

AIRPORT COMMISSION

MINUTES

**Wednesday, December 4, 2019 - 2:00 P.M.
Lindbergh Conference Room**

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

Via Telephone: Mr. Cantwell, Ms. Green, Mr. Reed

Members Absent: Ms. Fowler

Airport Staff: Beckmann, Conner, Glasener, Gooding, Jones, Kinsey, Klein, Kulinsky, Lea, Ramos, Ruth, Ryan, Salarano, Spencer, Stella, Stoffel, Tiemann

Legal Department: Pandolfo, Emmel

Guests: Gerry Connolly; Crystal Allen Dallas, Excel Business Concepts; Ollie Dowell, Ollie Dowell Communications; Jack Grone, McPherson; Duane Huelsmann, TSA; Lataunia Kenner, Comptroller's Office; Scott Leisler, Dovetail; Donna MacDonald, Dovetail; Laura Madden, City of Woodson Terrace; Linda Martinez, Mayor's Office; Meredith McKinley, Via Partnership; Jameson Ramirez, SEIU Local 1; Jennifer Schmid, Dovetail; Cara Spencer, Board of Aldermen; Kathleen Strout, Civic Progress

Media: Brandon Geier, First Rule
Tony Messenger, St. Louis Post-Dispatch
Corrine Ruff, St. Louis Public Radio
Mark Schlinkmann, St. Louis Post-Dispatch

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

1. **MINUTES**

Approval is requested for the Minutes of the November 6, 2019 Airport Commission meeting.

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

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

2. **DIRECTOR'S OFFICE**

Approval of the First Amendment to the Agreement with Brown & Associates to provide Government Relations Services for the Airport. The Agreement, which began on May 1, 2017, will be extended twelve months to end on April 30, 2021. The total Contract-Not-To-Exceed amount will be increased by \$319,500.

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

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

This Amendment to the Agreement will extend the current Agreement for twelve months and increase the Not-To-Exceed amount by \$319,500 from \$985,000 to \$1,278,000. The overall hourly rates will remain unchanged.

Pursuant to concerns recently voiced by the Commissioners regarding the continuation of one-year extensions of service contracts, the Chairperson advised that all new service contracts would be rebid for two years, with an option for a third year, with the exception of 10 or 11 contracts expiring in the next few months. This Agreement is one of those excepted contracts.

Following a conversation regarding whether airports had considered combining their resources and employing one lobbyist in order to realize better rates, the Chairperson advised that most airports prefer to use their own lobbyist, but will look into whether there is an opportunity to do so.

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

3. **FINANCE AND ADMINISTRATION**

Approval of the First Amendment to Memorandum of Agreement with Southwest Airlines

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

Mr. Klein provided the details of the First Amendment to Memorandum of Agreement as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

The Memorandum of Agreement (“MOA”) between the Airport and Southwest Airlines (as a representative of all signatory airlines) was approved by the Airport Commission in March 2019. That MOA provided for the use of Airport funds by the signatory airlines to hire consultants to study the feasibility of privatizing the Airport. Those funds would then be recouped by the Airport through a special assessment or surcharge to be paid by Southwest Airlines when the rates & charges are determined at the end of FY '19 and FY '20.

This First Amendment to the MOA will allow for additional funds to be provided to continue the privatization feasibility study as follows:

In Fiscal Year '20 an additional \$600,000.

In Fiscal Year '21 an additional \$1,000,000.

These funds will also be recouped by the Airport through a special assessment or surcharge when the rates & charges are determined at the end of FY '20 and FY '21.

Although these additional charges will cause a slight increase in the cost per enplaned passenger, it will not be a significant amount.

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

4. **PLANNING/ENGINEERING**

Approval of the Third Amendment to Fuel System Lease & Use Agreement with STL Fuel Company

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

Mr. Beckmann provided the details of the Third Amendment to the Fuel System Lease & Use Agreement as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

The Second Amendment to the Fuel System Use and Lease Agreement provided for the construction of a replacement Fuel Farm and the decommissioning of the 58-year-old existing Fuel Farm, plus remediation of the old site. This Third Amendment allows for the replacement of ancillary facilities and equipment that are on the old Fuel Farm site. Included will be the construction of two new ground service equipment fueling areas, one near each of the terminals. Also, included will be a fuel truck parking area, a fuel truck rack, a new hydrant cart test stand and a 24,000-gallon oil/water separator at the maintenance facility.

