

ST. LOUIS AIRPORT COMMISSION

Wednesday, August 5, 2009 - 2:00 P.M.

JoAnne Wayne Conference Room

Members Present: Mr. Bales, Mr. Clark, Mr. Kennedy, Mr. Lipman, Mr. McKinney, Ms. Morrell-Charles, Mr. Nash, Ms. Osborn, Mr. Stelzer, Ms. Teitelbaum and Chairman Hrabko

Members Absent: Ms. Green, Mr. Esterline, Mr. McNutt, Mr. Reed, Mr. Sonderegger

Airport Staff: Brown, Kinsey, Kopinski, Korte, Lea, Mays, Morton, Pradhan, Pudlowski, Robertson, Salarano, Slay, Spencer, Stone, C. Taylor, J. Taylor, Ware, Yancey and Zell

Legal Department: Niemann & Pandolfo

Guests: Marvin Anderson, Stern Brothers; Marilyn Bush, Bank of America; Lance Carlson, Arthur J. Gallagher, Inc.; Mike Coleman, Central Parking; Ollie Dowell, Ollie Dowell & Assoc.; Candice Gordon, Comptroller's Office; Patrick Hosty, Valdes & Moreno; Marco Liston, Valdes & Moreno; Lawrence Mandes, Peregrine Advisors, LLC; Sandra Marks, Marks & Associates; Ivy Neyland-Pinkston, Comptroller's Office; Chuck Reitter, Unison; Terry Stark, National City Bank; Carol Stelzer; Michael Wesche, American Airlines; Scott Wightman, Arthur J. Gallagher, Inc; and Judie Wise, Bookmark-InMotion

News Media: Ken Leiser, St. Louis Post Dispatch

The Meeting was called to order at 2:08 p.m.

Chairman Hrabko introduced Don Robertson, the new Assistant Director of the Airport's DBE office. Mr. Robertson has been a diversity consultant in the St. Louis area for the past three years and previously worked with the subcontractors on the Airport's expansion program, monitoring the DBE compliance.

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

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

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

2. **FINANCE/ACCOUNTING**

- A. Award and approval of the Professional Services Agreement to Peregrine Advisors LLC to provide Airport Assessment & Advisory Services for the Airport. The Agreement will commence September 1, 2009 and will end June 30, 2012. The total Not-To-Exceed Contract Amount is \$141,667.00.

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

Ms. Kopinski 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.

The purpose of this Agreement is to assess and analyze all Airport contracts and to provide the Airport with the perspective of the airlines during the negotiations for the Use and Lease Agreement.

Mr. Stelzer inquired how these services were performed in the past and whether there were any local firms that bid on the contract. Ms. Kopinski responded that the lease negotiations were previously handled by Unison and, while they will continue to lead the negotiations, Peregrine Advisors and its subcontractors will provide additional insight and perspective during contract negotiations with the airlines. The only local participation is the MBE and WBE participants.

In response to a question posed by Ms. Osborn, Ms. Kopinski set out for the Commission the expertise of the companies acting as subcontractors on this Agreement. Peregrine Associates has experience in airport financial consulting services. Trillion Aviation is comprised of former airlines property representatives who have previous experience in the negotiation of airport use agreements. Marks & Associates is the local MBE firm. Precise Financial Management is the local WBE, providing financial experience. Jacobsen/Daniels has capital planning development experience.

Mr. Lipman expressed a concern regarding a conflict of interest in that some of the subcontractors also do consulting work for the airlines. Ms. Kopinski assured the Commission that while only one of the subcontractors currently has a business relationship with an airline, that particular subcontractor would not be involved in the negotiations with the airlines. Mr. Mandes of Peregrine Associates addressed the Commission and advised that his work with Southwest Airlines involves infrastructure development within the airline itself and does not involve lease and use agreements.

Mr. Kennedy inquired as to the number of contracts that this firm would be reviewing for the Airport. Ms. Kopinski responded that all of the Airport's contracts will be reviewed and prioritized. Chairman Hrabko stated that the expertise of the parties involved in the negotiation process with the airlines will greatly benefit the Airport.

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

3. **PUBLIC RELATIONS**

- A. Award and approval of the Professional Services Agreement to Ollie Dowell Communications, LLC to provide Information Booth Staffing Services for the Airport. The Agreement will commence October 1, 2009 and will end September 30, 2012. The total Not-To-Exceed Contract Amount is \$1,044,618.00.

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

Mr. Lea 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.

