

AIRPORT COMMISSION

MINUTES

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

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

Members Absent: Ms. Green

Vacancies: One

Airport Staff: Beckmann, Bittick, Black, Conner, Glasener, Glasper, Gooding, Hollenberg, Kinsey, Klein, Kulinsky, Lancaster, Lea, Ramos, Ruth, Ryan, Salarano, Spencer, Stella, Stoffel, Strong, Tiemann, Whiteside

Legal Department: Pandolfo, Emmel

Guests: Phillipe Blanchard, Neal, Gerber; Charlie Brown, Regency Enterprises; Todd Broyles, Vanderlande; Juesse Christophe, ATALIAN Global Services; Jody Cool-Penning, Regency Enterprises; Jennifer Disla, SEIU Local 1; Todd Dudley, Green Seasons; Olivia Eshun, T.A.B. Company; Maurice Falls, Board of Aldermen; Jeff Fernhoff, Huntleigh, McGehee; Janine Joubert-Dulay, Centaur/ATALIAN; Shaunse Poynti, SEIU Local 1; Jim Sciaroni, Regency Enterprises; Ty Sander, Crawford, Murphy & Tilly; Alonzo Shaw, Reliance Bank; Peter Sheldon, ATALIAN Global Services; LaSean Smith, SEIU Local 1; Annetta Vickers, T.A.B. Company; Donald William, Regency Enterprises;

Media: Mark Schlinkmann, St. Louis Post-Dispatch

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

1. MINUTES

Approval is requested for the Minutes of the April 4, 2018 Airport Commission meeting.

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

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

2. **ORDINANCES**

- A. Draft Ordinance authorizing the transfer of up to Four Million Dollars (\$4,000,000) from the Debt Service Stabilization Fund (the “DSSF”) to the Airport Development Fund (the “Airport Development Fund”) for the purpose of making funds available to address Coldwater Creek Emergency Repairs – Stabilize Banks and Channel.

A motion for approval was made by Mr. Bales 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 Ordinance authorizes the transfer of approximately \$4 million from the Debt Service Stabilization Fund to the Airport Development Fund in order to make funds available for an emergency repair/replacement project due to the collapse of a corrugated metal culvert installed in 1979. Repairs will be performed in three phases with the total cost estimated to be \$8 million. This Ordinance provides for the funds associated with the first phase of the culvert replacement. Phases two and three will repair damaged areas surrounding the culvert caused by the collapse.

The culvert carries Coldwater Creek underneath the airfield. Since the culvert collapse, heavy rains have caused flooding of the taxiways and runways. The Comptroller has approved the transfer of funds on an emergency basis.

The Airport is currently in negotiations with its insurance broker and the Metropolitan Sewer District as to the ownership of the culvert and maintenance responsibilities. There is a \$1 million deductible under the Airport’s insurance policy. Dependent upon the determination of ownership and/or maintenance responsibilities, the Airport’s insurance may cover the damage or the Metropolitan Sewer District may reimburse the Airport for costs incurred.

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

Commissioners Davis and Reed entered the proceedings at this time.

- B. Draft Ordinance authorizing a First Amendment to Section One of the Airfield, Building & Environs Projects Ordinance 70617 approved October 16, 2017, which authorized a multi-year public work and improvement program (“Airfield, Building & Environs Projects”) at St. Louis Lambert International Airport®, increasing the total estimated cost of the Airport, Building & Environs Projects by Four Million Dollars (\$4,000,000) to Nineteen Million Dollars (\$19,000,000) and amending EXHIBIT A entitled “PROJECT LIST” by adding a new project to the list entitled “Coldwater Creek Emergency Repairs – Stabilize Banks & Channel”.

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

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 Ordinance authorizes the appropriation of the \$4 million from the Airport Development Fund to the Airport Building & Environs Projects Ordinance and the addition of the Coldwater Creek Emergency Repair project to the Project List previously authorized. Further, it authorizes the payment of the costs associated with the Coldwater Creek Emergency Repair Project.

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

3. **PLANNING & DEVELOPMENT**

Approval of an Agreement to Green Seasons Landscaping to provide the Airport with Ground Maintenance, Tree Removal and Area Clean Up Services. The Agreement will commence on June 1, 2018 and will end on May 31, 2021. The Not-To-Exceed Contract Amount will be \$600,000.

