

ST. LOUIS AIRPORT COMMISSION

Wednesday, April 1, 2009 - 2:00 P.M.

JoAnne Wayne Conference Room

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

Members Absent: Mr. Bales, Mr. McKinney, Mr. Nash, Ms. Teitelbaum

Airport Staff: Bradley, Bruening, Glasener, Kinsey, Kopinski, Korte, Lea, Linhorst, Mason, Mays, Salarano, Slay, Spencer, Taylor, Ware, White, Wright, Yochum and Zell

Legal Department: Niemann & Pandolfo

Guests: Marvin Anderson, Stern Brothers & Co; Lorenzo Boyd, Stifel, Nicolaus; Kevin Cahill, Edward Jones; Ollie Dowell, Ollie Dowell & Assoc.; Candace Gordon, Comptroller's Office; Tim Embree, Mayor's Office; Linda Macey, Southwest Airlines, Ivy Neyland-Pinkston, Comptroller's Office; Chuck Reitter, Unison; Basil Rudawsky, Best Transportation; Debbie Rudawsky, Best Transportation, Tom Shepard, Board of Aldermen; and Judie Wise, Bookmark-InMotion

News Media: 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 4, 2009 Airport Commission Meeting.

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

2. OPERATIONS/MAINTENANCE

- A. Approval of the First Supplemental Agreement to the Maintenance Agreement between the Missouri Highway & Transportation Commission and the City of St. Louis for the maintenance of the Lindbergh Tunnel. The term of the Agreement is being extended by 34 months and will now end on April 30, 2012.

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

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

Under this Maintenance Agreement, the Airport is a subcontractor of the Missouri Highway and Transportation Commission. This Supplemental Agreement merely extends the term of that Agreement.

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

3. **PROPERTIES**

- A. Award and approval of the Ground Transportation Concession Agreement AL-441 with Best Transportation, Inc.

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

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

This Concessionaire is to provide ground transportation services to and from the Airport. The terms of the Agreement run from July 1, 2009 and end June 30, 2014. The amount of revenue guaranteed to the Airport over this five (5) year period is \$1,070,000.00.

Chairman Hrabko requested that Mr. Salarano further explain what service the ground transportation company would provide.

Mr. Salarano explained that this service is a shared-ride service. The vans can either be reserved in advance, via telephone or the internet, or while at the Airport. The shuttles would transport passengers to various hotels located throughout the St. Louis area.

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

4. **FINANCE/ACCOUNTING**

- A. Approval of the Airport Budget Request - Fiscal Year 2009-2010.

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

Ms. Kopinski provided the details of the Budget Request as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

The revenue forecast is very conservative. There is a drop in landing fees, rents, concessions and parking from the Fiscal Year 2008-09 budget.

The current interest revenue forecast is about 2% on existing funds. The 11.9% increase cited in the budget is based on the possibility of bonds being sold sometime at the end of calendar year 2009, or the beginning of 2010, and the potential interest received on the investment of the proceeds from the sale of those bonds.

The operating and maintenance budget for 2009-2010 is 1.5% less than the previous fiscal year's budget. In order for the Airport to retain, and attract, new airlines, the cost of doing business has to stay competitive and the costs must be contained.

Twenty-two positions will not be filled during the 2009-2010 budget year. Three positions will be eliminated and nineteen others will be put on hold. Although the nineteen positions are still listed on the budget, the airlines will not be billed for those positions. This decision should help in lowering landing fees and terminal rental fees.

Chairman Hrabko explained that these twenty-two positions are currently unfilled. No currently occupied positions were eliminated and the number of employees working at the Airport has not been reduced.

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

Mr. Sonderegger questioned why the nineteen positions, while unfilled, remain in the budget.

Ms. Kopinski responded that those positions will remain in the Airport's budget, but not charged to the airlines. If these positions were eliminated from this budget, it would be difficult to get them back should the need arise in the future to fill them.

Mr. McNutt asked for an explanation of what line item 5150 entails.

Ms. Kopinski explained that, due to the requirement that City workers at the Airport have residency in the City of St. Louis, these employees receive an allowance for travel to and from the Airport. This amount is currently \$141.00 bi-weekly.

Chairman Hrabko explained that this requirement is set by City ordinance and must be covered by the Airport's budget.

Ms. Osborn inquired as to the method used to determine the positions that were eliminated or would not be filled and whether there was currently a hiring freeze.

Chairman Hrabko explained that while there is no hiring freeze, there are no current plans to hire for any positions that are not essential.

Ms. Kopinski explained that all vacant positions were reviewed and a determination was made as to whether the positions needed to be filled and how the work of a vacant position was being performed. Each line item in a department's budget was also reviewed by looking at prior year actual expenditures versus a department's budget request.

Ms. Young questioned the Airport's contribution to the Firemen's Pension Plan and whether the Airport Fire Department was separate from the Fire Department for the City.

Ms. Kopinski responded that firefighters working at the Airport are City of St. Louis firefighters reporting to the Fire Chief at Lambert Airport, who is also a member of the City's Fire

Department. The Airport Fire Chief reports to the City's Fire Chief. The amount that Lambert contributes to the Firemen's Pension Plan is attributable only to the firefighters assigned to the Airport. The increased contribution on behalf of the Airport for 2010 is due to the current market conditions and rate of return on investments. The City of St. Louis sold bonds to fund the Firemen's Retirement System for prior years and the amount shown in this line item of the budget is the Airport's portion of the money due to pay off those bonds.

Ms. Morrell-Charles questioned whether the Airport has a contingency fund, or reserve fund, and, if so, how much the Airport is contributing to that fund as part of the 2010 budget.

Ms. Kopinski responded that the Contingency Fund is based on the amount remaining after funding of operations and maintenance, debt service requirements and so forth. If any funds remain, this amount is placed in the Contingency Fund. However, there is also a separate reserve fund for debt service obligations.

Mr. McNutt inquired about account 5660, which covers legal expenses, and whether this account was for internal services or outside legal counsel.

Ms. Kopinski responded that it covered both internal and outside legal expenses. Included in this line item are one attorney, one administrative assistant and one secretary on the Airport's table of organization. Two attorneys located on-site at the Airport, are employees on the City Counselor's table of organization. The Airport reimburses the City for their services. This account also covers outside legal services.

Mr. Reed commended the Airport for the efforts taken to turn in a reasonable budget during hard economic times.

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

7. **OTHER BUSINESS**

Chairman Hrabko introduced Corina Taylor, Public Information Officer for the Airport, who recently joined the Airport staff. Ms. Taylor will be handling customer service training and special events.

Chairman Hrabko then announced that this would be Commissioner Vaccaro's last meeting as he has been elected to the position of Alderman for the City of St. Louis and thanked him for his service to the Commission.

Commissioner Vaccaro made some brief remarks regarding his service on the Airport Commission.

Mr. Reed announced that he has started a new website, StLouisCore.com, which is a community forum, giving information on activities and businesses around St. Louis.

Mr. Esterline advised the Commission that he has invited Chairman Hrabko to appear on a KMOX Radio talk show in the near future.

8. **NEXT MEETING**

Wednesday, May 6, 2009 at 2:00 p.m.

9. **ADJOURNMENT**

There being no further business, the meeting adjourned at 2:35 p.m.