



AIRPORT COMMISSION

MINUTES

**Wednesday, April 4, 2018 - 2:00 P.M.
Lindbergh Conference Room**

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

Present by Phone: Mr. Reed

Members Absent: Ms. Davis, Mr. Jenkins, Mr. Lipman

Vacancies: One

Airport Staff: Beckmann, Collins, Conner, Glasener, Gooding, Hollenberg, Jackson,
Kinsey, Klein, Kulinsky, Lam, Lea, McMahon, Ramos, Rodgers, Ruth,
Salarano, Spencer, Stella, Stoffel, Stone, Strong, Tiemann

Legal Department: Pandolfo, Emmel

Guests: Ollie Dowell, Ollie Dowell Communications; Maurice Falls, Board of
Aldermen; James Garavaglia, Comptroller's Office; Gretchen Land,
Werremeyer Creative; Ron McNeill, Mead & Hunt; Larry Richardson,
Wells Fargo Securities; Michelle Sherod, All Solutions

Media: None

The Meeting was called to order at 2:00 P.M.

1. MINUTES

Approval is requested for the Minutes of the March 7, 2018 Airport Commission Meeting.

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

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

Mr. Reed entered the meeting at this time.

2. OPERATIONS

Approval of a Service Agreement with Hart Automotive, LLC to provide Fleet
Maintenance & Auto Body Services for the Airport. The Agreement will commence on

May 1, 2018 and will end April 30, 2021. The total Contract-Not-To-Exceed amount will be \$480,000.

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

Mr. Stella 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 three-year Service Agreement will provide preventive maintenance on the Airport's approximately 150 passenger-sized vehicles, as well as body work on the full fleet of over 400 vehicles.

Three bids were received for this contract. One of the bids was rejected for lack of good faith efforts. Another bid was rejected in that the bidder did not possess the requisite experience to perform the services called for in the Solicitation. Hart Automotive was deemed the lowest and best bidder.

The Not-To-Exceed amount of this Agreement is higher than the previous contract due to a 6% hourly rate increase, the addition of the auto body work (which was not in the previous contract) and a 5% contingency amount added for any potential unforeseen repairs.

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

3. **MARKETING AND BUSINESS DEVELOPMENT**

Approval of a Professional Services Agreement to Mead & Hunt, Inc. to provide Air Service Development Consulting Services for the Airport. The Agreement will commence June 1, 2018 and will end May 31, 2021. The total Contract-Not-To-Exceed amount will be \$825,000.

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

Mr. Kinsey 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.

Ron McNeill, Senior Consultant of Mead & Hunt, along with Ollie Dowell of Ollie Dowell Communications and Gretchen Land of Werremeyer, were present and introduced to the Commission.

This three-year Professional Services Agreement covers air service consulting services. Mead & Hunt has had this contract since 2012 and has lent its expertise to the Airport by tracking airline trends, performing comparative analysis of markets and meeting with airline route planners.

Commissioner Osborn requested information on the specific services Mead & Hunt has performed. Mr. McNeill, of Mead & Hunt, advised that by analyzing market trends and routinely meeting with various airline route planners, Mead & Hunt has been instrumental in securing flights to underserved regions, specifically West Coast markets (Portland, San Diego, San Francisco, Seattle), as well as additional service to East Coast markets such as Boston, Washington DC and New York.

Additionally, Mead & Hunt continually researches the types of programs other airports are offering in order to ensure that the Airport's Incentive Program remains competitive.

Commissioner Sauget requested that Mr. McNeill address the Commission periodically to report on any changes in the airline industry and provide an update on his firm's activities and successes.

There followed a discussion regarding the financial impact of opening the remaining nine (9) gates in the D Concourse. The Chairperson advised that the cost is estimated at over \$5 million, plus the additional costs of maintenance on the walkways and cleaning of the concourse, and that at the present time it would not be feasible without a commitment from an airline to utilize those remaining gates.

Due to the increase in passenger numbers, Southwest Airlines is exploring the expansion of the baggage claim area in Terminal 2.

