

AIRPORT COMMISSION

MINUTES

Wednesday, January 5, 2022 - 2:00 P.M.

Meeting was held via Teleconference/Zoom

Members Present: Alderman Cohn, Mr. Bales, Ms. Fowler, Mr. Jacobs, Mr. Kling,
By Teleconference: Mr. Lents, Dr. Nemanick, Mr. Sauget, Ms. Teitelbaum and Chairperson
Hamm-Niebruegge

Members Absent: Comptroller Green, President Reed, Mr. Cantwell

Vacancies: Four

Airport Staff: Beckmann, Fisher, V. Jones, Kulinsky, Salarano, Spencer, Stella, Strong

Via Teleconference: Kinsey

Legal Department: Bauman, Yoffie

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

1. **MINUTES**

Approval is requested for the Minutes of the November 3, 2021 Airport Commission meeting.

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

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

2. **ORDINANCES**

A. This draft Ordinance approves amendments to the Air Service Incentive Program originally approved by the Airport Commission on December 2, 2020. The benefits conferred under the Incentive Program were not to exceed \$2,400,000.00. The proposed amendments increase the benefits conferred under the Air Service Incentive Program under the Air Service Incentive Program by \$1,000,000.00 to a total of \$3,400,000.00 and extends the program to include the Fiscal Year 2024. This Ordinance contains a severability clause and an emergency clause.

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

Mr. Kinsey, via Teleconference, 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 amends the Air Service Incentive Program approved on December 2, 2020, by increasing the amount of the Program by \$1,000,000 and extending the Program for one year, through Fiscal Year 2024. The Program still includes six separate programs of varying lengths, dependent upon the type of flights (seasonal or daily) and whether the airlines are adding flights to a currently served market or beginning service to a new market.

This Program is competitive with other medium hub airports throughout the country and funded through the Airport Development Fund ("ADF"). Airlines that recently took advantage of the Program include Spirit Airlines in 2020 and Lufthansa, to begin service in June, 2022.

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

- B. An Ordinance funding in part the Air Service Incentive Program for Fiscal Years 2021 through 2023 ("Incentive Program") by transferring \$1,000,000 from the Airport Development Fund to the Airport Contingency Fund and then from the Airport Contingency Fund into the Airport Revenue Fund in an amount not to exceed \$1,000,000 to make funds available for payments to airlines as authorized under the Incentive Program. The benefits conferred under the Incentive Program may not exceed \$2,400,000. The Ordinance also authorizes supplemental transfers, when authorized by ordinance, as funds become available to continue the Incentive Program.

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

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 approves a transfer of \$1,000,000 from the Airport Development Fund to the Airport Contingency Fund and then from the Airport Contingency Fund to the Airport Revenue Fund to make funds available for the Air Service Incentive Program discussed above. This request has been approved by the City Comptroller.

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

- C. Ordinance authorizing the transfer of \$13,727,769.00 from the Airport Debt Service Stabilization Fund to the Airport Revenue Fund to make funds available to mitigate rates in Fiscal Year 2021-2022. The Ordinance contains a severability clause and an emergency clause.

A motion for approval was made by Alderman Cohn and seconded by Dr. Nemanick.

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 provides for the transfer of \$13,727,769 from the Debt Service Stabilization Fund (“DSSF”) to the Airport Revenue Fund in order to mitigate rates in Fiscal Year 2021-2022. The transfer of these funds will continue under the current Airport Use and Lease Agreement. The \$13,727,769 will be transferred back to the DSSF at the end of the current fiscal year.

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

3. **OPERATIONS**

Approval is requested for the First Amendment to the Professional Service Agreement with Tech Electronics, Inc., to provide Electronic Systems Services for the Airport. This agreement began on July 1, 2021 and will end on June 30, 2024. The First Amendment revises the scope of work and increases the Contract Not-To-Exceed (NTE) amount by \$1,312,337.00 from \$4,769,779.00 to \$6,082,116.00.

A motion for approval was made by Alderman Cohn and seconded by Mr. Lents.

Mr. Stella 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 increased amount of this First Amendment will be covered by CARES Act funds.

