

Public Building Commission Meeting Minutes

December 15, 2022

The Public Building Commission of St. Clair County met in the County Board Conference Room on December 15, 2022. The meeting was called to order by Chairman Richard Sauget at 10:00 a.m.

Members Present:

Richard Sauget, Chairman
Charles Lee
Kevin Bouse
Terry Beach
Rick Effinger
Thomas Dinges

Members Absent:

Edmond Brown

Others Present:

Debra Moore, Director of Administration
James Brede, Director of Buildings
Bryan Johnson, MidAmerica St. Louis Airport Director
Midori Henrichs, MidAmerica St. Louis Airport Finance Director
Dan Trapp, MidAmerica St. Louis Airport Director of Engineer
Monica Taylor, St. Clair County Financial Analyst
Darren James, MidAmerica St. Louis Airport Assistant Director
Jack Penning, Volaire Aviation Consulting Partner
Attorney Bernard Ysursa- present via teleconference phone
Alexis Cortes, Belleville News-Democrat
Randy Pierce, Fairview Heights Tribune
William Reichert, Design and Planning Director
Traci Firestone, Secretary
Natalie Birk, Executive Assistant

The Pledge of Allegiance was recited.

There were no Public Comments made or Questions asked at this Meeting.

Upon a motion by Commissioner Lee and second by Commissioner Bouse, it was unanimously agreed to approve the Regular Monthly Meeting Minutes and Executive Meeting Minutes of November 17, 2022.

Upon a motion by Commissioner Dinges and second by Commissioner Lee it was unanimously agreed to approve the Regular Expense Claims Report with Payroll Ledger Report of December 30, 2022.

Public Building Commission Meeting Minutes

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Upon a motion by Commissioner Dinges and second by Commissioner Lee, it was unanimously agreed to approve the Airport Expense Claims Report of December 30, 2022.

Commissioner Dinges reviewed the **Monthly Budget Analysis Report for December 2022** and stated the 2022 Budget is in line with the projected percentage of 100.00% expenditures.

Commissioner Dinges reviewed the **Trial Balance Report for November 2022** and it can be available when requested in the Public Building Commission Office.

Upon a motion by Commissioner Beach and second by Commissioner Effinger, it was unanimously agreed to Approve Resolution of the Flexible PBC 2023 Budget.

Upon a motion by Commissioner Effinger and second by Commissioner Dinges, it was agreed to Approve Resolution of the Metro Link Extension, with the exception of Commissioner Beach who chose to abstain.

Upon a motion by Commissioner Effinger and second by Commissioner Lee, it was unanimously agreed to Approve the Change Order for Impact Strategies.

Upon a motion by Commissioner Effinger and second by Commissioner Bouse, it was unanimously agreed to Approve the FGMA Settlement Agreement in the amount of \$11,046.50.

Upon a motion by Commissioner Effinger and second by Commissioner Beach, it was unanimously agreed to Approve the Airport Terminal Services Amendment #2 with a cost of approximately \$350,000.00.

Upon a motion by Commissioner Effinger and second by Commissioner Bouse, it was unanimously agreed to Approve the MidAmerica St. Louis Airport Air Service Incentive Program.

Upon a motion by Commissioner Bouse and second by Commissioner Effinger, it was unanimously agreed to Approve the Airport Ag-Leases for a 2-year Term and authorize Farmers National to act as the Airport's Ag-Land Agent.

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Upon a motion by Commissioner Effinger and second by Commissioner Bouse, it was unanimously agreed to approve the Memorandum of Agreement with Transportation Security Administration with a cost of \$55,000.00.

Upon a motion by Commissioner Bouse and second by Commissioner Effinger, it was unanimously agreed to Approve CMAR/AIP Change Order #15 Terminal Modifications with Holland Construction for a cost of \$208,548.32

Upon a motion by Commissioner Bouse and second by Commissioner Effinger, it was unanimously agreed to Approve CMAR/Non-AIP Amendment #4 Terminal Modifications with Holland Construction for a cost of \$1,985,318.00.

Upon a motion by Commissioner Effinger and second by Commissioner Dinges, it was unanimously agreed to Approve a direct purchase of Paint Machine from Florida Transcor, Inc., at a cost not-to-exceed \$18,000.00.

For updates on Enplanements, Terminal expansion, Taxiway Lima, and Boeing production facility, please see the attached documents.

An Air Service Development update was given by Jack Penning of Volaire Aviation Consulting, please see the attached documents.

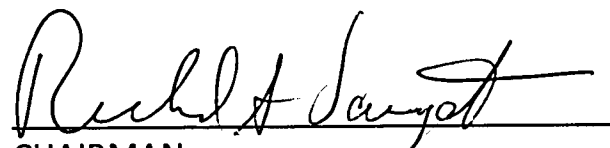
Upon a motion by Commissioner Effinger and second by Commissioner Beach, it was unanimously agreed to adjourn the meeting at 11:05 a.m. Motion carried.

Respectfully submitted,



Traci Firestone, Secretary

APPROVED:



CHAIRMAN

MidAmerica St. Louis Airport

PUBLIC BUILDING COMMISSION

ST. CLAIR COUNTY, ILLINOIS

15 December 2022

Bryan E. Johnson, A.A.E. | Airport Director



1. Airport Terminal Services (ATS) – Amendment #2

Airport Terminal Services, Inc (ATS) provides a wide variety of aviation related services, which include passenger services, fixed based operator (FBO), aircraft fueling, de-icing services, apron handling, cabin cleaning services, lounge services, and airport ambassador programs. Total cost for such services is ~\$350K and the term is for one-year (2023).

Financial Impact: The ATS ground service agreement was included in the FY2023 Airport Budget.

Motion: “Move to approve and authorize the Chairman / Vice-Chairman to execute the Ground Services Agreement - Amendment #2 between MidAmerica St. Louis Airport and Airport Terminal Services, Inc.”

2. Air Service Incentive Program

Air service is a catalyst for economic growth, enabling people and businesses to reach a global marketplace for goods and services and to travel for work, leisure, or education. Air service development, which includes identifying and adding new city-pairs with existing or new air carriers is an ongoing effort. Foundational to this process is the development and implementation of a formalized Air Service Incentive Program.

Financial Impact: Funding for the Air Service Incentive Program was included in the FY2023 Airport Budget.

Motion: “Move to approve the MidAmerica St. Louis Airport Air Service Incentive Program.”

3. Airport Ag-Leases

Ag-land is a significant source of revenue for BLV, which is used to offset the airport operating expenses. Ag-revenue in 2021 was approximately \$960,000. Ag-leases were established with a 40% / 60% split between the Airport and farm tenant. The term will be 2-years ending in December of 2024. The Airport utilizes Farmers National as an agent to manage and oversee production of the ag-land.

Financial Impact: Revenue from the Ag-Leases will be used to operate the Airport.

Motion: “Move to approve the Airport Ag-leases for a 2-year term and authorize Farmers National to act as the Airport’s ag-land agent.”

4. Transportation Security Administration / MOA / EDS Relocation

The Airport desires to relocate the EDS machine which is currently located in the terminal lobby. The EDS will be moved and become part of an inline baggage conveyer system located behind the passenger ticket counter. The relocation of the EDS will address inefficient bag handling performance and improve system operation and potentially increase the capacity of the system.

Financial Impact: The cost for relocation of the EDS was included in FY2023 Airport Budget.

Motion: “Move to approve and authorize the Chairman / Vice-Chairman to execute the memorandum of agreement with the Transportation Security Administration.”

5. CMAR AIP / Terminal Modifications / Change Order #15

Change Oder #15 is for water lines to serve Potable Water Cabinets installed as part of the Passenger Boarding Bridges project. Bulleting 29 and 31 were associated with certain changes to the FF&E package which included additional power to seating. Bulletin 33 included additional window tinting on the north curtain wall adjacent to the Security Checkpoint.

Financial Impact: Change order #15 was included in the FY2023 Airport Budget.

Motion: “Move to approve Change Order #15, Terminal Modifications, with Holland Construction for a total of \$208,549.

6. CMAR Non-AIP / Terminal Modifications / Amendment #4

Amendment #4 is for renovations to the existing terminal building footprint. This work includes flooring replacement, restroom renovations, airline offices, etc. The PBC approved an initial request for purchase of the flooring materials to allow renovation of existing flooring to begin during the winter, when terminal activity is traditionally less active.

Financial Impact: Amendment #4 Non-AIP CMAR – Terminal Modifications was included in the FY2023 Airport Budget.

Motion: “Move to approve and authorize the Chairman / Vice-Chairman to execute Terminal Modifications Amendment #4, CMAR Non-AIP with Holland Construction for \$1,985,318.”

7. Equipment Procurement / Paint Machine

The Airport owns, maintains, and operates multiple pieces of equipment for the purposes of maintaining the grounds on the airside and landside of the airport. FAA regulations dictate stringent pavement marking requirements on the airfield. BLV Maintenance will utilize this equipment to touch up pavement markings on the airfield as well as on airport roads and parking lots.

Financial Impact: The Walk Behind Paint Machine was included in the FY2023 Airport Budget.

Motion: “Move to approve and authorize the Chairman / Vice-Chairman to execute the paint machine purchase with Florida Transcor, Inc. for a cost Not-to Exceed \$18,000.”