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

4. **PROPERTIES**

A. Lease Agreement with The Boeing Company (AL-080)

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

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 covers 5,746 sq. ft. in the Airport Office Building to be used for an additional flight simulator. This leased space is adjacent to space currently leased by Boeing, which also contains a flight simulator. The Lease contains a 60-day no-fault cancellation provision. Revenue to the Airport will \$63,493.30 annually, with payments to begin upon the completion of Boeing's renovations to the leased space.

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

B. Space Permit with American Airlines Federal Credit Union (AL-281)

A motion for approval was made by Mr. Cantwell and seconded by Ms. Fowler.

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.

This three-year Space Permit covers 480 sq. ft. located in Terminal 1 which is being used as a credit union. Revenue to the Airport is the current Terminal 1 rental rate (\$43.70 per sq. ft.), plus 50% of all surcharges originating from the credit union's ATM.

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

C. Airline Operating Agreement and Terminal Building Space Permit with WOW Air, EHF (AL-408)

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

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.

This Airline Operating Agreement and Terminal Building Space Permit will operate on a month-to-month basis, not to exceed 36 months, which is the time that the current Airport Use and Lease Agreement will expire. There is a 30-day cancellation provision included in the Agreement.

The Chairperson thanked the County Executive and the Economic Development Partnership for the financial incentive that was offered to WowAir. An additional amount has also been over, for the next two years, to market the Airport to international carriers.

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

5. **FINANCE/ACCOUNTING**

Approval of the Airport Budget Request - Fiscal Year 2018-2019.

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

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

The Airport's budget for FY 2018-2019 will be approximately 1.26% higher overall than FY 2017-2018. The Operations and Maintenance costs will increase 52.74% and the Debt Service will decrease .88%.

Revenue

Overall revenues will decrease approximately .5%, in part due to lower landing fees. Landing fees revenue for signatory airlines decreased .6% (from decreased landing fees) and revenue from non-signatory airlines increased 7.2% due in part to the number of additional flights.

Rents for signatory airlines decreased 7.7%. Rental fees are based on the landing fees and as those landing fees are reduced, the rental rates will also decrease. This will potentially attract additional airlines and other entities to the Airport.

Revenue from Utilities will increase by approximately 1.4% and Utilities are charged to the tenants/airlines.

Concession revenues increased approximately 2.6%.

Parking revenues increased approximating 5.6%. This is due in part to the recent contract with TSA for employee parking (\$600,000 per year). Another factor is the final payment on a \$2 million project to upgrade revenue access control equipment in the parking garages and surface lots.

Expenses

The Operations and Maintenance expenses will increase approximately 2.74%.

No new staff positions were added to this budget and the total will remain at 530 positions.

Medical Insurance costs are anticipated to increase by 10%.

There will be a 2.47% increase in Computer Supplies in that computers are replaced every 5-6 years.

The AED equipment will be replaced to comply with new CPR rules which will become effective January 1, 2019. This will increase the Material & Supplies amount by 22.25%.

Office & Computer Equipment will increase 82.10% to cover the installation of computers in all Airport police vehicles.

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

6. **OTHER BUSINESS**

Supervisor of the Quarter

Pat McMahon, Foreman in the Airport's Building Maintenance Department, was nominated by his employees for his positive attitude, work ethic, motivation and willingness to tackle any job. Pat is always willing to jump in and assist his crew when the need arises.

Employee of the Quarter

Dat Lam of the Airport's IT Department, was nominated for his initiative in building a virtual server as part of a cyber security project. This virtual server will protect the Airport's servers, which in turn will make it difficult, if not impossible, for threats to penetrate the Airport's firewalls. Dat undertook this project on his own, and there was no additional cost to the Airport.

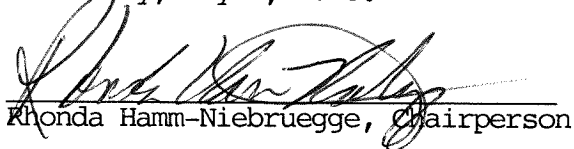
7. **NEXT MEETING**

Wednesday, May 2, 2018 at 2:00 P.M.

8. **ADJOURNMENT**

The meeting adjourned at 3:35 P.M.

The foregoing were approved by the Airport Commission at the meeting held on Wednesday, May 2, 2018.


Rhonda Hamm-Niebruegge, Chairperson

5/2/18
Date