

AIRPORT COMMISSION

MINUTES

Wednesday, May 6, 2020 - 2:00 P.M.

Meeting was held via Teleconference/Webex

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

Members Absent: Ms. Davis

Airport Staff: Beckmann, Glasener, Gooding, Hoare, Kinsey, Kulinsky, Salarano,
Spencer, Stella, Strong

Legal Department

Via Teleconference: Pandolfo, Emmel

The Meeting was called to order at 2:01 P.M. and a rollcall of participants was taken.

1. **MINUTES**

Approval is requested for the Minutes of the March 4, 2020 Airport Commission meeting.

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

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

2. **ORDINANCE**

An Ordinance authorizing The City to enter into a First Supplemental Agreement to the Airport Aid Agreement with the Missouri Highways & Transportation Commission to reimburse the City up to \$515,000 for direct costs incurred by the City for the marketing and promotion of air service at the Airport and extending the time period of the original Agreement until December 31, 2020.

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

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

Due to the COVID-19 pandemic reducing demand for air travel, the State of Missouri has allowed additional time for the nine commercial airports within the State to utilize the grant monies provided to them. The Airport has currently spent only 54% of the grant funds, which are used for marketing & promotion of air service, media buys, promotional programs, data products, sponsorships and attendance at trade shows. This extension will provide further time to use those funds.

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

3. **OPERATIONS**

First Amendment to the Agreement with Environmental Works, Inc. to provide Storm Drainage & Sanitary Sewer System Maintenance Services for the Airport. The Agreement commenced on July 1, 2017 and is being extended one year, now ending on June 30, 2021. The Not-To-Exceed Contract amount will be increased by \$280,000 from \$727,364.06 to \$1,007,364.06.

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

Mr. Stella provided the details of the First Amendment to the Service 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 will extend the current Agreement for 12 months and covers the preventative maintenance of the Airport's storm drains, sanitary sewer lines, detention basins and lift pump facilities, as well as ensuring that the Airport remains in compliance with all environmental regulations. Additionally, several one-time projects were added to the scope of work, including south basin maintenance repair facilities, new requirements to collect, contain & dispose of FAA-required firefighting chemicals, four additional locations for maintenance and 24/7 Hazmat emergency response service.

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

4. **PLANNING & DEVELOPMENT**

A. Approval of a Service Agreement to GPM, Inc., to provide Ground Maintenance and Area Clean-Up Services for the Airport. The Agreement will commence on May 1, 2020 and will expire on April 30, 2023. The total Contract-Not-To-Exceed amount will be \$710,000.

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

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 three-year Agreement covers grass mowing, tree removal and trash removal for vacant properties owned by the Airport. These services were provided by GPM on a purchase order basis after the previous Agreement was cancelled.

Three bids were received for this Agreement and all were rejected. The Agreement was then rebid with three bids once again received. However, only GPM met the M/WBE requirements. Regency Enterprises will be performing approximately 39% of this work as an MBE and the Kiesel Company will be providing fuel services at a proposed 5% level.

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

- B. Approval of the Professional Service Agreement to Motorola Solutions, Inc. to provide Motorola Software Services for the Airport. The Agreement will commence on October 1, 2020 and will end September 30, 2023. The total Contract Not-To-Exceed Amount is \$432,876.84.

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

Mr. Beckmann 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.

This three-year Agreement allows for the updates to and maintenance of the software used for the Airport's 700 fixed and handheld radios. The software is proprietary to Motorola and allows for communication between the Airport and various State and City departments, as well as other mutual aid organizations. It also allows those various agencies to use the system while at the Airport.

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

5. **PUBLIC ART**

Donlin Conceptual Design, Fabrication and Shipping Agreement

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

Ms. Emmel provided the details of the Conceptual Design, Fabrication and Shipping Agreement as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

In order to commemorate the 100th anniversary of St. Louis Lambert International Airport, two works of art have been commissioned for display in Terminal 1. Artists worldwide were given the opportunity to submit ideas. The Legacy Glass Project, chosen as one of the works to be installed, will depict the history of the Airport, as well as aviation in general, through glass

panels. The artist is located in Brighton, England and has had works displayed in many US airports.

A discussion followed regarding the timing of the Project, due to the current economic situation in the US, and whether it would be more prudent to use local or US artists for the project.

The Commissioners were advised that there several events had been planned throughout the year to celebrate the anniversary. However, due to current events, most of those events have since been cancelled. This art project, which is funded solely through Airport Art Advisory funds, would use no public monies.

Even though this project was issued to artists worldwide, the Airport remains fully committed to the Local Artists program and continues to encourage local artists to submit their work when requests come up. The installation of this art project will be handled by local contractors. Several showings by local artists are scheduled in the coming months.

There being no further discussion, a vote was taken and the motion passed with Commissioner Fitzgerald, Commissioner Jenkins, Commissioner Osborn and Commissioner Reed voting nay.

6. **PROPERTIES**

Access Permit with Trans States Holdings, Inc. (AL-152)

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

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

This Access Permit covers 21,470 sq. ft. of Hangar #2 located in the Missouri Air National Guard building to be used for storage of parts. Revenue to the Airport will be \$42,940 annually. The Lease contains a 10-day cancellation provision.