AIRPORT UPDATE



Enplanements

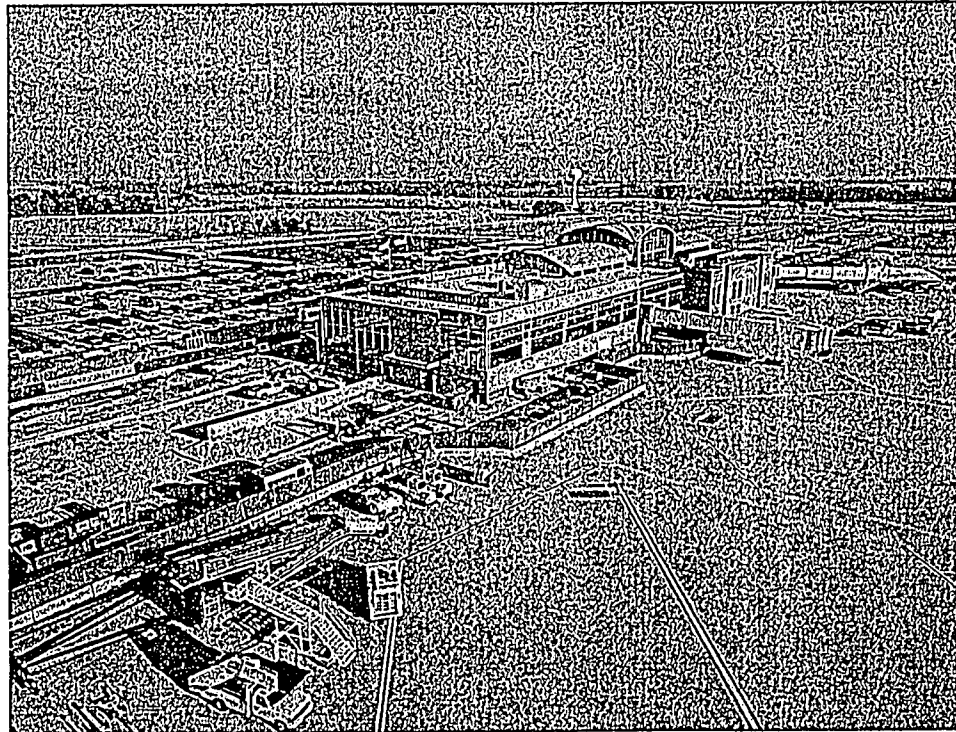
MidAmerica St. Louis Airport Monthly Passenger Enplanements												
	2023			2022			2021			2020		
Month	Departures	Enp	Avg Enp	Departures	Enp	Avg Enp	Departures	Enp	Avg Enp	Departures	Enp	Avg Enp
Jan	66	7,428	117.0	63	7,456	118.3	57	6,405	112.4	65	9,706	149.3
Feb	57	6,706	110.3	61	8,425	138.1	65	7,519	115.7	69	10,389	150.6
Mar	91	15,495	170.3	108	16,315	151.1	118	13,033	110.4	95	9,304	97.9
Apr	95	16,177	170.3	102	14,392	141.1	81	8,947	110.5	4	123	30.8
May	91	15,495	170.3	107	16,226	151.6	94	12,448	132.4	65	6,003	92.4
Jun	140	23,839	170.3	143	22,390	156.6	182	24,663	135.5	122	14,367	117.8
Jul	146	24,861	170.3	155	24,433	157.6	191	27,505	144.0	162	15,937	98.4
Aug	99	16,858	170.3	99	13,442	135.8	125	13,907	111.3	121	10,078	83.3
Sep	57	8,925	156.6	57	8,220	144.2	82	9,641	117.6	65	6,692	103.0
Oct	72	11,274	156.6	72	9,964	138.4	102	12,336	120.9	85	9,821	115.5
Nov	62	9,708	156.6	62	8,931	144.0	87	10,740	123.4	69	7,491	108.6
Dec	84	12,158	156.6	84	12,486	147.4	85	12,533	147.4	72	8,337	115.8
TOTAL	1060	176,730	166.7	1113	162,580	146.1	1269	159,677	125.8	994	108,248	108.9
FAA Total CY Enplaned Passenger Data				Pending			161,562			108,765		
Legend Departures based on Allegiant schedule. Departures calculated based on previous year's departures per month Passenger enplanements projected utilizing the FAA Terminal Area Forecast (TAF). NEW Enplanement Record!												

NEW Enplanement Record!

