

AIRPORT COMMISSION

MINUTES

**Wednesday, August 7, 2019 - 2:00 P.M.
Lindbergh Conference Room**

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

Via Telephone: Mr. Cantwell, Ms. Green

Members Absent: Mr. Fitzgerald, Ms. Fowler, Mr. Jenkins, Ms. Osborn, Ms. Teitelbaum

Vacancy: One

Airport Staff: Adams, Beckmann, Black, Conner, Gooding, Kinsey, Klein, Kulinsky,
Moore, Ramos, Ruth, Salarano, Spencer, Stella, Stoffel, Strong, Ward

Legal Department: Pandolfo, Emmel

Guests: Jeff Fernhoff, Huntleigh McGehee; LaTaunia Kenner, Comptroller's
Office; Gregory Luckett, Super Park

Media: Mark Schlinkmann, Post-Dispatch

The Meeting was called to order at 2:00 P.M.

1. **MINUTES**

Approval is requested for the Minutes of the July 3, 2019 Airport Commission meeting.

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

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

2. **ORDINANCE**

An Ordinance authorizing The City to enter into an 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.

A motion for approval was made by Mr. Bales 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.

This Ordinance authorizes the City to enter into an Airport Aid Agreement with the Missouri Highways & Transportation Commission, wherein the City will be reimbursed for up to \$515,000 for costs incurred for the marketing and promotion of air service.

Since 2008, the Airport has received \$3,302,350 through this program.

Commissioners Davis and Reed entered the proceedings at this time.

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

3. **FINANCE & ACCOUNTING**

Approval of a Third Amendment to the Professional Service Agreement with Unison Consulting, Inc. to provide the Airport with Airport Business Services. The Agreement commenced on July 1, 2015 and will now be extended by one year, ending on December 31, 2020. The Not-To-Exceed Contract Amount will be increased by \$410,000 from \$2,460,000 to \$2,870,000.

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

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

This Third Amendment to the Professional Service Agreement extends the term of the Agreement by one year, to expire on December 31, 2020. Unison assists the Airport with Use & Lease Agreement negotiations, annual rates and charges settlements and settings, aviation forecasts, passenger facility applications and airport revenue bond transactions. Additionally, Unison is assisting with the implementation of the new accounting system previously approved by the Commission.

There being no discussion, a vote was taken and the motion carried with Commissioner Reed abstaining.

4. **PROPERTIES**

A. Lease Agreement with Trans States Holdings (AL-118)

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

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 Lease Agreement covers 4,017 sq. ft. of space located in the Airline Service Building for the repair and maintenance of ground service equipment. Revenue to the Airport will be \$43,664.79 annually. The Lease contains a 90-day cancellation provision.

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

B. Into-Plane Fueling Permit for Swissport Fueling Services, LLC (AL-122)

A motion for approval was made by Mr. Reed and seconded by Dr. Gaal.

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

This three-year Permit allows the permittee to transfer fuel from the fuel hydrant system into aircraft. Revenue to the Airport will be \$1,200 per year for an administrative permit fee. The Permit contains a 10-day cancellation provision.

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

C. Into-Plane Fueling Permit for Airport Terminal Services (AL-219)

A motion for approval was made by Mr. Reed and seconded by Dr. Gaal.

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

This three-year Permit allows the permittee to transfer fuel from the fuel hydrant system into aircraft. Revenue to the Airport will be \$1,200 per year for an administrative permit fee. The Permit contains a 10-day cancellation provision.

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

D. Lease Agreement with Majestic Terminal Services Inc. (AL-125)

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

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 44,274 sq. ft. of enclosed space for the sorting, processing, loading and unloading of cargo. It also includes 78,224 sq. ft. of adjoining vehicle

parking space and 95,342 sq. ft. of adjoining aircraft apron space. One flight per week will begin operation in September 2019, with a second weekly flight added in October 2019. Revenue to the Airport will be \$518,836.42 annually. The Lease contains a one-year cancellation provision for either party.

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

- E. Second Amendment to the Agreement with ABM Parking Aviation, Inc. (AL-267).

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

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

Greg Luckett, General Manager of ABM/SuperPark, was present and introduced to the Commission.

This Second Amendment to the Operating Agreement extends the current Agreement for one year. The Agreement covers the operation of over 9,000 parking spaces in the parking garages of both terminals and parking lots A, B, C, D and E. In addition to maintaining the garages and parking lots, ABM operates the parking shuttles for those lots, the intra-terminal shuttle and the CNG lot on Cypress.

The management fee for this extension period will remain the same.

ABM Aviation, which operates as a federal ACDBE (Airport Concession Disadvantaged Business Enterprise) firm, surpassed its minority participation goal set at 3.02%, with an actual 4.09% participation rate. In response to a question as to the method by which ACDBE goals are decided, Ms. Gooding explained that on a parking facilities operating agreement of this nature the ACDBE participation goals are based on a percentage of annual operating budget, as opposed to the management fee.

In response to an inquiry regarding this one-year extensions, the Chairperson advised that, at the request of the Mayor's Office, when feasible, the Airport will attempt to extend current contracts, as opposed to letting new contracts, during the privatization exploration process.

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

OTHER BUSINESS

Passenger numbers increased 1.1% for June 2019 over June 2018. The year-to-date numbers showed a 4% growth over the same period of 2018. The connecting passenger numbers were

down slightly due in part to the continued grounding of the MAX 8, which may continue through January 2020.

Southwest Airlines announced that it would discontinue flights system-wide into Newark, NJ beginning in November 2019. Southwest Airlines currently operates two daily non-stop flights from St. Louis to Newark. United Airlines will continue to operate six flights per day from St. Louis to Newark.

The 9th Annual Art of Travel event will take place on Thursday, October 3, 2019. The theme this year will be "Cloud 9".

Privatization

Ms. Davis explained that although a decision has yet to be made regarding the release of the Request for Qualifications (RFQ), the Airport Advisory Committee is currently preparing a first draft, with a final version expected sometime in the next few months and assured Commissioners they would be informed prior to the RFQ being released. Currently, there is no Memorandum of Understanding with the airlines, which is a key part of the process. If the RFQ is released, the Advisory Committee will review all responses. After such review, the Advisory Committee may begin drafting a Request for Proposals.

5. NEXT MEETING

Wednesday, September 4, 2019 at 2:00 P.M.

6. ADJOURNMENT

The meeting adjourned at 2:35 P.M.

The foregoing were approved by the Airport Commission at the meeting held on Wednesday, September 4, 2019.

 _____ 9/4/19 _____
Rhonda Hamm-Niebruegge, Chairperson Dated