



AIRPORT COMMISSION

MINUTES

Wednesday, February 7, 2018 - 2:00 P.M.

Lindbergh Conference Room

- Members Present: Ms. Davis, Ms. Fowler, Mr. Jenkins, Mr. Kling, Mr. Lipman, Dr. Nemanick, Ms. Osborn, Mr. Stelzer, Ms. Teitelbaum and Chairperson Hamm-Niebruegge
- Present via Phone: Ms. Green, Mr. Reed
- Members Absent: Mr. Bales, Mr. Cantwell, Mr. Fitzgerald, Mr. Sauget
- Vacancies: One
- Airport Staff: Beckmann, O. Bittick, Collins, Conner, Glasener, Gooding, Hollenberg, Kinsey, Klein, Kulinsky, Lea, Ramos, Rogers, Ruth, Ryan, Salarano, Spencer, Stella, Stoffel, Strobel, Strong
- Legal Department: Pandolfo, Emmel
- Guests: Greg Chapell, Unison; Gerry Connolly, Team TIF; Sean Devereaux, Tech Electronics; Ollie Dowell, Ollie Dowell Communications; Maud Essen; Maurice Falls, Board of Aldermen; Jeff Fernhoff, Huntleigh, McGehee; James Garavaglia, Comptroller's Office;
- Media: Kevin Killen; KMOX
Mark Schlinkmann, St. Louis Post-Dispatch

The Meeting was called to order at 2:01 P.M.

1. **MINUTES**

- A. Approval is requested for the Minutes of the January 3, 2018 Regular Airport Commission meeting.

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

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

B. Approval is requested for the Minutes of the January 3, 2018 Executive Session.

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

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

2. **FINANCE & ACCOUNTING**

Approval of a First Amendment to the Agreement with Unison Consulting, Inc. to provide the Airport with Airport Business Services. The Agreement commenced on July 1, 2015 and will now end on June 30, 2019. The Not-To-Exceed Contract Amount will be increased by \$410,000 from \$1,380,000 to \$1,790,000. The First Amendment extends the term of the Agreement by 12 months and increases the Contract Not-To-Exceed Amount by \$410,000.

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

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

This one-year extension to the current contract will cover continued financial and aviation services, including rates and charges setting and settling, bond refunding, strategic planning, capitol program funding, concession planning and information system design.

In response to a question regarding a one-year extension of the current Agreement as opposed to bidding a new three-year Agreement, the Chairperson advised that due to the uncertainty of the airport privatization issue, it may not be an opportune time to bid a new three-year contract. At the end of the one-year extension period, more definitive information should be known regarding the privatization of the Airport.

Commissioner Reed entered the proceedings at this time.

Unison has far surpassed its Minority Business Enterprise ("MBE") participation goal of 65% and is currently at a 97.3% participation rate. The Women Business Enterprise ("WBE") goals were set at 10% and the firm has achieved only a 2.7% participation rate. However, the Airport's Business Diversity Development ("BDD") office will continue to assist Unison in identifying additional opportunities for the WBE in order to increase participation.

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

3. **PLANNING & DEVELOPMENT**

Approval of a First Amendment to the Agreement with Environmental Science Corp. to provide the Airport with Analytical Services. The Agreement commenced on April 1,

2015 and will now end on March 31, 2019. The Not-To-Exceed Contract Amount will be increased by \$50,000 from \$150,000 to \$200,000. The First Amendment extends the term of the Agreement by 12 months and increases the Contract Not-To-Exceed Amount by \$50,000.

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

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

This Amendment will extend the current Service Agreement for 12 months. The Agreement provides for analytical testing of water, soil and air for compliance with various environmental permits issued by the Missouri Department of Natural Resources and other local regulatory authorities. This extension on the Agreement is required to ensure that the services are continued. The rates charged by the incumbent during this extension period would remain the same as are currently being charged.

