

ST. LOUIS AIRPORT COMMISSION

**Wednesday, May 7, 2008 - 2:00 P.M.
JoAnne Wayne Conference Room**

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

Members Absent: Mr. McKinney, Mr. McNutt and Ms. Young

Airport Staff: Below, Bill, Bradley, Doss, Kinsey, Kopinski Korte, LaBoube, Lazarus, Lea, Mays, Mason, Russell-Taylor, Salarano, Singer, Slay, Spencer, Thomas, Verret, Ware and Zell

Legal Department: Niemann, and Pandolfo

Guests: Kevin Cahill, Edward Jones; Lance Carson, Arthur J. Gallagher; Stephen Day, HMS Host; Stephen E. Douglas, HMS Host; Ollie Dowell, Ollie Dowell Communications; Candice Gordon, Comptroller's Office; Tim Embree, City of St. Louis; Audrey Jones, PCA; Darryl Jones, HMS Host; Steve Merz, HMS Host; Ivy Neyland-Pinkston, Comptroller's Office; Chuck Reitter, UCG; Richard Ryffel, Edward Jones; Tom Shepherd, President's Office-Board of Aldermen; Bob Stanton, HMS Host; Mike Walker, Enterprise Rent-A-Car; Scott Wightman, Arthur J. Gallagher; Judie Wise, Bookmark

News Media: Kevin Killeen, KMOX Radio; Ken Leiser, POST DISPATCH

The Meeting was called to order at 2:10 P.M.

MINUTES

1. Approval is requested for the Minutes of the Wednesday, April 2, 2008 Airport Commission Meeting.

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

2. **ORDINANCES**

- A. Draft Ordinance authorizing a Third Supplemental Appropriation in the amount of \$1,500,000 from the Airport's FAA Land Sale Account into the Noise Mitigation Program Ordinance 64192 approved November 17, 1997, as amended.

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

Ms. Kopinski provided information about the Ordinance and recommended approval.

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

- B. Draft Ordinance authorizing a Second Supplemental Appropriation in the amount of \$725,000 from the Airport Development Fund into the Airport Engineering Assistance Program Ordinance 67100 approved June 5, 2006.

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

Ms. Kopinski provided information about the Ordinance and recommended approval.

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

- C. Draft Ordinance authorizing a Third Supplemental Appropriation in the amount of \$6,500,000 from the Series A Commercial Paper Construction Account of the Commercial Paper Construction Fund into the Airport Schedule F CIP Project Ordinance 67357 approved December 19, 2006.

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

Ms. Kopinski provided information about the Ordinance and recommended approval.

At this time, Mr. Reed entered the meeting.

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

- D. Draft Ordinance authorizing a First Amendment to the Taxiway D Project Ordinance 67249 approved October 3, 2006, amending Section One of the Taxiway D Project Ordinance 67249 increasing the total estimated cost of the Taxiway D Project by \$3,000,000 to \$8,200,000, and authorizing a Second Supplemental Appropriation in the amount of \$3,000,000 from the Series A Commercial Paper Construction Account of

the Commercial Paper Construction Fund into the Taxiway D project Ordinance 67249.

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

Ms. Kopinski provided information about the Ordinance and recommended approval.

Ms. Osborn inquired as to the increase in the total estimated cost to \$8,200,000. Ms. Kopinski responded that the original project was two phases, Phase 1 and Phase 2 for a total cost of \$5,200,000. The Airport now is going to add a Phase 3 in the amount of \$3,000,000 which increases the total project to \$8,200,000. Mr. Bradley added that the original cost of the project at \$5,200,000 was based on available grant funding from the FAA at that time which permitted the Airport to proceed with Phases 1 and 2.

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

3. **PROPERTIES**

- A. Award and approval of the Professional Services Agreement with Arthur J. Gallagher Risk Management Services, Inc. to provide Risk Management Consulting Services for the Airport. The Agreement commences May 15, 2008 and will end on May 14, 2011. The total Not-To-Exceed Contract Amount is \$170,000.00.

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

Ms. Verret provided the details of the Agreement and recommended approval. She introduced the principals associated with Arthur J. Gallagher Risk Management Services, Inc. who were present in the audience. They included Lance Carlson the Senior VP of Account Services, and Scott Wightman, Executive VP.