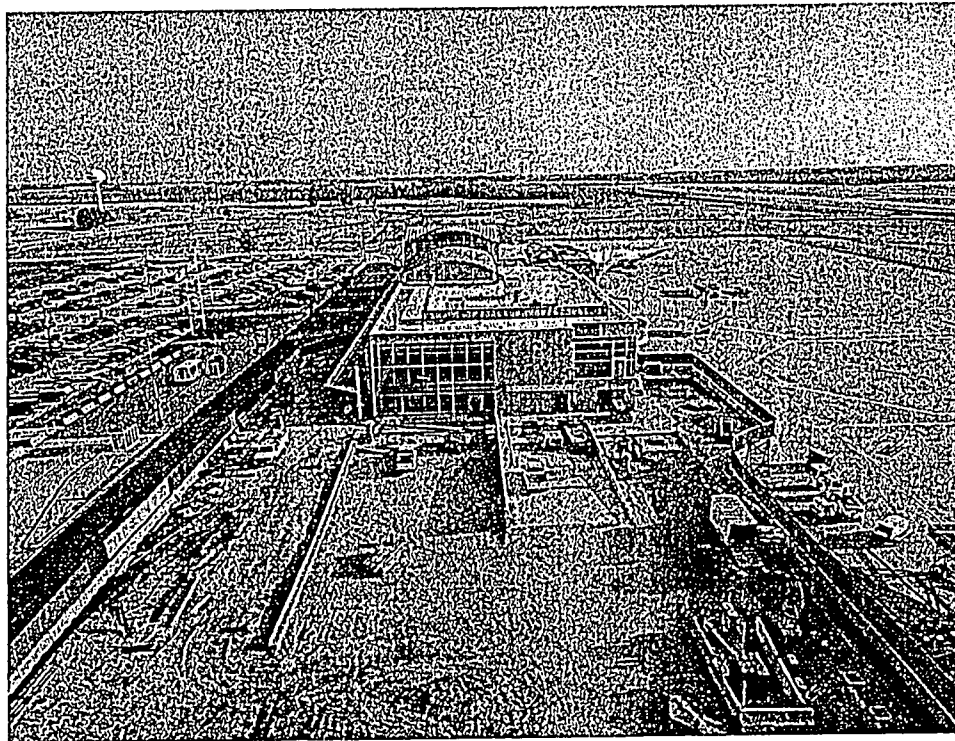
Terminal Expansion



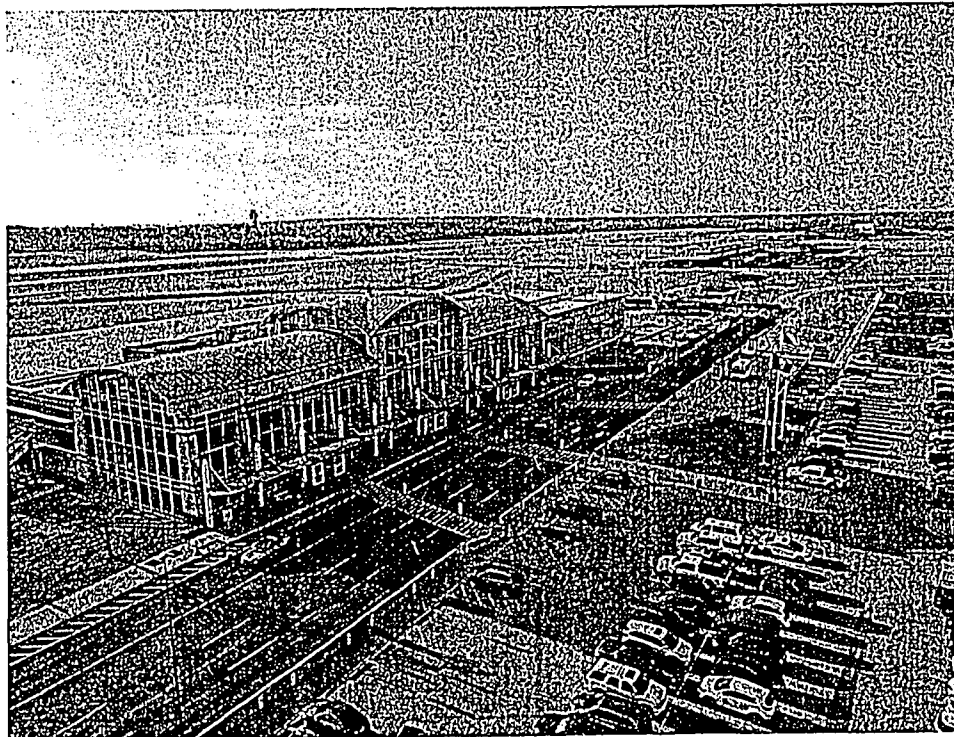
Terminal Expansion



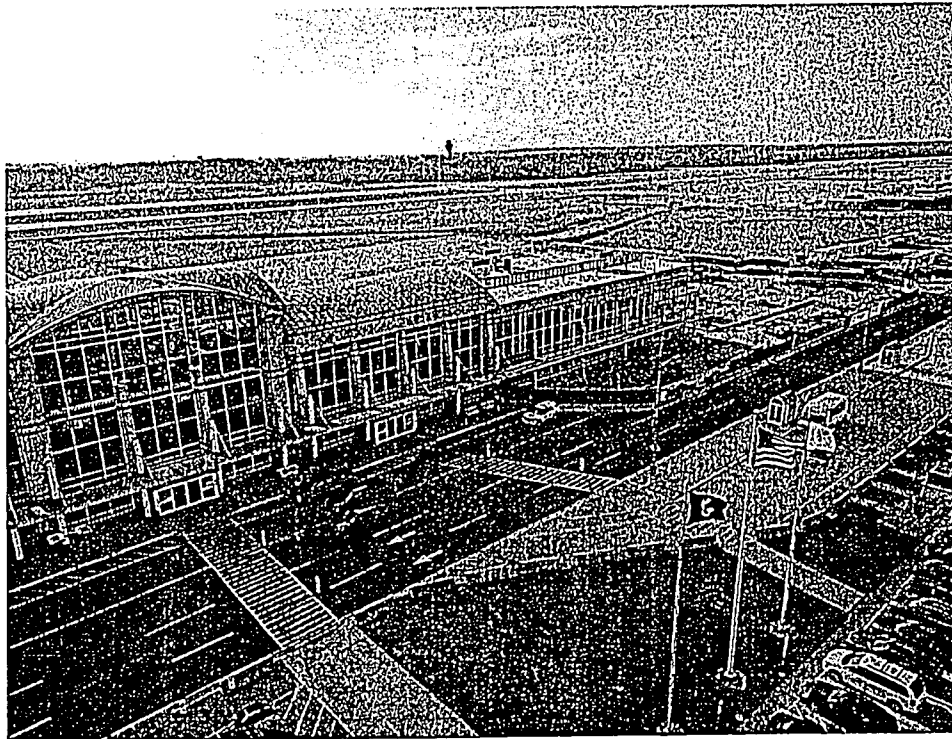
Terminal Expansion



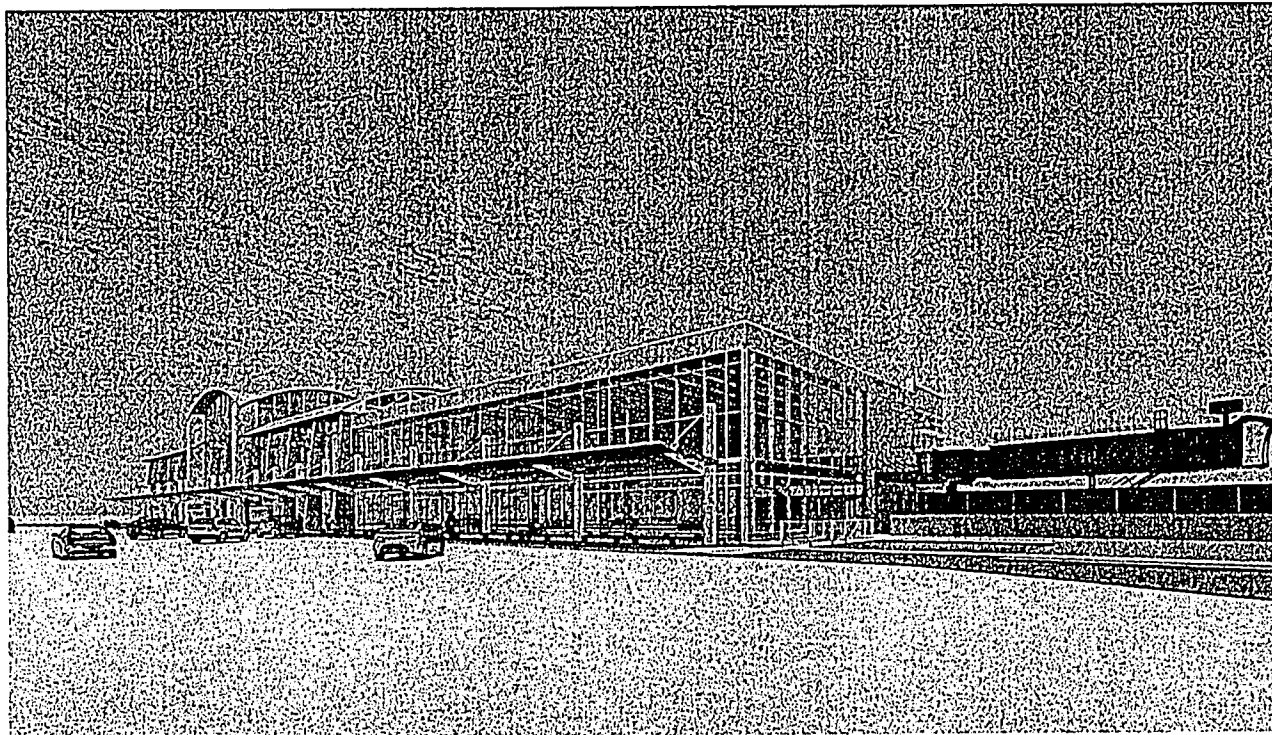
Terminal Expansion



Terminal Expansion



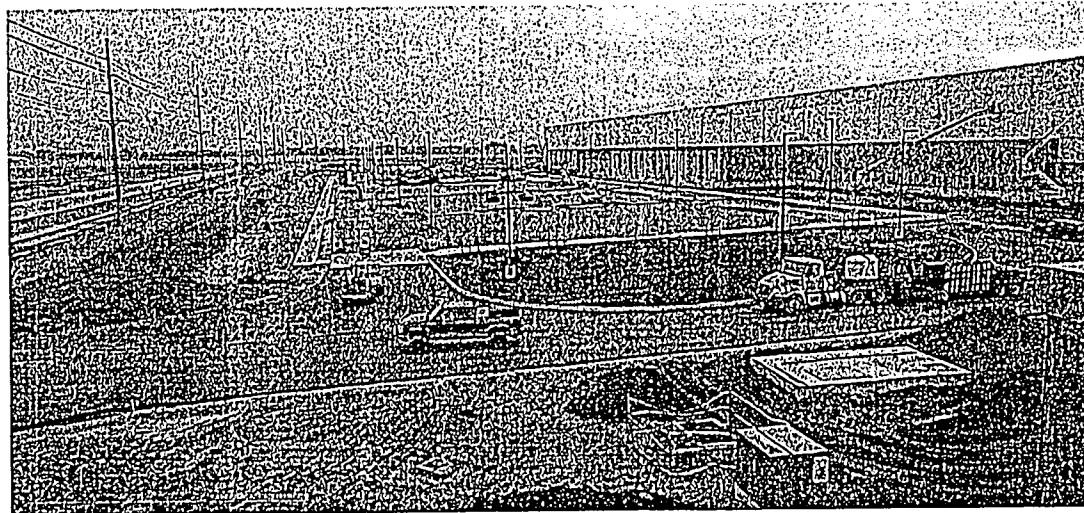
Terminal Expansion



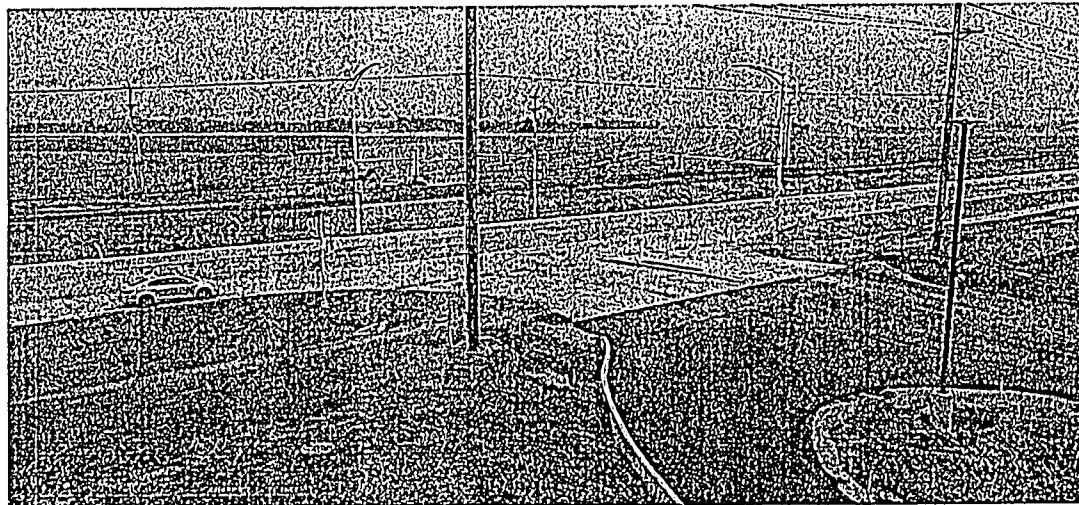
Boeing Production Facility – 2022



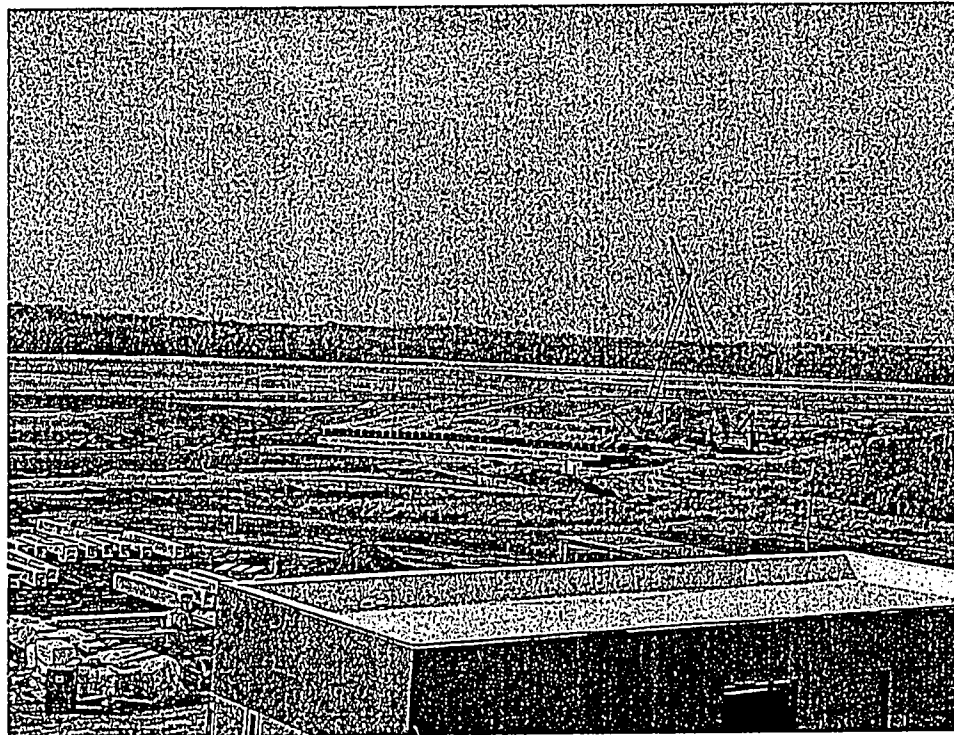
Boeing Production Facility – 2022



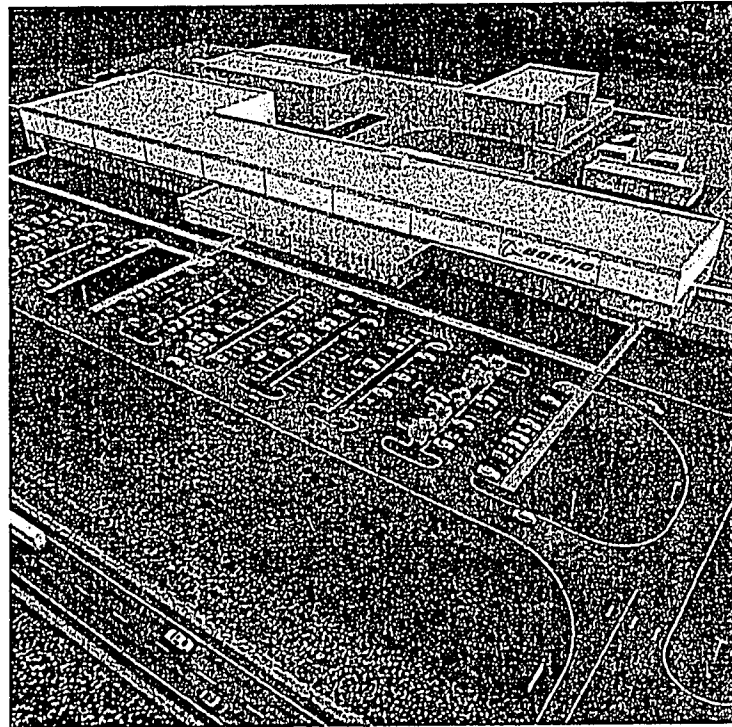
Boeing Production Facility – 2022



Boeing Production Facility – 2022



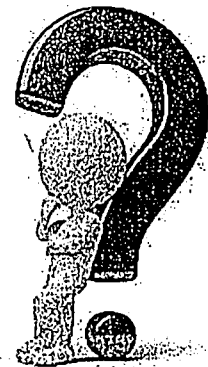
Boeing Production Facility – 2024

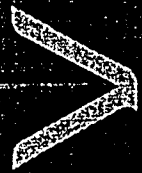


Thank You!

Test negative, stay positive

Bryan E. Johnson, A.A.E.
Airport Director
MidAmerica St. Louis Airport
9656 Air Terminal Drive – Ste 100
