approval.

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

5. **PROPERTIES**

- A. Space Permit with St. Louis Interfaith Chaplaincy, Inc. AL-104

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

Ms. Verret provided the details of the Space Permit and recommended approval.

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

- B. Lease Agreement with City of Berkeley AL-156

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

Ms. Verret provided the details of the Lease Agreement and recommended approval.

Mr. Esterline asked if any other municipalities will be using these facilities. Ms. Verret stated that after Berkeley is approved, any other police department is welcome to use the police facilities as well. Mr. Esterline asked if this property is set up properly for a firing

range and will it provide adequate safety and protection. Ms. Verret indicated that yes, the range is already in place and all the proper precautions have been taken.

Mr. Nash asked if there

Mr. McNutt asked if there were charges to the police departments for the use of this facility. Ms. Verret stated that she was unsure of any charges, but she would confirm this and inform the Commission of her findings.

Mr. Sonderegger asked if this property was periodically cleaned up and maintained. Ms. Verret stated yes, the property is maintained.

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

C. Space Permit with Redbox Automated Retail, LLC AL-430

A motion for approval was made by Mr. Esterline and seconded by Mr. Reed.

Ms. Verret provided the detail of the Space Permit and recommended approval.

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

D. Mobile Lift Device Operating Permit with American Airlines, Inc. AL-401

E. Mobile Lift Device Operating Permit with Frontier Airlines, Inc. AL-405

F. Mobile Lift Device Operating Permit with Trans States Airlines, Inc. AL-409

A motion for approval of the three Operating Permits was made by Ms. Osborn and seconded by Ms. Green.

Ms. Verret provided the details of the Operating Permits and recommended approval.

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

G. Cargo City Lease Agreement with Jetstar Aviation Leasing, LLC AL-414

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

Ms. Verret provided the details of the Agreement and recommended approval.

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

- H. First Amendment to Airport Parking Facilities Operating Agreement (Public Parking Facilities) with Central Parking Systems of St. Louis, Inc. AL-126

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

Ms. Verret provided the details of the First Amendment and recommended approval.

Ms. Osborn asked if there were provisions in the contract that cover customer service. Ms. Verret indicated that there is a very good management plan in effect and customer service is very important to them.

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

6. **OTHER BUSINESS**

- A. Memo listing Airport General Services Contracts under \$10,000.00 (no vote or action required).

Chairman Hrabko introduced Mr. Cornell Mays, the Airport's Deputy Director for Planning and Development. Mr. Mays described his past employment history and stated that he is very pleased to be working at Lambert.

On April 11, in conjunction with the American Heart Association, the Airport will hold an event promoting the Airport's "Walking Pass." The "D" Concourse will have mileage marked off and passengers will be able to get some exercise while waiting for flights.

7. **NEXT MEETING**

Wednesday, May 7, 2008 @ 2:00 P.M.

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 3:20 P.M.