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

- B. Space Permit with Paradies-Concessions II-Arch, Inc. AL-432

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

Ms. Kopinski provided the details of the Permit and recommended approval.

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

- C. Mobile Lift Device Operating Permit with AirTran Airways, Inc. AL-400

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

Ms. Kopinski provided the details of the Permit and recommended approval.

Mr. Schembre asked who is responsible for liability if the lift device is used by multiple carriers. Ms. Verret replied that the individual carrier is responsible and a certificate of insurance is submitted to the Airport Authority.

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

Chairman Hrabko noted that Air Tran Airways, Inc. is celebrating its first year anniversary at Lambert. To commemorate the event a ceremony will be held in the next few days. Lambert sincerely appreciates their business.

D. Lambert-St. Louis International Airport® Restated and Amended Concession Agreement (Food and Beverage) with Host International, Inc. AL-415

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

Ms. Verret provided information about the Agreement and recommended its approval. She presented a number of designs detailing concepts and venues for the various Airport food services under the proposed Agreement. Ms. Verret introduced representatives from Host International Inc.: Stephen Douglas with Business Development; Bob Stanton, who was instrumental in bringing in local businesses; Darryl Jones from D&D Ventures, which is the 25% DBE partner with Host; Steve Day is the general manager of Host operations here at the Airport and Steve Merz, who is supervising the construction.

Mr. Sonderegger asked about the timetable for the new food venues. Ms. Verret replied that the ticketing level restaurants should be open by December 2008. The remainder of the restaurants will follow the timetable of the Airport Experience construction; however Host will be required to complete the entire project by 2011.

Ms. Osborn asked as to minimum standards for service within the contracts and who oversees the training of employees for each restaurant. Ms. Verret replied that the proposed contract has a number of minimum standards provisions. Host currently provides local training for employees and corporate training for managers and is to continue doing so under the proposed Agreement. Ms. Kopinski shared that she has attended Host training sessions as an employee to familiarize herself with the content of Host's training procedures.

Mr. Lipman asked if all food venue employees are employed by Host. Ms. Verret replied yes. Mr. Lipman inquired as to whether the contract can be terminated if the Airport is dissatisfied with a level of service. Ms. Verret explained that the Agreement provides for a variety of remedies depending on the nature of the breach; including, for example, liquidated damages, specific performance, as well as the termination of the Agreement. Ms. Verret pointed out that Airport personnel will conduct weekly

inspections for cleanliness and customer service. Mr. Lipman added that it appears to him that the Agreement states that it is not exclusive. Ms. Verret replied that this is the case. The Airport removed the exclusivity clause in the current agreement so that once this Agreement is approved and signed; the Airport can bring in any restaurant that is interested outside of the Host Agreement without conflict.

Mr. Bales asked if the concessions will remain open during an emergency. Ms. Verret stated yes, in the event of delays or cancellations the concessions are required to stay open beyond their usual closing times.

Mr. Esterline noted that after the Commission's thorough examination and questions regarding this Agreement, he wanted to compliment Ms. Verret on her presentation and to thank Chairman Hrabko, the staff and Host for putting together this project.

Chairman Hrabko pointed out that Host supervisors have attended customer service training seminars and the Airport is meeting with the Convention and Visitors Commission on a new program in which Host is one of the partners. The Airport is not relying on individual concessionaires for training programs; there is an overall concept of training for the business partners.

Mr. Reed also complimented Chairman Hrabko and the staff on this project and is very pleased with the 40% MBE/DBE participation.

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

6. **OTHER BUSINESS**

Mr. Dick Tuhro, General Manager of Paradies Shops presented Chairman Hrabko with a framed award featuring The Golf Shop located in the Main Terminal at Lambert. The Golf Shop is one of the top 100 stores in the United States not affiliated with a golf course.

7. **NEXT MEETING**

Wednesday, June 4, 2008

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 3:00 P.M.

The foregoing was approved by the Airport Commission at its meeting on Wednesday, June 4, 2008.

Richard E. Hrabko, AAE
Chairman

Date