The term of the Agreement will not change, still ending 30 years from the effective date of the Second Amendment (approximately March 19, 2048), plus two five-year options.

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

5. **PUBLIC RELATIONS**

Approval of the First Amendment to a Professional Services Agreement with Dovetail, Inc. to provide Public Relations and Creative Services for the Airport. The Professional Services Agreement, which commenced on February 1, 2017, will be extended twelve months, to end on January 31, 2021. The total Contract Not-To-Exceed Amount will be increased by \$310,000.

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

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

This First Amendment to the Agreement for Public Relations and Creative Services extends the Agreement for 12 months, increases the contract amount by \$310,000 and will allow for the continuation of projects for the Airport and the Business Diversity Development Office.

Scott Leisler, President and Chief Creative Officer; Donna McDonald, Sr. VP, Brand Management; Jennifer Schmid, Brand Manager; Crystal Dallas, Excel Business Concepts, Johnny Little, eLittle Communications; Meredith McKinley, Via Partnership and Ollie Dowell, Ollie Dowell Communications, were present and introduced to the Commission.

In response to questions regarding differences between the proposed MBE/WBE goals and the actual percentages, the Commission was advised that the MBE/WBE firms listed were utilized on projects

dependent upon their expertise, which caused the actual participation numbers to fluctuate. However, the actual percentages, in total, reached the stated goal of 25%.

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

OTHER BUSINESS

The Thanksgiving weekend load factors were higher than in previous years, creating a slight backlog in passenger traffic and causing a few delays.

Just prior to Thanksgiving the drop-off lanes at the departing level at Terminal 2 were changed from 19 angled spots to 40 linear spots, allowing for more vehicles to move through the area. This change, however, also created traffic issues, due to timeframe in which the lanes were switched and the unfamiliarity of the public with the new layout.

P3 Update

Linda Martinez, Deputy Mayor, addressed the Commission and presented a PowerPoint entitled “Lambert St. Louis International Airport P3 Exploration”

Ms. Martinez reiterated the three factors that would need to be met before privatization would be considered:

- 1) Enhance and Improve the Airport;
- 2) Generate meaningful proceeds for the City;
- 3) Expand regional economic development relationships

Before the City could consider privatization, it would need the approval of the Board of Estimate and Apportionment, the Board of Aldermen, the FAA and 65% of the Airlines operating at the Airport.

The Working Group interviewed 11 of the 18 companies that responded to the Request for Qualifications (“RFQ”). Those groups included some of the largest public and private airport operators across the globe.

The next steps in the P3 process would be the review of each bidder’s qualifications, a decision on whether to release a Request for Proposals (“RFP”) and to which bidder(s) the RFP would be sent.

The City, which currently receives approximately \$6.7 million from the Airport annually, is hoping to realize four to 10 times that amount from a privatization deal.

The Commissioners again voiced their concerns regarding a number of topics: lack of inclusion for the Commissioners; whether a risk analysis was conducted prior to the RFQ being released; the current and future role that the Airport Commission plays in this process; the projects on which that the City intends to spend any proceeds; how the City would monitor the private operator; the way the City would handle matters if the private operator were to fail or cancel the contract.

The Commissioners further inquired regarding the incident with Travis Brown, one of the Airport’s consultants. The YouTube video “Hard Landing at Lambert” was subsequently removed, the Hard Landing website was taken down and the Working Group discussed with Mr. Brown how this appeared to be a conflict of interest.

Ms. Martinez then advised that a representative of the Working Group would attend the Airport Commission meetings every month or two in order to keep the Commissioners advised.

6. **NEXT MEETING**


Wednesday, January 8, 2020* at 2:00 P.M.

7. **ADJOURNMENT**

The meeting adjourned at 4:10 P.M.

*Date Change due to New Year's Holiday

The foregoing were approved by the Airport Commission at the meeting held on Wednesday, January 8, 2020.

for/ 

Rhonda Hamm-Niebruegge, Chairperson

1/9/20

Dated