Under this First Amendment, Contractor will continue to provide the same maintenance and upkeep of the electronic systems at the Airport, but there were several additions to the scope of work, to include:

Provide one (1) full-time equivalent employee to the Airport during the remainder of fiscal year '22 and fiscal year '23, as needed, to assist with staffing shortages;

Establish a virtual queue at the security badging office;

Install/Replace CCTV systems as follows:

1. to monitor social distancing and passenger issues;
2. replacement of the camera systems on the airside ramps that have exceeded their useful life;
3. replacement of obsolete fingerprint system equipment
4. replacement of other non-supported or obsolete cameras

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

4. **PROPERTIES**

A. Approval is requested for the Lease Agreement with General Services Administration on behalf of the Transportation Security Administration (AL-0249). The term is to

commence on January 1, 2022 and to end on December 31, 2024. Either party may terminate this lease upon thirty (30) days' notice.

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

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 Agreement covers space in both Terminal 1 and Terminal 2 for use as offices and a breakroom. It does not include space used for passenger screening. Revenue will range from \$323,010.94 in Year One up to \$338,845.61 in Year Three. The Lease Agreement also includes a surcharge for use of the Airport's utilities, as well as twenty-one (21) parking spaces on the red level of the Terminal 1 parking garage.

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

- B. Approval is requested for the Alclear, LLC, Space Permit (AL-148), providing Alclear space to operate the Registered Traveler Concession under the trade name "CLEAR" in both terminals and to maintain an administrative and breakroom space in both terminals. The term is to commence on December 1, 2021 and to end on November 30, 2024. The annual expected revenue to the Airport is \$7,819.20. Either party may terminate this Lease Agreement upon ninety (90) days' notice.

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

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 provides for 240 sq. ft. of space in Terminal 2 to be used for breakroom space. Revenue to the Airport will be \$7,819.20 annually.

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

5. **OTHER BUSINESS**

The passenger numbers through the checkpoints during the 2021 Thanksgiving holiday weekend totaled approximately 91% of the same period in 2019. The number of passengers through the checkpoints over the 2021 Christmas/New Year holiday week totaled approximately 81% of the same period in 2019. Total passenger numbers for the entire year are anticipated to be approximately 71% of calendar year 2019.

Cargo operations at the Airport continue to increase with numbers showing approximately 40% higher than 2020 and almost 50% higher than 2019.

Lufthansa will begin operating three weekly, non-stop, international flights from St. Louis to Frankfurt, Germany in June of 2022.

The 2022 summer schedules issued by several of the airlines show increased flights compared to the summer of 2019.

The revenues are strong from the parking garages and concessions, most of which have reopened. Only two restaurants and a couple of specialty stores located on the concourses have yet to reopen.

The Airport's employee vacancy rate is currently 31%. The Airport has brought in temporary staffing from several of its contractors to assist.

City of St. Louis employees, who are not vaccinated against the Covid 19 virus, continue to be tested every Tuesday at the Airport. Additionally, any Airport employee who has been vaccinated, but chooses to be tested, may opt to do so at that time.

At 3:00 p.m. an informational meeting will be held to provide updates on the Airport Layout Plan and Master Plan.

Due to concerns regarding the increase in Covid cases, the annual Art of Travel gala has been postponed until October of 2022.

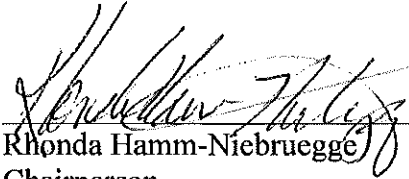
6. **NEXT MEETING**

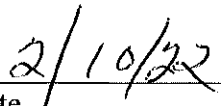
Wednesday, February 9, 2022 at 2:00 P.M.

7. **ADJOURNMENT**

A Motion for Adjournment was made by Mr. Bales and seconded by Dr. Nemanick. The meeting adjourned at 2:35 P.M.

The foregoing were approved by the Airport Commission at the meeting held on Wednesday, February 9, 2022.


Rhonda Hamm-Niebruegge
Chairperson


Date