Mascoutah, IL 62258
618.566.5240
bryan.johnson@flymidamerica.com

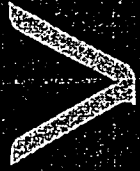




AN INDUSTRY IN TURMOIL

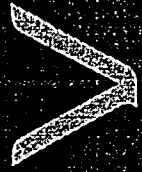
STATUS REPORT AND STRATEGY UPDATE ■ DECEMBER 2022





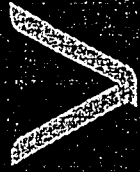
AGENDA

- > BLV IN THE CURRENT LANDSCAPE
 - > RECORD PASSENGERS
 - > INCREASING ST. LOUIS REGIONAL SHARE
 - > ALLEGiant PERFORMANCE



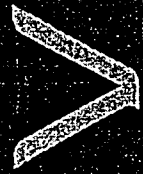
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- > **INDUSTRY IN CRISIS**
 - > PILOT SHORTAGE
 - > FOCUS ON INCREASING UNIT REVENUE
 - > IMPACT ON DOWNSTATE ILLINOIS



AGENDA

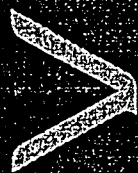
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 - > IMPACT ON DOWNSTATE ILLINOIS
- > **FUTURE POTENTIAL**
 - > ALLEGiant + VIVA AEROBUS
 - > POTENTIAL SHORT HAUL TARGETS
 - > COMPETITION FOR SERVICE