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

Mr. Beckmann 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 grass mowing, tree removal and trash removal for vacant properties owned by the Airport. The previous Agreement did not contain tree removal or trash cleanup.

Todd Dudley, owner of Green Seasons Landscaping ("Green Seasons"), was present and introduced to the Commission. Green Seasons is a certified MBE contractor and will provide 95% of the services under this Agreement.

In response to a discussion regarding the low amount of the bid and the difference between Mr. Dudley's bid and the not-to-exceed amount, Mr. Dudley advised that he felt comfortable with his bid as Green Seasons is located near the Airport, he is familiar with the area and he has experience in mowing large areas. The remaining funds included in the not-to-exceed amount will cover tree removal on an as-needed basis, along with the removal of trash on the properties being mowed. Either Green Seasons or its subcontractor will perform these tree removal services.

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

4. **PUBLIC RELATIONS**

Approval of an Agreement with ACI World to provide Airport Service Quality (ASQ) Survey Services for the Airport. The Agreement will commence on October 1, 2018 and will expire on June 30, 2020. The total Contract Not-To-Exceed Amount will be \$54,155.56.

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

Mr. Lea 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 twenty-one month Agreement provides for the continued collection and analysis of data from 32-question surveys completed by passengers at the Airport. Students attending the University of Missouri-St. Louis will collect the data, which will then be forwarded to Airports Council International World for review. There are approximately 324 airports worldwide currently participating in this program. The Airport may use the results of these surveys to compare against other airports and to understand the concerns of the traveling public.

An update of the Airport's current results will be presented to the Commission at a future meeting.

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

5. **PROPERTIES**

A. Airline Service Building Space Permit with Airport Terminal Services, AL-071

A motion for approval was made by Mr. Kling 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 five-year Space Permit covers 3,059 sq. ft. of space located on Shops Road behind Terminal 1. Annual revenue to the Airport will be \$28,907.55. There is no cancellation provision contained in the Permit; however, the Airport does have the right to cancel the Permit for cause.

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

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

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

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

A First Amendment to the Lease Agreement with MHS was granted in January 2018. This allowed MHS to begin construction of a new aircraft hangar adjacent to its property, on an area consisting of 25,000 sq. ft., in an amount not less than \$5 million.

Since construction began on the aircraft hangar, it was determined modifications were needed to the existing storm water drainage systems and basins ("System") surrounding the Leased Premises. Upon completion of the System, the Airport will assume responsibility for the repair and maintenance. MHS will reimburse the Airport for all associated costs for said maintenance and repairs.

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

6. OPERATIONS

- A. Approval of the First Amendment to the Agreement with Vanderlande Industries, Inc. to provide Airport Baggage Handling System Services. The Agreement commenced on January 1, 2016 and by this Amendment will end on December 31, 2019. The Contract Not-To-Exceed Amount will be increased by \$2,834,254.43 from \$8,360,000 to \$11,194,254.43. The First Amendment extends the term of the Agreement by twelve (12) months and increases the Contract Not-To-Exceed Amount by \$2,834,254.43.

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

Mr. Stella 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 First Amendment extends the term of the current Agreement for 12 months. The Agreement provides for the operation, maintenance and repair of the baggage system located in both terminals. The rates for this additional term will remain the same as the current rates. The contract will be rebid at the end of the extension period.

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

- B. Approval of an Agreement to ATALIAN Global Services, Inc. to provide the Airport with Terminal Cleaning Services. The Agreement will commence on July 1, 2018 and will end on June 30, 2021. The Not-To-Exceed Contract Amount will be \$13,499,309.88.

A motion for approval was made by Mr. Jenkins 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 will cover terminal cleaning services for both Terminal 1 and Terminal 2.

A Solicitation for Bids was released on November 22, 2017 with 11 bids received. Of the bids received, six were deemed non-responsive. A selection committee reviewed the remaining five bids and determined ATALIAN Global Services ("ATALIAN") to be the lowest and best bidder.

ATALIAN entered the US market in 2016 with the acquisition of Temco Services Industries, Inc. ("**Temco**"), headquartered in New York City, and has since added U.S. subsidiaries Aetna Integrated Services, Inc. ("**Aetna**"), headquartered in Columbus, OH; Suburban Integrated Facilities Resources, headquartered in Boston, MA; and Centaur Building Services ("**Centaur**"), headquartered in St. Louis, MO. ATALIAN is a Delaware corporation, with headquarters in New York City. ATALIAN has over 6,000 employees in the U.S. and aggregate revenue in 2017 of approximately \$240 million with offices in several cities in New York (Farmingdale, Hartford, Fairport, and New York City), as well as in New Jersey.