The Agreement provides for the staffing of the Information Booth in the Main Terminal. The contract amount represents a 7% decrease over the previous contract. During the month of the All-Star Game in July, 2009, more than 26,000 inquiries and 1,800 airport pages were handled.

Mr. McKinney posed a question regarding the types of data collected and whether reports would be made available to the Commission on a regular basis. Mr. Lea responded that in order to increase customer service, some of the data collected will provide the Airport staff with an overview of certain types of problems within the Airport so that those problems can be addressed. The Director stated that he will have Mr. Lea periodically update the Commission on the types of inquiries or complaints addressed.

Mr. Nash inquired as to the number of booths currently operating and staffed at the Airport. There is currently one booth, staffed by two people per shift, operating in the Main Terminal. East Terminal passengers can contact the Information Booth through a phone system.

Mr. Bales questioned whether the same information for contacting the Information Booth is available to the public and whether the Airport could advise the other municipal airports of this service. Mr. Lea responded that the contact number for reaching the Information Booth is available in the telephone directory and on the Airport's website. This information will be provided in the future directly to the other airports so that calls can be correctly routed.

Mr. Lipman asked whether the Information Booth is available 24 hours daily as per the provision in the contract. Chairman Hrabko advised that the Information Booth operates on-call, but is not routinely staffed, 24 hours per day. If a weather-related or other emergency arises, the Booth would be staffed during those times.

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

4. **PROPERTIES**

- A. Award and approval of bid for insurance policies for:

Business Auto – Broker: Wells Fargo Insurance Services of Missouri
Insurance Agency: Cincinnati Insurance Company

Tunnel Property – Broker: Wells Fargo Insurance Services of Missouri
Insurance Agency: ACE American Insurance Company

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

Mr. Salarano explained that the Solicitation for Bids was released on May 7, 2009 for the following Airport Insurance Policies: 1) Airport Property/ Business Interruption/ Boiler & Machinery, 2) Fine Arts Floater, 3) Tunnel Property, 4) Business Auto, 5) Public Officials & Employment Practices Liability. Mr. Salarano then provided the details of the Airport Insurance Policy Bids as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

Mr. Lipman asked when the current policy for Public Official & Employment Practices Liability expires. Mr. Salarano explained that the current policy expires September 30, 2009 and that the Airport has re-bid this insurance and plans on presenting the new bids at the September 2, 2009 Airport Commission meeting.

Ms. Teitelbaum inquired about the reasoning for the twenty thousand dollar increased in the premium on the tunnel property. Mr. Salarano advised that Cincinnati Insurance Company through Wells Fargo Insurance Company is presently insuring the tunnel and the increased premiums may be due to the current state of the market. Lance Carlson of Arthur J. Gallagher, the Airport's insurance consultant, advised the Commission that it is common in today's hardened market for property policy premiums in general to be raised 5% - 10% and this is for tunnel property insurance.

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

After the vote was taken, Chairman Hrabko advised the Commission that Ms. Kopinski and Mr. Salarano negotiated the proposed fee on the renewed property insurance with AON Risk Services down by \$20,000. Mr. Carlson further added that the Business Auto policy premiums through Wells Fargo were reduced approximately \$50,000 and the premiums on the Boiler Machinery Policy were also lower.

5. OTHER BUSINESS

- A. Public Parking Rates at Lambert-St. Louis International Airport (No action required)

The parking rates have been increased \$1.00 across the board, which is an industry-wide occurrence and is competitive.

Ms. Morrell-Charles inquired as to the amount realized from this increase in fees. Chairman Hrabko responded that between \$4 million and \$5 million annually is expected from the increase, which will be used in the Airport renovations.

B. Presentation of the Outstanding Supervisor of the Quarter and Outstanding Employee of the Quarter.

Four Airport employees were recognized for their outstanding work over the last quarter.

Mr. Glenn Pudlowski was nominated for his assistance with the filming of the movie “Up in the Air” earlier this year. Mr. Pudlowski was the liaison between the Airport and movie personnel ensuring a smooth-running operation.

Patrick McMahon was nominated for accepting responsibility for cataloging the water meters in the Airport, which will ensure the correct amount being billed to tenants for water usage.

Achyut Pradhan was nominated for his assistance in reprogramming the Airport radios, which led to the reimbursement from Nextel.

Chana Morton was nominated for coordinating the relocation of the DBE and Engineering Offices, while also handling the day-to-day operations of the DBE department.

6. **NEXT MEETING**

Wednesday, September 2, 2009 at 2:00 p.m.

7. **ADJOURNMENT**

There being no further business, the meeting adjourned at 2:52 p.m.