TOPIC ONE

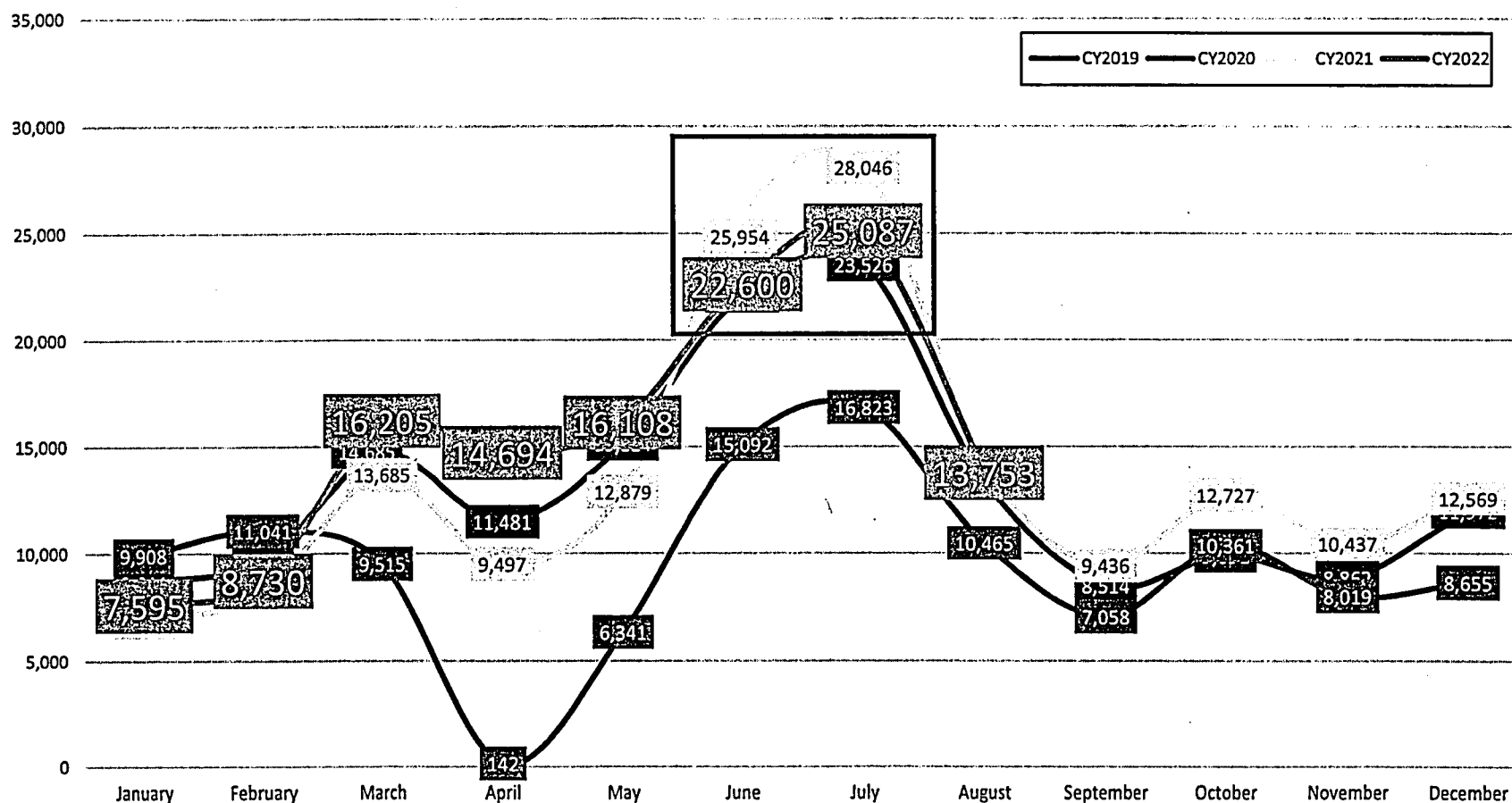
BLV IN THE CURRENT LANDSCAPE



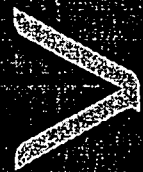


JUST BELOW 2021 RECORD LEVELS

MIDAMERICA ST. LOUIS AIRPORT MONTHLY TSA SCREENINGS JANUARY 2019 – AUGUST 2022



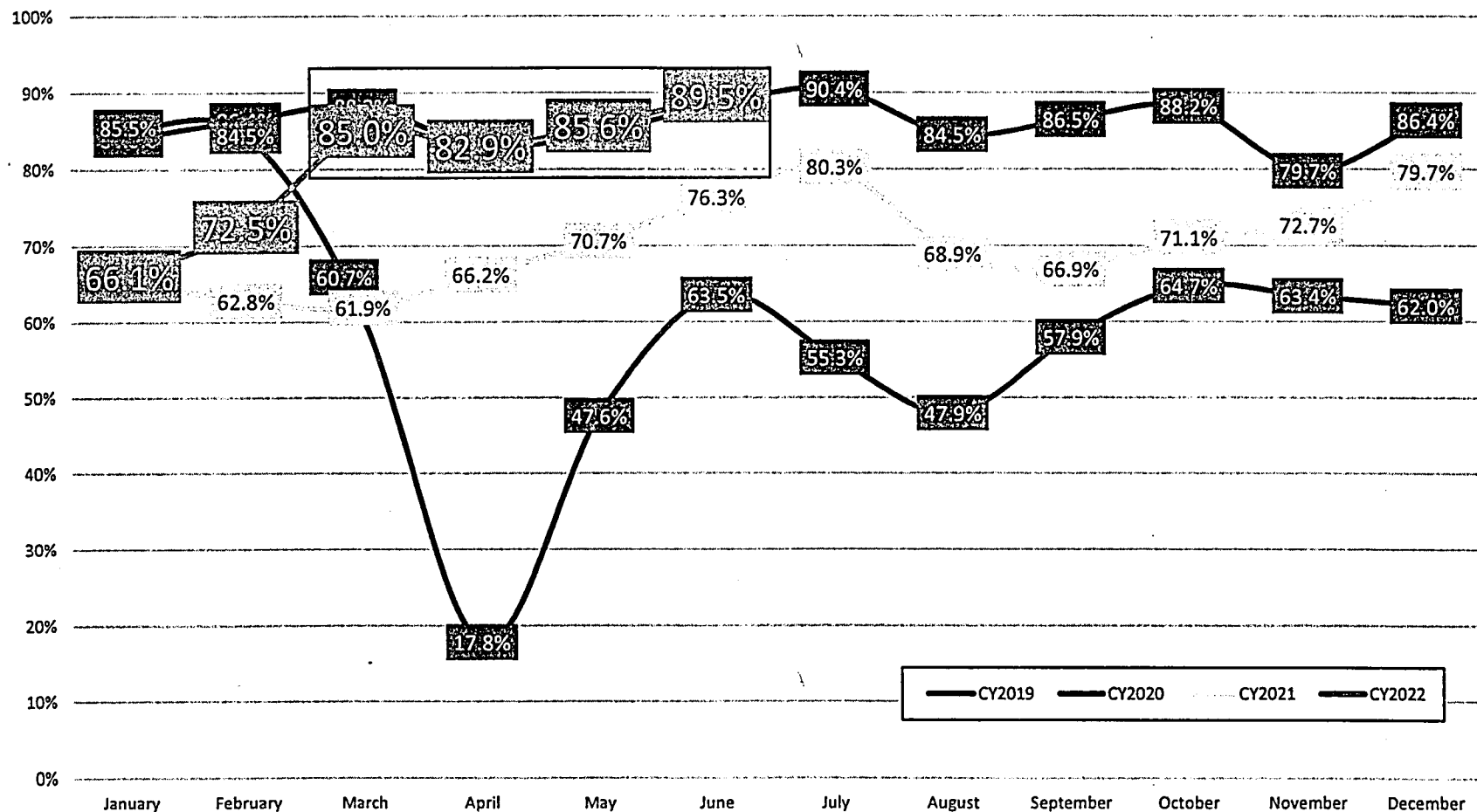
SOURCES: VOLAIRE ANALYSIS OF AIRLINE DATA, INC. TSA SCREENING DATA



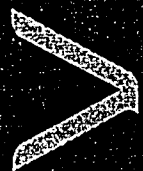
RECORD LOAD FACTORS

MIDAMERICA ST. LOUIS AIRPORT MONTHLY LOAD FACTOR

JANUARY 2019 – JUNE 2022

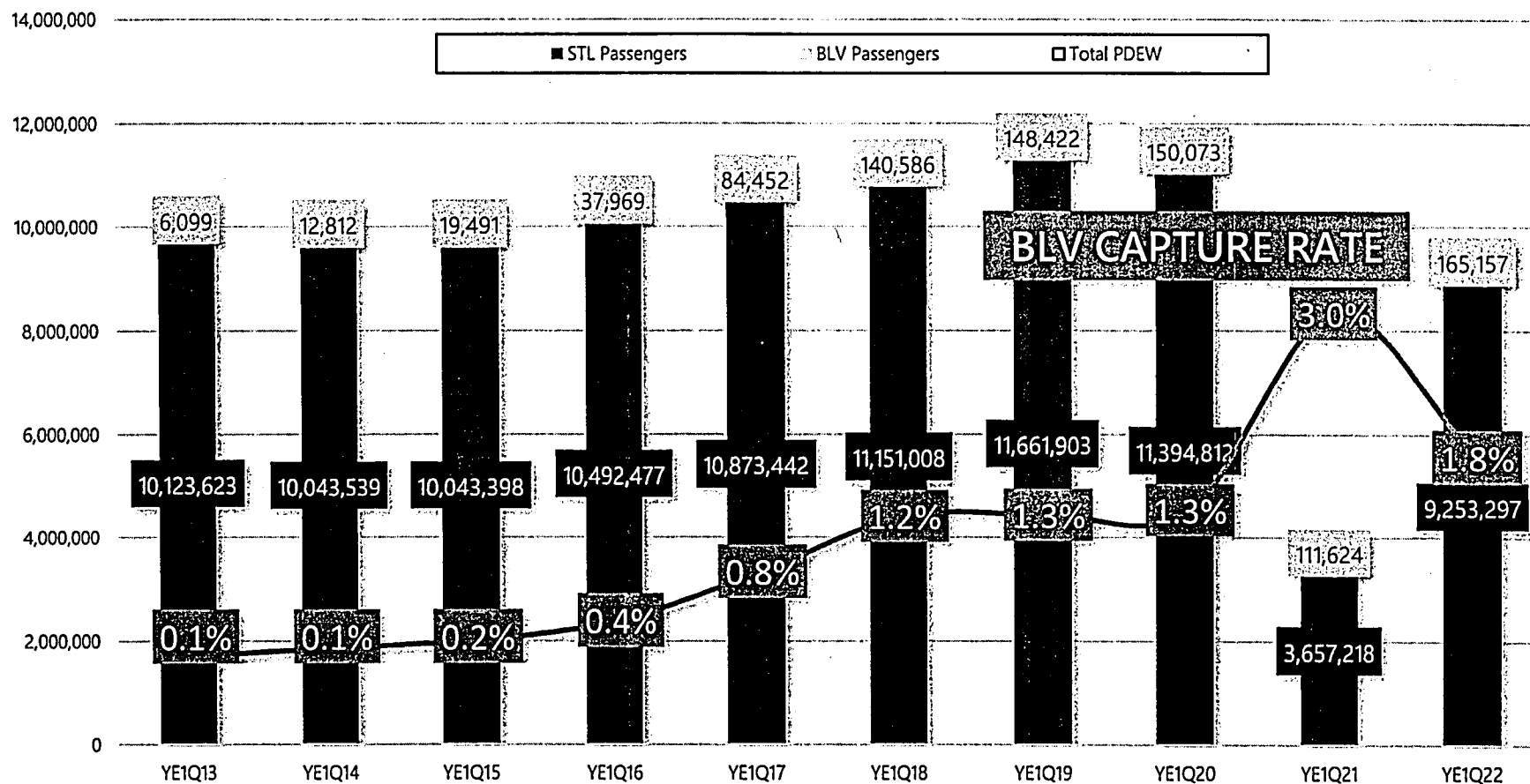


SOURCES: VOLAIRE ANALYSIS OF AIRLINE DATA, INC.

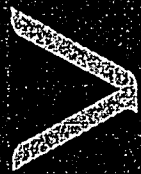


CAPTURING MORE THAN PRE-PANDEMIC

O&D PASSENGERS AT ST. LOUIS AND MIDAMERICA AND BLV PASSENGER SHARE YEAR ENDED FIRST QUARTER 2013 – YEAR ENDED FIRST QUARTER 2022 (INCLUDES BOTH BLV AND STL)

