



**AIRPORT COMMISSION**

**MINUTES**

**Wednesday, March 7, 2018 - 2:00 P.M.  
Lindbergh Conference Room**

Members Present: Mr. Bales, Mr. Cantwell, Ms. Davis, Mr. Fitzgerald, Ms. Fowler,  
Mr. Kling, Mr. Lipman, Dr. Nemanick, Ms. Osborn, Mr. Sauget,  
Mr. Stelzer, Ms. Teitelbaum and Chairperson Hamm-Niebruegge

Members Absent: Ms. Green, Mr. Jenkins, Mr. Reed

Vacancies: One

Airport Staff: Beckmann, Conner, Glasener, Gooding, Hollenberg, Klein, Kulinsky,  
Ramos, Ruth, Salarano, Spencer, Stella, Stoffel, Strong, Tiemann

Legal Department: Pandolfo, Emmel

Guests: Maurice Falls, Board of Aldermen; Jeff Fernhoff, Huntleigh, McGehee;  
Richard Gaines, Richard Gaines Insurance; James Garavaglia,  
Comptroller's Office; Emmit Horne, Wells Fargo Securities; Tom  
Malecek, St. Louis County; Clinton McBride, Laborers' Local 110; Larry  
Richardson, Wells Fargo Securities; Scott Wightman, Arthur J. Gallagher

Media: None

The Meeting was called to order at 2:02 P.M.

1. **MINUTES**

Approval is requested for the Minutes of the February 7, 2018 Airport Commission meeting.

A motion for approval was made by Dr. Nemanick and seconded by Ms. Teitelbaum.

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

2. **ORDINANCES**

- A. Draft Ordinance authorizing a First Supplemental Appropriation in the amount of \$481,302 from the Airport Development Fund into the Airfield, Building & Environs Ordinance 70570 approved July 10, 2017, for the payment of costs authorized therein, and containing an emergency clause.

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

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

This Draft Ordinance provides for the approval of an additional \$481,302 from the Airport Development Fund into the Airfield, Building & Environs fund to cover the costs of an airfield lighting project on Runway 12L-30R. Recent testing of the lighting circuits revealed a reading below the FAA-mandated level. This project is eligible for an FAA airport improvement grant, which would pay up to 75% of the total project costs.

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

- B. Draft Ordinance authorizing a public works and improvement program at the Airport consisting of capital improvement projects to and for the terminal complexes, concourses, gates, facilities, taxiways, ramps, and environs including the acquisition of certain equipment (the “**Airfield, Building & Environs Projects**”), as more fully described in Section One of the Draft Ordinance and **Exhibit A** thereto entitled “Project List”, at a total estimated cost of \$15 Million Dollars. This Draft Ordinance also authorizes an initial appropriation of \$5,382,543 from the Airport Development Fund to be expended on the Airfield, Building & Environs Projects.

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

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

This Draft Ordinance authorizes the initial appropriation of \$5,382,543 from the Airport Development Fund to perform several capital improvement projects:

- 1) Replacement of the Airport paging system. The current paging system is over 30 years old and replacement parts are difficult to procure.
- 2) Taxiway reconstruction projects on Taxiway Kilo (between Runway 12L-30R) and the Cargo Facility. Due to current pavement conditions, the FAA has mandated full reconstruction of this area.

- 3) Upgrade to Gate Electrical Units and purchase of Preconditioned Air Units and Ground Power Units to take advantage of VALE grant funding. These units will reduce noise and emission pollution, as well as lower fuel consumption.

The list of projects was presented to the airlines in December, 2017 and was unanimously approved. The Taxiway Reconstruction projects and the Electrical Units projects are eligible for FAA grants, which will pay up to 75% of the project costs.

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

### 3. **PLANNING & DEVELOPMENT**

Approval of the Service Agreement to ESRI, Incorporated to provide Computer Software Maintenance Services for the Airport. The Agreement will commence on May 1, 2018 and will expire on April 30, 2019. The total Contract Not-To-Exceed Amount is \$11,200.

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

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

This one-year Service Agreement is for the licensing and maintenance of software used by the Airport for geographic information systems, including the work order system, land management system, and other maps and applications. It also covers any technical support needed for issues that arise with the software. The software is proprietary and must be updated and maintained by ESRI.

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

### 4. **PROPERTIES**

- A. Approval of a Professional Service Agreement with Arthur J. Gallagher Risk Management Services, Inc. to provide Insurance Brokerage Services for the Airport. This Agreement will commence on May 1, 2018 and will expire on April 30, 2021. The total Contract-Not-To-Exceed Amount will be \$280,000.

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

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

Commissioner Fitzgerald entered the proceedings at this time.

This three-year Professional Service Agreement provides for insurance brokerage services for the Airport. Scott Wightman, of A.J. Gallagher, and Richard K. Gaines, of Richard K. Gaines, Inc., were present and introduced to the Commission.

A Request for Proposals was released for this Professional Service Agreement. Three proposals were received. One of the proposals was deemed non-responsive for poor good-faith efforts regarding M/WBE participation. A selection committee reviewed the remaining two bids and chose Arthur J. Gallagher as the winning bidder. The not-to-exceed amount of \$280,000 is \$20,000 less than the previous contract.

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

B. Cyber Liability and Crime Insurance Policies

A motion for approval was made by Dr. Nemanick and seconded by Mr. Kling.