The Request for Proposals released in November of 2017 returned no qualified bids. The incumbent's bid was rejected in that there was no M/WBE participation listed, nor did it contain any good faith efforts. The 2nd bidder used an altered bid form and the 3rd bidder's rates were ten times the normal market rates for this type of service.

Under the current contract the incumbent has maintained a participation rate of 22% MBE. However, due to an error on their part, their bid on the new contract did not contain any MBE/WBE participation information.

There followed a discussion regarding whether the incumbent should be awarded an extension of the current contract due to their bid for the new contract being incomplete for not containing any MBE/WBE participation.

Several of the Commissioners requested that the incumbent provide an explanation to the Airport as to how that transpired and that their response then be placed in the file. The Chairperson acknowledged that a record of the explanation would be placed in the file.

Since all bids were deemed nonresponsive, the Airport will need to put out a new solicitation for bids with emphasis on the MBE/WBE participation goals. However, as this is a necessary service needed by the Airport, the extension will allow for the services provided to continue. Also, the MBE firm that was working with the incumbent under the current contract will remain doing so during the term of the extension.

After further discussion, a vote was taken and the motion carried with Commissioner Osborn voting nay.

4. OPERATIONS

- A. Approval of an Agreement to Tech Electronics, Inc. to provide the Airport with Electronic Systems Services. The Agreement will commence on March 17, 2018 and will end on March 16, 2021. The Not-To-Exceed Contract Amount will be \$4,319,749.

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

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

This three-year Service Agreement provides for service to and maintenance of the Airport's fire alarms, security cameras, ID Badging Access Control, CCTV monitoring of closed caption television, music services, paging systems and some of the flight information displays.

The not-to-exceed amount of the new Agreement will be approximately 13.65% higher than the previous Agreement due to the following factors:

- 1) Expansion of existing systems:
 - a. Closed Caption Television cameras throughout the terminals and other areas;
 - b. Card readers and computerized electronic locking systems;
 - c. Maintenance on 355 cameras which are no longer supported by the manufacturer;
 - d. Annual maintenance of employee badging ID system.
 - e. Integration of AAAE interactive employee training computers with Access Control and ID Badging system.

- 2) New Systems:
 - a. Purchase of five Dell PowerEdge servers for the CCTV system (Year One only).
 - b. Potential maintenance for the MOANG facility fire alarm system (potential Airport ownership of this property may occur during this period);
 - c. Miscellaneous parts;
 - d. Camera failure replacement program;
 - e. Intellisoft Notify-ICE system;
 - f. Cellular Fire & Alarm Monitoring (which will save the Airport \$61,683 per year in telecommunications costs);
 - g. IED (paging system) (1,716 per year) and Lenel time clock system support (\$348 per year).

- 3) Rate increases:

2.6% the first year, 2.59% the second year and 0% in the third year

In response to an inquiry regarding the WBE/MBE participation on this contract, the Commissioners were advised that certain certifications are required to perform a great deal of the work included in this contract and that none of the MBE firms possessed those certifications.

Tech Electronics has agreed to mentor the MBE firm to assist them in acquiring the needed certifications.

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

- B. Approval of an Agreement to Custom Furniture Works, Inc. to provide the Airport with Chair Upholstery Services. The Agreement will commence on March 1, 2018 and will end on February 28, 2021. The Not-To-Exceed Contract Amount will be \$50,000.

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

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

This three-year Agreement covers the repair and reupholstering of damaged and worn seating throughout both terminals and the Airport satellite properties. Southwest Airlines is replacing the seating at its gates and donating the previously used chairs to the Airport. These chairs will be reupholstered and the Airport will use them throughout the terminals, replacing chairs currently in use.

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

- C. Approval of an Agreement to Rottler Pest & Lawn Solutions to provide the Airport with Pest & Rodent Control Services. The Agreement will commence on March 1, 2018 and will end on February 28, 2021. The Not-To-Exceed Contract Amount will be \$120,000.

