

## ST. LOUIS AIRPORT COMMISSION

Wednesday, November 4, 2009 - 2:00 P.M.

JoAnne Wayne Conference Room

Members Present: Mr. Bales, Mr. Esterline, Ms. Green, Mr. Kennedy, Mr. Lipman, Mr. McKinney, Mr. McNutt, Ms. Morrell-Charles, Mr. Nash, Ms. Osborn, Mr. Reed, Mr. Sauget, Mr. Sonderegger, Mr. Stelzer, Ms. Teitelbaum and Chairman Hrabko

Members Absent: Mr. Clark

Airport Staff: Beckman, Brown, Kopinski, Lea, Mason, Mays, Rice, Robertson, Salarano, Slay, Spencer, Taylor, Waddle, Ware and Zell

Legal Department: Pandolfo & Stone

Guests: Faye Boatright, Rice Financial; Patrick Brown, Mayor's Office; Marilyn Bush, Bank of America; Ollie Dowell, Ollie Dowell & Assoc.; Office; Candace Gordon, Comptroller's Office; Carlos Leon; Ivy Neyland-Pinkston, Comptroller's Office; Joseph Vaccaro, Board of Aldermen; and Judie Wise, Bookmark-InMotion

News Media: Ken Leiser, St. Louis Post Dispatch

The Meeting was called to order at 2:10 p.m.

Alderman Joe Vaccaro, a former member of the Airport Commission, was recognized by the Director.

1. Approval is requested for the Minutes of the Wednesday, October 7, 2009 Airport Commission Meeting.

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

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

### 2. PLANNING & DEVELOPMENT

- A. Approval of the Fifth Amendment to the Professional Services Agreement with NRT Settlement Services of Missouri, LLC, d/b/a U.S. Title Guaranty Company to provide Real Estate Title Services for the Airport. The Agreement commenced December 21, 2002 and will now end on December 31, 2011. The total Not-To-Exceed Contract Amount will be increased from \$450,000 to \$500,000.00. This

Fifth Amendment extends the term of the Agreement by 24 months and increases the Not-To-Exceed Contract amount by \$50,000.00.

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

Mr. Mays provided the details of the Professional Services Agreement as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

This Agreement provides for real estate title services and closing services for Airport real estate transactions including those with the Eastern Perimeter Joint Development Commission, the City of Kinloch and the City of Bridgeton.

In response to a question from Mr. Lipman, Mr. Mays clarified that this amendment increases the amount of the current contract by \$50,000 in addition to \$43,000 that is presently available in the contract.

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

2. **PROPERTIES**

A. Space Permit with St. Louis Convention and Visitors Commission

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

Ms. Morrell-Charles entered the meeting at this time.

Mr. Salarano provided the details of the Space Permit as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

The Permit is for three years with no annual rental. The booth is staffed by volunteers, providing a service to the traveling public.

Mr. McNutt questioned the types of insurance coverage required under the permit. Mr. Salarano explained that there are provisions for contractors' insurance, covering any construction done to the booth, and general liability insurance, covering any injuries.

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

B. Airline Operating Agreement and Terminal Building Space Permit with MN Airlines, LLC d/b/a Sun Country Airlines .

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

Mr. Salarano provided the details of the Operating Agreement and Space Permit as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

Sun Country Airlines operates seasonal flights for FunJet Vacations. This Agreement will run for seven months, from December, 2009 through June 30, 2010.

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

C. First Amendment to the Airline Operating Agreement and Terminal Building Space Permit with Freedom Airlines, Inc.

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

Mr. Salarano provided the details of the First Amendment to the Airline Operating Agreement and Space Permit as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

Freedom Airlines operates as Delta Connection with three daily flights. This amendment extends the current Agreement until June 30, 2011.

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

D. First Amendment to the Airline Operating Agreement and Terminal Building Space Permit with Shuttle America Corporation

Mr. Kennedy entered the meeting at this time.

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

Mr. Salarano provided the details of the Operating Agreement and Space Permit as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

Shuttle America Corporation also operates as Delta Connection operating one daily flight. This amendment extends the current Agreement to June 30, 2011.

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

E. Airport Use and Lease Agreement with Hyannis Air Service, Inc. d/b/a/ Cape Air AL-655

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

Mr. Salarano provided the details of the Use and Lease Agreement as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

Cape Air operates three essential air service routes, currently handled by Great Lakes Aviation. This Agreement will run from November, 2009 through June 30, 2011.

Chairman Hrabko gave the Commission a brief overview of Hyannis Air Service, Inc. They were awarded the essential air service for Cape Girardeau, Quincy and Marion, Illinois. The airline operates primarily on the East Coast. While having not previously served the Midwest, it is anticipated that the airline will continue to grow with additional flights.

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

### 3. **OTHER BUSINESS**

Mr. Reginald Rice, Sr., of the Airport Housekeeping Department, was recognized as the Outstanding Employee of the Quarter for his leadership skills, work ethic and great customer service.

Jeff Lea, Public Information Manager, gave a presentation regarding a program to be instituted at the Airport called "Catch Us Giving". The traveling or general public will have the opportunity to nominate an employee exhibiting exceptional customer service. A committee, comprised of representatives of the Airport, the airlines, airport tenants and TSA, will review all nominations and select a winner.

Ivy Neyland-Pinkston, Deputy Comptroller – Finance and Development, introduced Faye Boatright, of Rice Financial Products Company, who gave a presentation regarding refunding of the Airport Revenue Bonds that were issued in 1998.

Earlier this year up to \$250 million dollars in Airport Revenue Bonds for capital improvements and up to \$125 million dollars to refund previously issued Airport revenue bonds were authorized. The capital improvement bonds were issued and sold in July 2009, but because of poor market conditions the refunding bonds have not been issued. Interest rates have been lowering and, if this continues, it is likely that it will be advantageous for refunding bonds to be issued shortly. The refunding of the bonds, which may be in an amount of between \$25 million and \$35 million, will yield a savings to the Airport of \$1 million to \$1.3 million in Fiscal Year 2010.

Ms. Osborn inquired regarding the credentials of Rice Financial Products Company, to which Ms. Boatright explained that it is a minority-owned company based in Manhattan, New York, having been in business for over 10 years. They recently placed their focus on the municipal bond market.

Mr. McNutt asked about the timeframe for entering the market with these bonds. Ms. Boatright responded that the goal is to enter the market by the end of 2009.

Chairman Hrabko advised the Commission about the current financial state of the Airport due to the loss of flights from American Airlines. It is anticipated that a revised mid-year budget will be issued in December, 2009. Some of the flights lost to American Airlines will be picked up by other air carriers. Frontier Airlines will be adding a weekly flight to Cancun in November, 2009. AeroMexico will begin seasonal flights to Cancun and Puerto Vallarta in December, 2009. Southwest Airlines will be adding twice daily service to Boston & Minneapolis in January, 2010. United Airlines is adding non-stop flights to San Francisco in February, 2010. Midwest Airlines will be adding three daily non-stops to Milwaukee and Southwest Airlines will add one daily flight to Baltimore, Dallas, Las Vegas and Orlando in March, 2010. In May, 2010 Southwest Airlines will be adding eight new non-stop flights daily: two to Nashville, two to Los Angeles, one to Raleigh/Durham, one to New Orleans, one to Seattle and one to San Diego.

Two new security lines will be added in the East Terminal to serve these new flights and the increased passenger volume.

4. **NEXT MEETING**

Wednesday, December 2, 2009 at 2:00 P.M.

5. **ADJOURNMENT**

There being no further business, the meeting adjourned at 2:47 p.m.