ATALIAN's parent company, ATALIAN International, along with its operating companies, are wholly owned directly or indirectly by the ATALIAN Group, which is based in Paris, France and provides similar services to companies located in 30 countries on four continents. ATALIAN's wholly owned subsidiary, Centaur, located in the City of St. Louis, will provide a majority of the management oversight on this contract.

ATALIAN Group provides similar services for Charles de Gaulle Airport; Paris Orly; Vaclav Airport, Prague, Czech Republic; Singapore Changi Airport; and Nice-Cote d'Azur Airport, Nice, France. ATALIAN International's US subsidiaries provide services to Nestle Purina (Centaur); Edward Jones (Centaur); Cincinnati/Northern Kentucky International Airport (Aetna); and New York Grand Central Terminal (Temco).

Christophe Juesse, CEO of ATALIAN Global Services, Peter Sheldon, the COO for ATALIAN Global Services, Phillippe Blanchard, Counsel for ATALIAN Global Services, and Janine Joubert-Dulay, President of Centaur/ATALIAN, were present and introduced to the Commission. Two of the minority business partners, Charlie Brown, President of Regency, and Annetta Vickers, T.A.B. Company, were also present and introduced to the Commission.

Commissioner Teitelbaum explained to the Commissioners her concerns regarding the findings by the EEOC and the National Labor Relations Board ("NLRB") against Centaur and the reasons she provided the additional material to the Commissioners. Concerns by several other Commissioners were also expressed regarding these two findings. Of specific concern was the

issue of unionization efforts among the employees and Centaur's purported violation of its employees' rights to organize.

Ms. Joubert-Dulay, of Centaur, responded to various questions and explained that when it was discovered that Centaur's old personnel policies (that prohibited employees from discussing their wages with other employees or other third parties) were found to be a violation by the NLRB, those old policies were immediately discontinued and are no longer in effect.

Monsieur Juesse, of ATALIAN, advised the Commissioners that unions are very strong in France and further advised them that there would be no attempt by any ATALIAN associate to prevent employees from organizing a union. M. Juesse pointed out that several of the US companies owned by ATALIAN are unionized.

Mr. Stella assured the Commissioners that the Agreement contains a cancellation clause that would allow the City to cancel the contract if the contractor fails to perform in an acceptable manner or breaches any term of the contract or violates any laws or regulations.

After further discussion regarding the two findings, Mr. Stella explained that under the current emergency contract, Regency had been performing all custodial duties, including the maintenance of the flooring. This new Agreement includes the services of a minority subcontractor, Clean-Tek, to focus on the flooring, especially the terrazzo flooring in Terminal 1. Regency will continue to provide other custodial duties.

Mr. Reed voiced concerns regarding Clean-Tek performing these services rather than Regency who is currently performing these services.

The Chairperson explained that the Airport was advised by ATALIAN that Clean-Tek was chosen to perform the maintenance of the flooring, especially the terrazzo flooring, because of their experience and expertise in that area.

After further discussion, a vote was taken and the motion carried with Commissioner Reed and Commissioner Stelzer voting nay. Commissioner Teitelbaum abstained.

7. **OTHER BUSINESS**

The new checkpoint located in Terminal 2 (Checkpoint F) is now in operation.

The passenger numbers for March 2018 were 4.5% higher than March 2017, due to connecting traffic.

The Three Kings Restaurant in Terminal 2 is close to completion and will open in the near future.

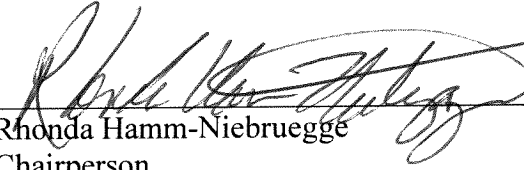
8. **NEXT MEETING**

Wednesday, June 6, 2018 at 2:00 P.M.

9. **ADJOURNMENT**

The meeting adjourned at 3:33 P.M.

The foregoing were approved by the Airport Commission at the meeting held on Wednesday, June 6, 2018.

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Rhonda Hamm-Niebruegge
Chairperson

Date 6/7/18