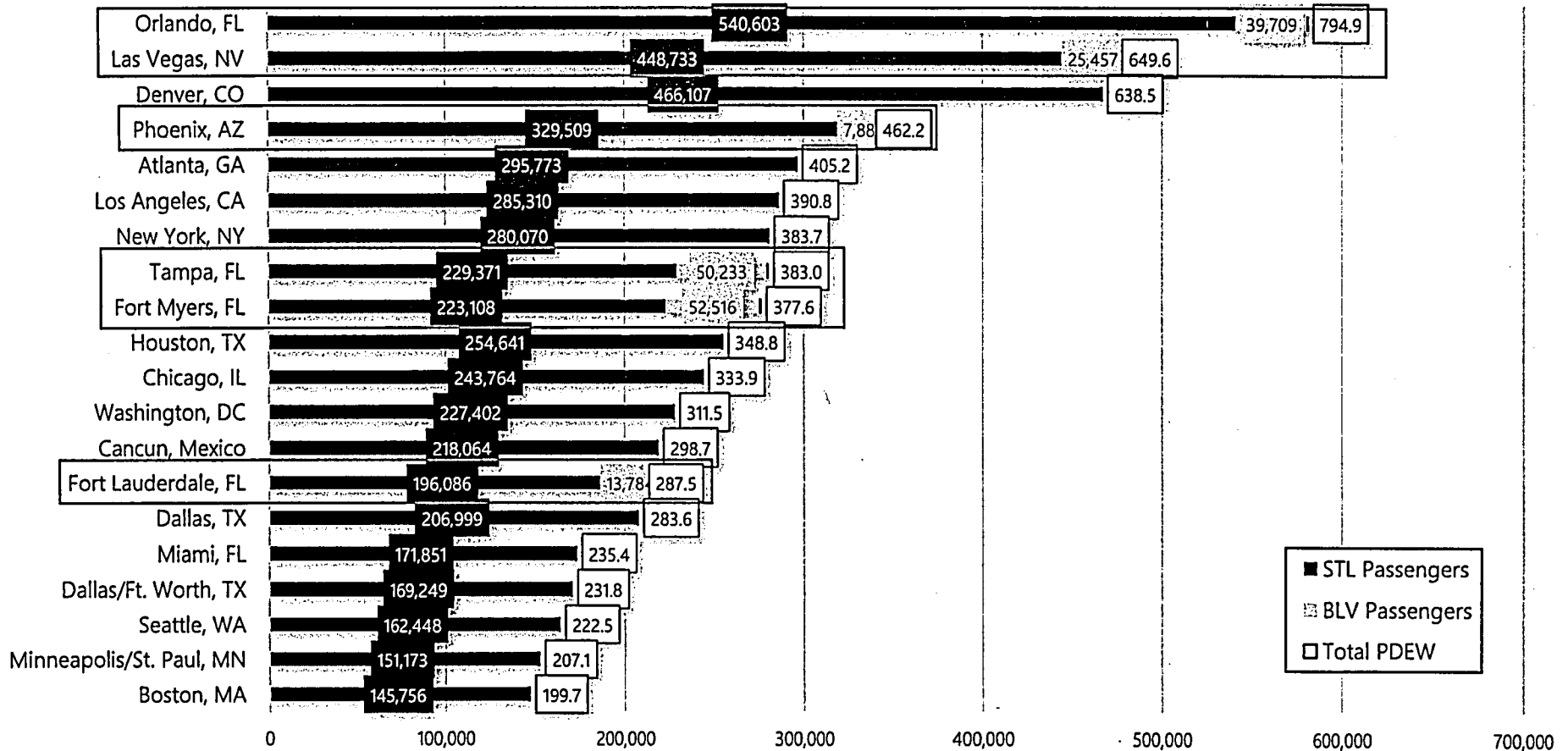


SOURCE: AIRLINE DATA, INC.

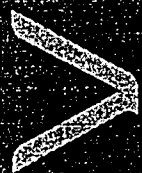


BLV RETAINS WELL IN NONSTOP MARKETS

ST. LOUIS' TOP 20 O&D PASSENGER MARKETS (INCLUDES BLV AND STL)
YEAR ENDED FIRST QUARTER 2022

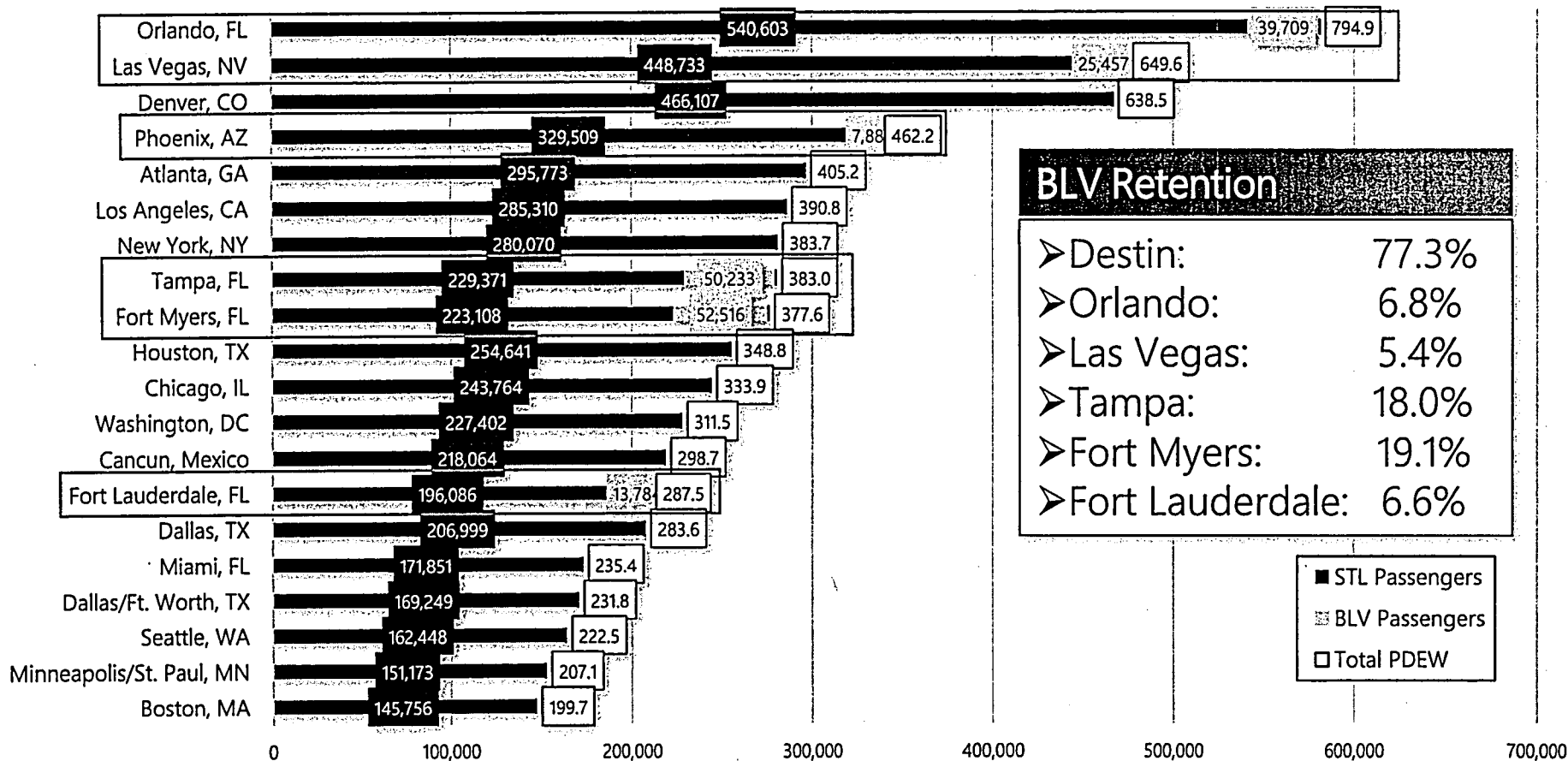


SOURCE: AIRLINE DATA, INC.



BLV RETAINS WELL IN NONSTOP MARKETS

ST. LOUIS' TOP 20 O&D PASSENGER MARKETS (INCLUDES BLV AND STL) YEAR ENDED FIRST QUARTER 2022

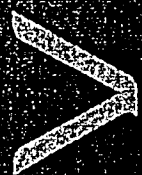


BLV Retention

- Destin: 77.3%
- Orlando: 6.8%
- Las Vegas: 5.4%
- Tampa: 18.0%
- Fort Myers: 19.1%
- Fort Lauderdale: 6.6%

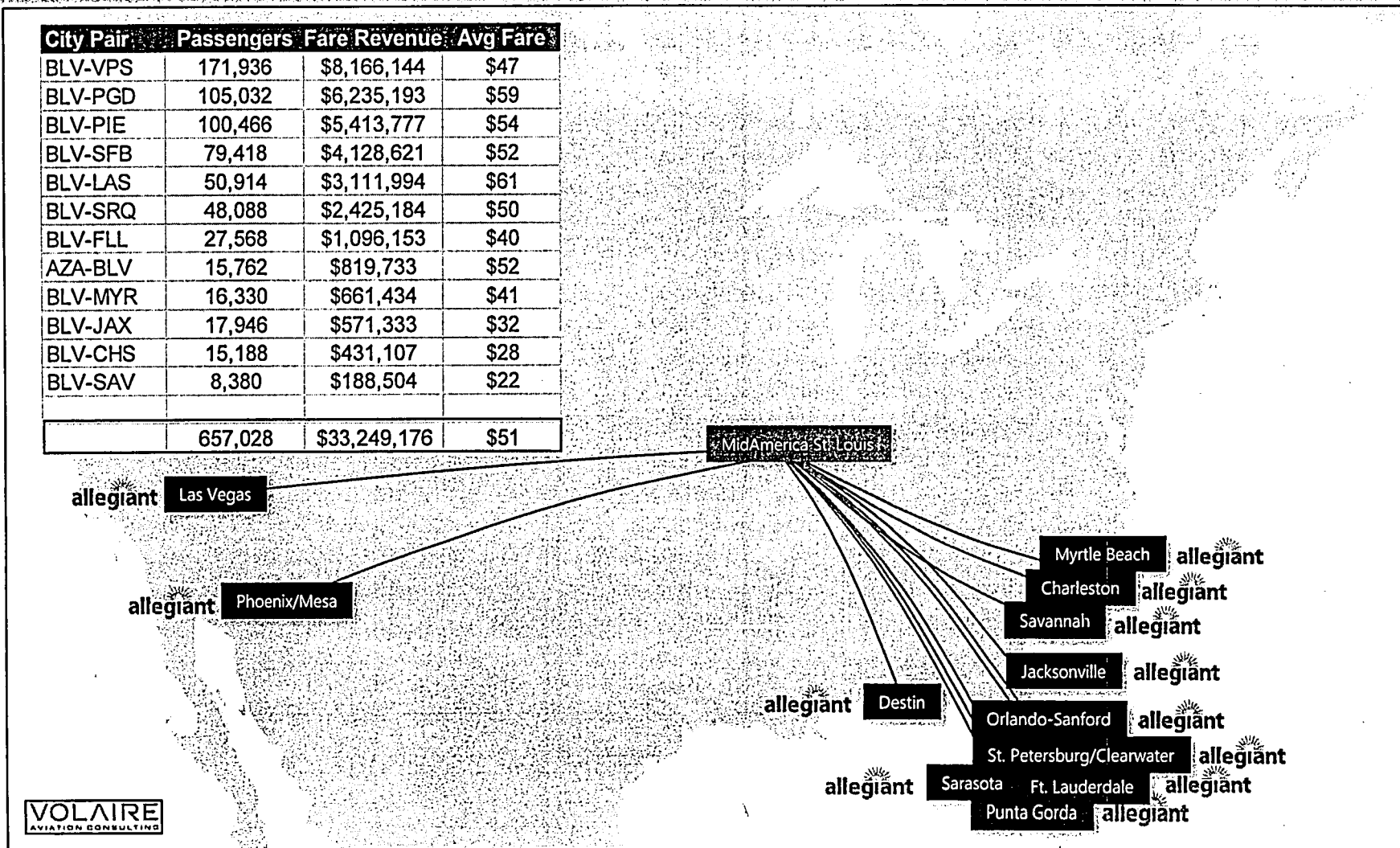
■ STL Passengers
▨ BLV Passengers
□ Total PDEW

SOURCE: AIRLINE DATA, INC.