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

Commissioner Fowler entered the proceedings at this time.

Cyber Liability Insurance: a one-year renewal of the current policy, which protects the Airport in the event of the release of personally identifiable information. The new policy will also include protection from revenue losses in the event of a breach from a third party operator at the Airport. The policy provides for up to \$5 million in coverage, with a \$50,000 deductible (per occurrence). The annual premium for this coverage will be \$39,875, a savings of \$325 from last year's policy.

Crime Insurance: a renewal of the current policy, which protects the Airport in the event of theft by employees (computer fraud, forgery, credit card fraud, etc.). It provides \$1 million of coverage, with a \$25,000 retention (per occurrence). The annual premium remains at \$5,980.

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

C. Lease Agreement with CRD & Associates, Inc. (AL-077)

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

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

This three-year Lease Agreement is for a small hut to be used for equipment storage. Revenue to the Airport will be \$5,922.36 annually. The Lease contains a 90-day cancellation provision.

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

D. Lease Agreement with Airport Terminal Services (AL-078)

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

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

This Lease Agreement is for three years and provides for space on which to place an above-ground jet fuel storage tank. Annual revenue to the Airport will be \$1,237.50. The Lease also includes a 90-day cancellation provision.

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

E. Into-Plane Fueling Permit with Allied Aviation Fueling Company of St. Louis, Inc.

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

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

This three-year Fueling Permit allows for taking jet fuel from the fuel hydrant system that exists in the concourse complex and terminal complex and fueling the aircraft. Revenue to the Airport is a permit fee (administrative charge) of \$1,200 per year. The Permit contains a 10-day cancellation provision.

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

5. **OTHER BUSINESS**

On February 24, 2018 the Airport experienced a culvert collapse on the ramp along Taxiway Charlie. The culvert consisted of two 16' corrugated metal pipes. Following excessive rainfall, the ground and/or the pipes failed. The cause of the failure is being investigated. The area is located in an MSD easement, which has been in effect since 1929. The Airport's insurance adjusters, as well as MSD personnel, have inspected the area and the question of liability and maintenance responsibilities is currently being discussed, as well as the cause of the failure

Due to the increased connecting traffic, the enplaned passenger statistics rose 4.7% in January 2018 compared to January 2017. Originating traffic was approximately 2% lower for the same time period.

Boeing has requested additional space in the Airport Office Building near the current location of their simulators. This space, consisting of approximately 5,000 sq. ft., will produce revenue of

around \$55,250 annually to the Airport. The space is currently unoccupied. Due to time constraints, the three-year Lease has been signed by both parties and the term will begin on April 1, 2018. However, the Lease will not be presented to the Commission until the April 4, 2018 meeting.

The construction of the Three Kings restaurant in Terminal 2 is on schedule with the opening scheduled for May, 2018.

From Tuesday, May 22 through Thursday, May 24, 2018 Southwest Airlines ("SWA") is scheduled to bring 80 employees from its Revenue Management and Network Planning Departments to tour the St. Louis area. This group has been visiting each of SWA's Top Ten Cities and makes decisions regarding new routes. The Airport has partnered with Explore St. Louis to provide a tour of the St. Louis highlights. The group will also perform a service project to help a local organization.

Wingtips, a Common Use Club that opened in Terminal 2 in January 2018, is meeting its expectations as far as daily usage and currently has three corporate clients under contract.

In response to a request for an update on the West Lake Landfill issue, the Commissioners were advised that while the Airport does not own the land, it does have an interest in the landfill in that it is located in the flightpath of the runways. Of main concern to the Airport is the method of mitigation the Landfill intends to undertake in that birds are attracted to the waste. As birds are always a grave concern for an airport, the Airport has a vested interest in the Landfill's proposed mitigation plan. A period for public comments is open until April 23, 2018 and the Airport intends to submit a comment regarding these concerns.

Commissioner Davis updated the Commissioners on the privatization advisory contract ("Advisory Contract") and the involvement of the Transportation & Commerce Committee ("T & C") of the Board of Aldermen in the matter.

Ms. Davis advised that T & C will continue to meet with various entities (i.e. unions, elected officials, financial consultants, etc.). Additionally, there will be an opportunity for the public to view documents and express opinions regarding the privatization matter prior to any final operating or long-term lease contract being awarded to the successful proposer. The Advisory Contract will contain a cancellation clause allowing the City to withdraw from any further proceedings without cause.

Also included in the Advisory Contract will be strict provisions addressing potential conflicts of interest concerns so that no member of the Advisory Group, or any of their advisors or consultants, will be allowed to also be a member, advisor, consultant, or investor to any firm that submits a proposal or the selected privatization firm, whether an investor, advisor, consultant, or operationally.

T & C will meet with the unions operating at the Airport to ensure that their concerns are heard and considered. The welfare of the non-union Airport employees will also be considered.

James Garavaglia of the Comptroller's Office advised the Commission that the Comptroller's Office negotiated the inclusion of both the Airport's and the City's financial advisors into a separate contract to oversee the financial aspects. This contract would be separate from the Advisory Contract.


6. **NEXT MEETING**

Wednesday, April 4, 2018 at 2:00 P.M.

7. **ADJOURNMENT**

The meeting adjourned at 3:07 P.M.

The foregoing were approved by the Airport Commission at the meeting held on Wednesday, April 4, 2018.

  
Rhonda Hamm-Niebruegge Chairperson

  
Date