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

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

This three-year Agreement covers pest and rodent control in all of the Airport's buildings. Per the Airport Use and Lease Agreement, the Airport now provides pest control for the airlines' leased spaces with the terminals. This contract also contains a provision for pest control services if Airport ownership of the MOANG facility occurs.

After further discussion, a vote was taken and the motion carried with Commissioner Jenkins abstaining.

- D. Approval of a Fourth Amendment to the Maintenance Agreement with the Missouri Highways & Transportation Commission to allow the City to perform maintenance services on the Lindbergh Tunnel. The Agreement commenced on

July 1, 2006 and will now end on February 28, 2021. There is no Not-To-Exceed Contract Amount. This Fourth Supplemental Agreement extends the term of the agreement by 36 months and provides for the City to take over the responsibility of maintaining the Lindbergh Tunnel's access control system.

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

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

This Fourth Amendment to the Maintenance Agreement between the City and the Missouri Highway & Transportation Commission allows the City to provide all maintenance and repair for the Lindbergh Tunnel, using its own employees and contractors. The City will perform all inspections pursuant to the National Tunnel Inspection Standards. MoDOT's access control system will be replaced with an Airport access control system. MoDOT employees will be issued badges/ID cards through the Airport's Badging Office.

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

5. **PROPERTIES**

Second Amendment to Lease Agreement with MHS Travel and Charter, Inc. (AL-222).

This Second Amendment to the Lease Agreement was removed from today's agenda and will be presented at a later Airport Commission meeting.

6. **OTHER BUSINESS**

Passenger and Operation Statistics for Calendar Year 2017 (compared to Calendar Year 2016):

71 non-stop destinations, with the addition of Charleston, SC and Pensacola, FL.
Service to three additional destinations will begin in 2018: Sacramento, San Jose and Reykjavik, Iceland.

Daily departures increased 3.1% (with a peak day of 264 departures)

Passenger departures increased 9.1%

Cargo departures increased 1.4%

Total aircraft departures (including military & general aviation) rose 9%

Enplanements and Deplanements both increased 5.5%

Connecting traffic increased 29.7%.

Available seat miles (amount of seats available on all flights) increased 5.9%

Aircraft Operations:

Commercial passenger operations increased 3.6%
Cargo operations (measured in tons) increased 2.4.
Total aircraft operations was increased 3.1%.

The airline market share was as follows:

Southwest 57.5%; American 16.6%; Delta 11.5%; United 6.8%, Frontier 4.7% and all others combined 2.9% (Alaska, Cape Air, Air Choice One, Charters)

A short update was given on the Airport privatization matter. A selection committee, made up of a representative from the Mayor's Office, two representatives from the City Counselor's Office, a representative from the Comptroller's Office and representative from the President of the Board Of Aldermen, met and chose an Advisory Group. The Board of Estimate and Apportionment ("E&A") will meet in the near future to discuss and vote on the selected group. If approval is awarded by E&A, the Advisory Group will meet with various City and Airport personnel to review all financial aspects of the Airport. Subsequent to that financial review, the Advisory Group will assist in preparing a Request for Proposals for an operator to lease the Airport. Any award of a long-term lease to operate and manage the Airport would require the approval by the Federal Aviation Administration, 65% of the airlines operating at the Airport, E&A, and the Board of Aldermen.

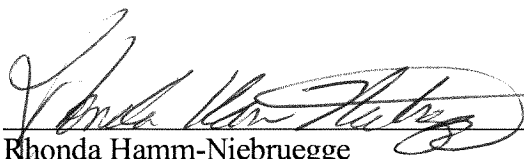
7. **NEXT MEETING**

Wednesday, March 7, 2018 at 2:00 P.M.

8. **ADJOURNMENT**

The meeting adjourned at 3:05 P.M.

The foregoing was approved by the Airport Commission at its meeting on Wednesday, March 7, 2018.


Rhonda Hamm-Niebruegge _____ Date 3/8/18
Chairperson