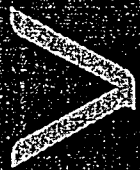
\$33M IN ALLEGiant FARE REVENUE

City Pair	Passengers	Fare Revenue	Avg Fare
BLV-VPS	171,936	\$8,166,144	\$47
BLV-PGD	105,032	\$6,235,193	\$59
BLV-PIE	100,466	\$5,413,777	\$54
BLV-SFB	79,418	\$4,128,621	\$52
BLV-LAS	50,914	\$3,111,994	\$61
BLV-SRQ	48,088	\$2,425,184	\$50
BLV-FLL	27,568	\$1,096,153	\$40
AZA-BLV	15,762	\$819,733	\$52
BLV-MYR	16,330	\$661,434	\$41
BLV-JAX	17,946	\$571,333	\$32
BLV-CHS	15,188	\$431,107	\$28
BLV-SAV	8,380	\$188,504	\$22
	657,028	\$33,249,176	\$51

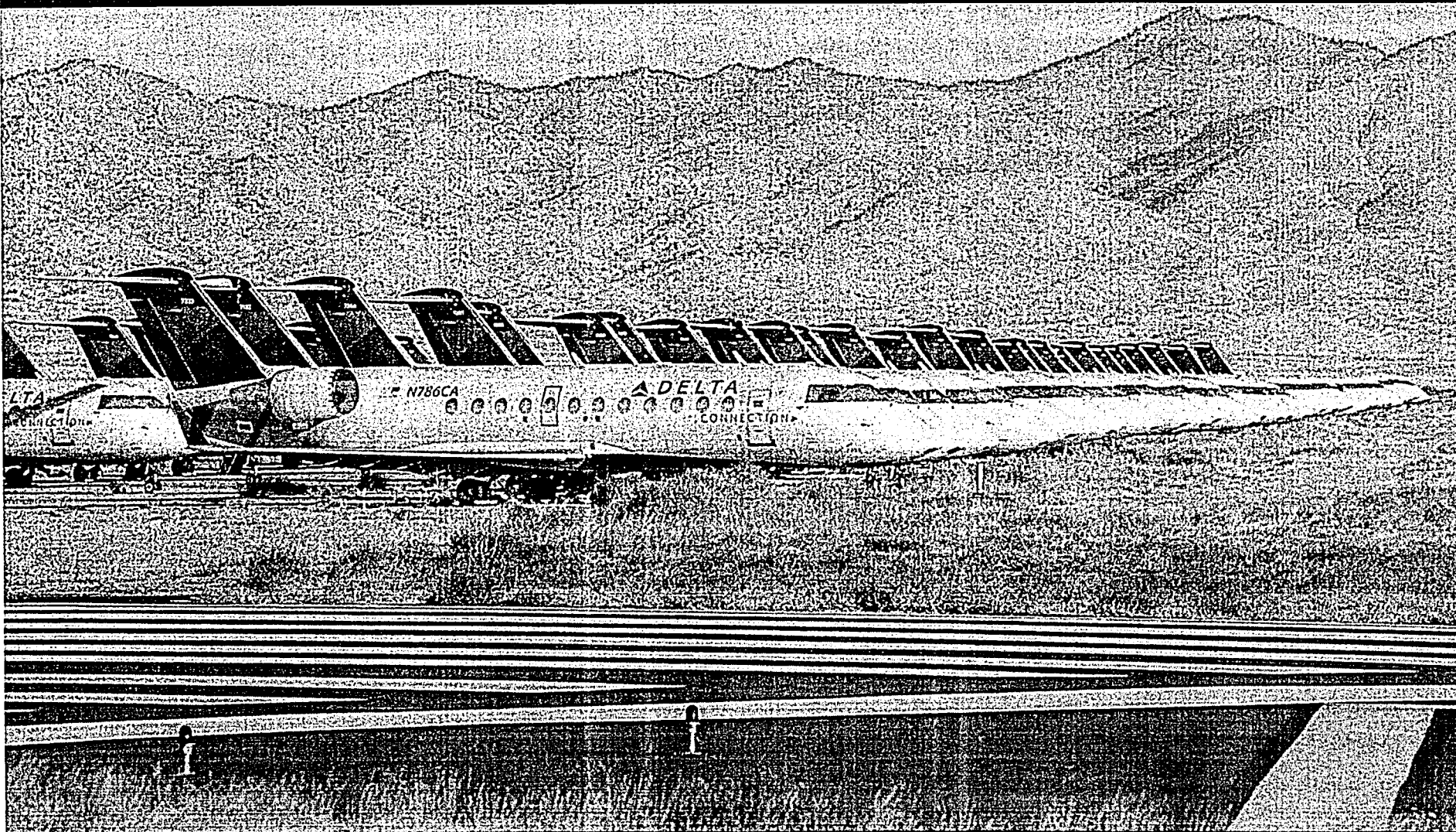


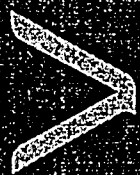
VOLAIRE
AVIATION CONSULTING

SOURCE: AIRLINE DATA, INC.



TOPIC TWO INDUSTRY IN CRISIS





MULTIPLE CRISES AT ONCE

Airlines' Challenge Is Cutting Costs, Not Filling Seats

U.S. carriers see no slowdown in demand, despite unease about the economy. But problems with staffing and operations are eating into profits.

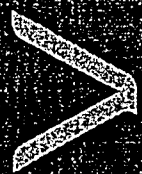
Lingering airline crew shortages, surging demand threaten fall and winter travel seasons

THE WALL STREET JOURNAL.

The Aviation Crisis Is Now Regional

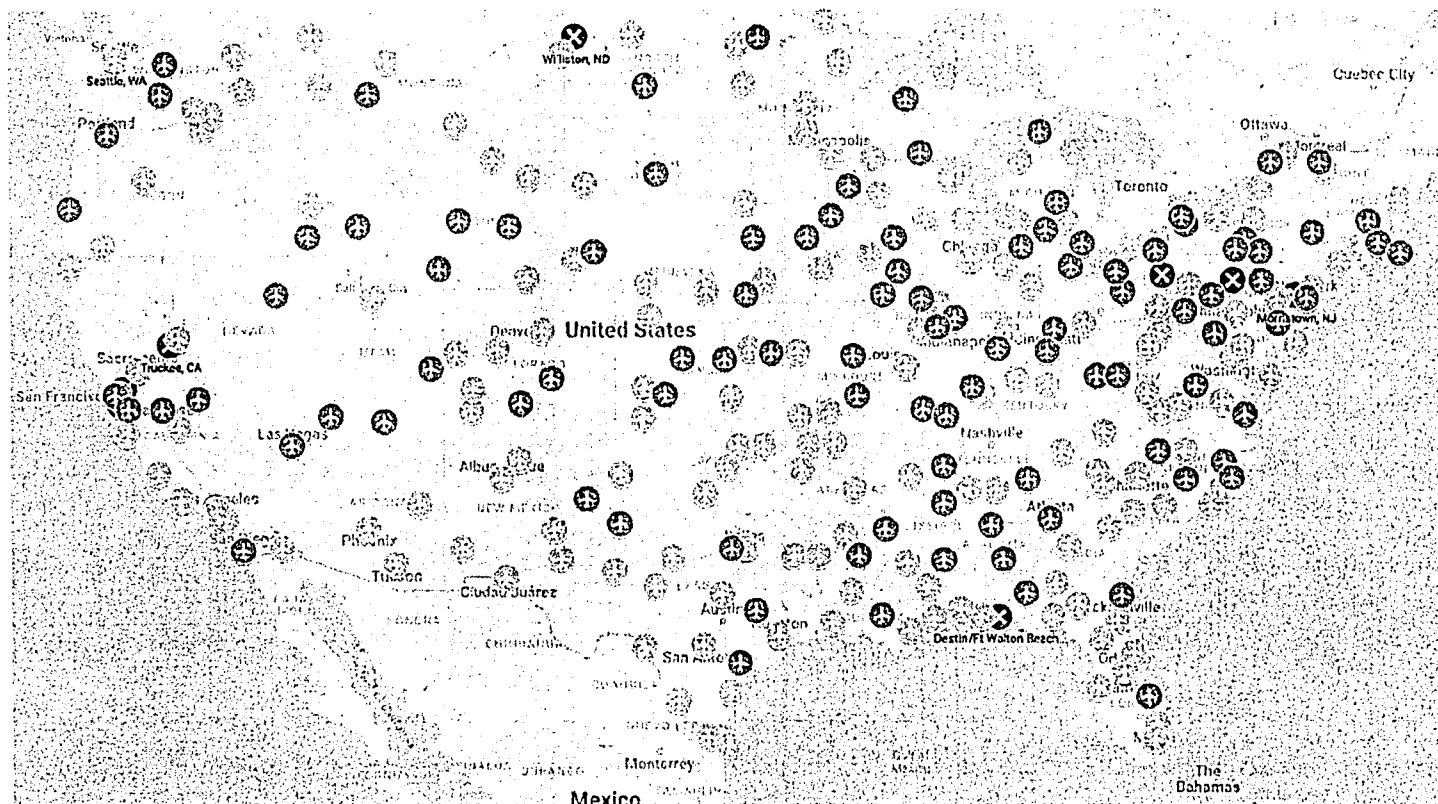
Even as airlines start to emerge from the pandemic, staff shortages and capacity cuts have plunged regional aviation back into a crisis