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

7. **FINANCE AND ADMINISTRATION**

Approval of the Airport Budget Request - Fiscal Year 2020-2021

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

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

The numbers included in the FY '21 Airport Budget Request were determined prior to the

COVID-19 shutdown and, where applicable, have been adjusted. However, we know future adjustments will have to be made as we watch each month closely and what is happening in the industry.

The Airport's revenue budget for FY 2020-2021 will be approximately 8.9% lower overall than FY 2019-2020.

The Operations and Maintenance costs were expected to increase by 3.87%. However, after review, over \$11.6 million in cost reductions were identified, ultimately bringing the O&M budget to a 7% decrease. Additionally, in a cost-saving effort for the remainder of FY 2019-2020 and FY 2021, the following measures have been taken:

\$20.4 million in capital projects planned in FY 21 and FY 20 deferred.

Parking Lots B, D, & E closed, achieving about a \$12,000 savings per week.

\$1.3 million in parking operations capital projects deferred.

Several parking garage elevators closed temporarily.

Hiring for non-critical positions deferred.

The Airport has also sought federal aid from CARES/FEMA/FFCRA to assist with O&M expenses, debt service and COVID-19 related cleaning costs. The Airport will receive approximately \$59.9 million. An additional \$67,000 has been requested from FEMA for reimbursement of COVID-19 related cleaning costs.

Revenue

Landing fees revenue for both signatory and non-signatory airlines decreased 12.9%, due to a decrease in the number of landings and departures.

Terminal rental rates are expected to decrease more than 14% primarily due to the prior year debt refunding.

Concession revenues expected to decrease approximately 9.4%

As there will be further changes to the Airport's revenue and expenses throughout the year due to the effect of COVID-19 on all concessions, vendors and airlines, the Airport's Budget will be amended throughout the year.

There were then discussions regarding the proper time to update these numbers and a request was made by the Commissioners that they be advised of those changes to the Budget as soon as possible. The Chairperson advised that the most opportune time to update the revenue/expense

numbers would be after the first quarter of FY '21 (approximately October, 2020) when the Airport would receive more valid projections from the airlines.

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

8. **OTHER BUSINESS**

Briefing regarding COVID-19 Virus and CARES Act Funds (no vote required).

COVID-19

In response to COVID-19, the Airport began requiring daily temperature checks on all employees prior to starting their shift. This procedure will continue as necessary. Several of the tenants have also instituted this process, but it is not required of them.

Many of the airlines have begun requiring face coverings prior to boarding. Although most vendors are currently not in operation due to the lack of passengers, those that are have been encouraging their employees to also wear face coverings. All Airport Authority employees were issued masks, hand sanitizer and gloves for use when in the public areas.

The Airport has installed decals on the floors and columns in the baggage area with 6' spacing marked out on them. Meetings are taking place within the industry to provide standardized protocols to all US airports.

CARES Act

The Airport received \$59.9 million under the CARES Act. While there were three options for requesting the monies, the Airport opted for the first one which focused on paying debt, payroll and operating expenses.

The CARES money was deposited into an account to be drawn down each month to cover expenses, for an anticipated 9-12 month timeframe. If revenue rebounds more quickly than anticipated, that timeframe could extend to 15-18 months.

Airports that receive funds through the CARES Act are required to retain 90% of the staff. 100% of the airlines' monies went toward retention of employees through the fall of 2020.

Concessionaires that operate with a Minimal Annual Guarantee ("MAG"), as well as Airport Taxicabs and certain Ground Transportation Operators that operate with a Permit Fee, were offered a three-month deferral of payments to the Airport, which can be paid back over a deferral period of up to a 12-months, ending June 1, 2021, without interest. Airline rents and fees were not deferred.

Commissioner Fitzgerald, who acknowledged he is an executive at Enterprise Holdings, voiced his disagreement with this policy in that he feels it puts an undue burden on the concessionaires.

The Chairperson advised that due to the provisions of the Airport Use and Lease Agreement, and being a residual airport, it was not in the best interests of the Airport at this time. If fees were waived, the airlines would be responsible for any revenue shortfalls that the Airport encounters.

Commissioner Fitzgerald then pointed out that the airlines also received monies from the CARES Act to cover expenses. However, the Chairperson advised that the main goal of the CARES Act was for the retention of employees in the aviation industry and 100% of the funds received by the airlines went toward employee retention.

The Chairperson stated that while she understood his position, the Airport has been working closely with legal staff and bond counsel to assure that all requirements are met.

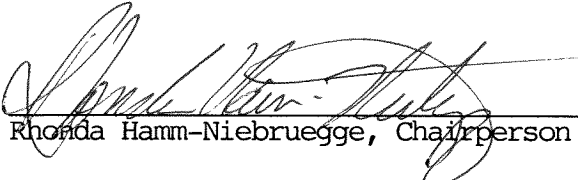
9. **NEXT MEETING**

Wednesday, June 3, 2020 at 2:00 P.M. (To be held by Teleconference/Video)

10. **ADJOURNMENT**

The meeting adjourned at 3:48 P.M.

The foregoing were approved by the Airport Commission at the meeting held on Wednesday, June 3, 2020.


Rhonda Hamm-Niebruegge, Chairperson

6/4/20
Date