Increased fuel prices affecting airline ticket prices



107 AIRPORTS DOWN >25%

CHANGE IN CAPACITY BY AIRPORT FALL 2022 VS. FALL 2019

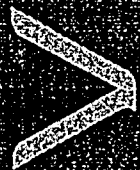


X Lost All Service
(9 airports)

***** Lost up to 25% of Service
(189 airports)

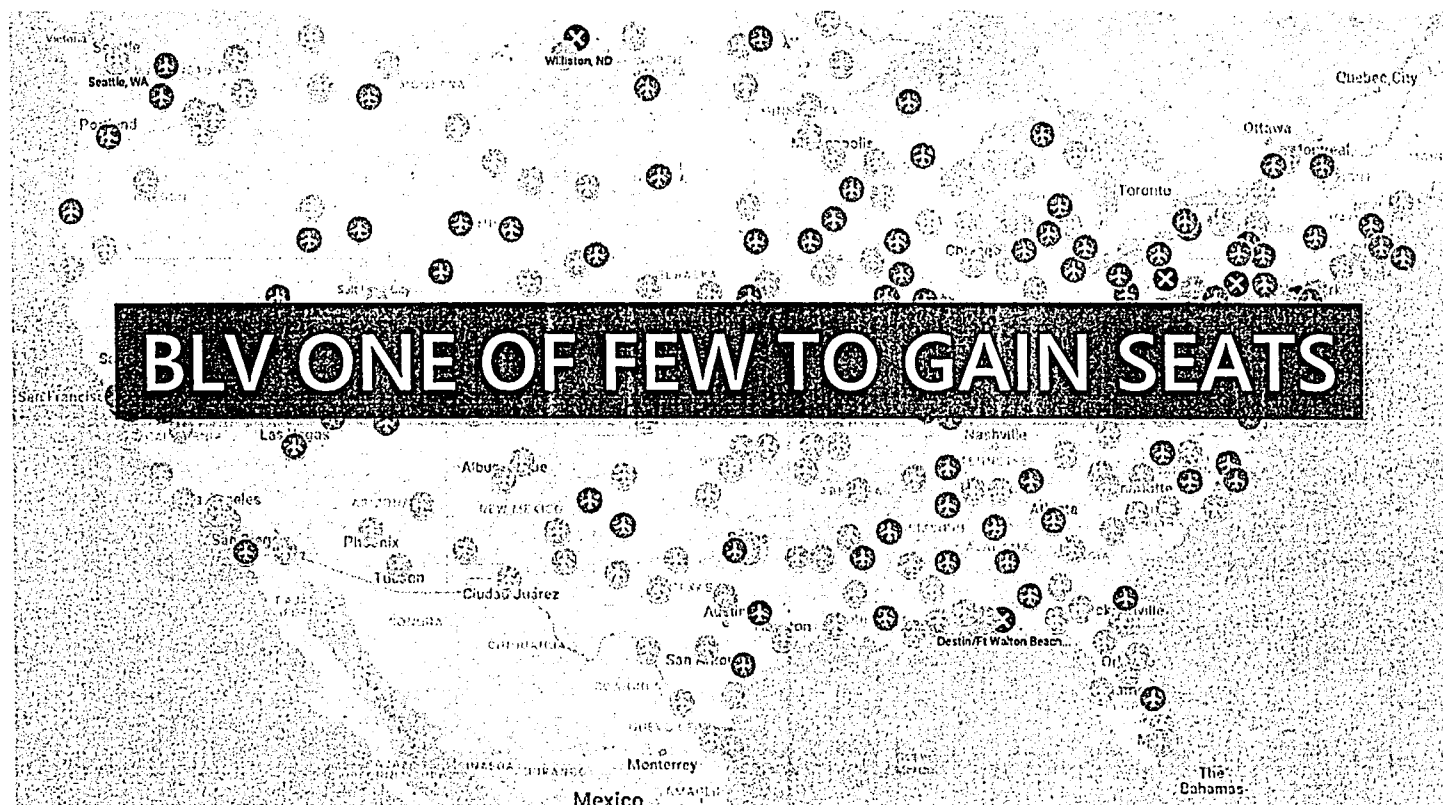
****** Lost More than 25% of Service
(107 airports)

SOURCE: REGIONAL AIRLINE ASSOCIATION (RAA)



107 AIRPORTS DOWN >25%

CHANGE IN CAPACITY BY AIRPORT FALL 2022 VS. FALL 2019



Lost All Service
(9 airports)

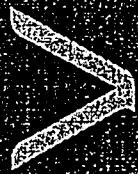


Lost up to 25% of Service
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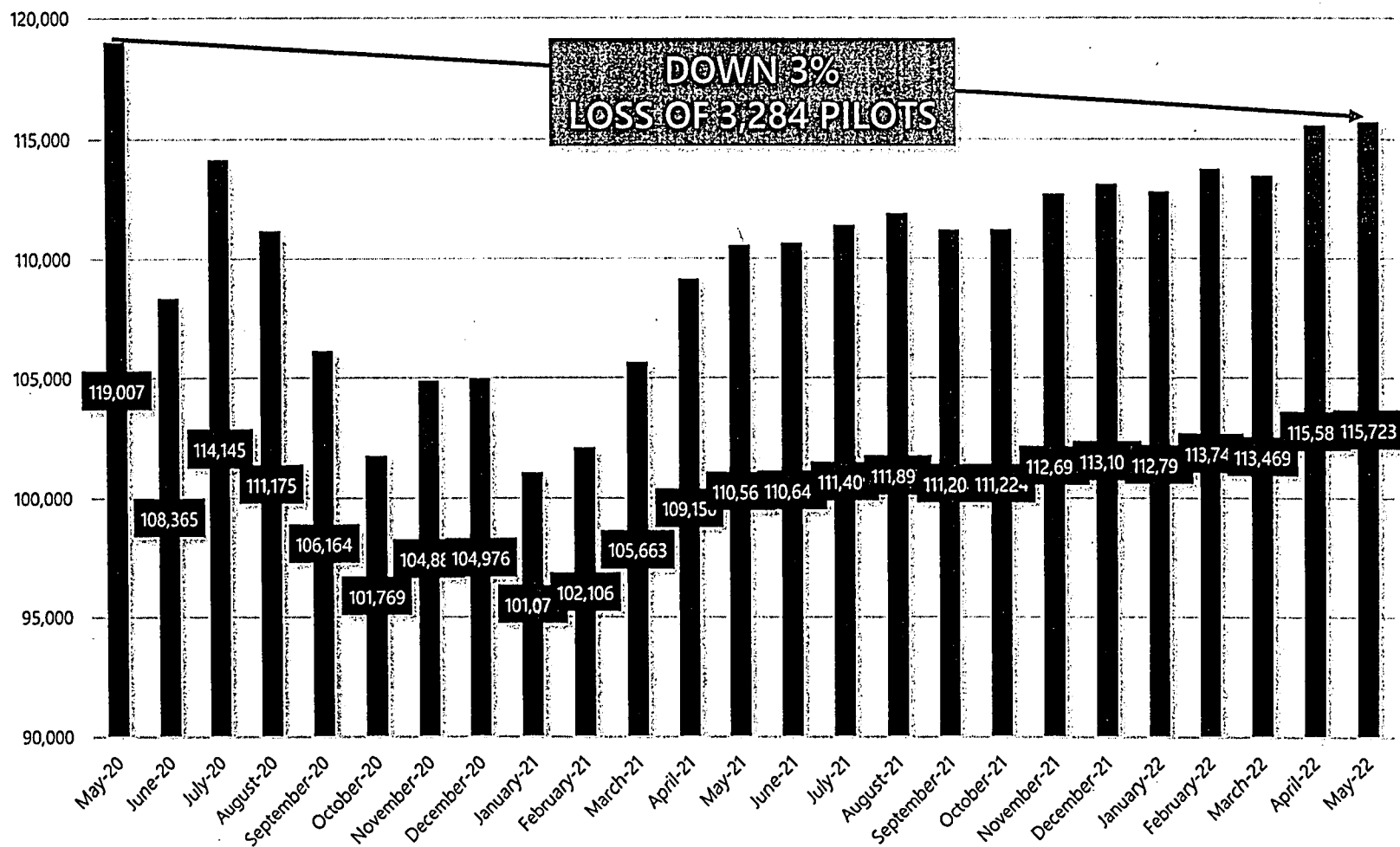
SOURCE: REGIONAL AIRLINE ASSOCIATION (RAA)



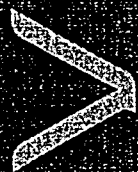
THE PILOT POOL IS SHRINKING...

AIR TRANSPORT PILOT MEDICAL APPROVALS

MAY 2020 – MAY 2022

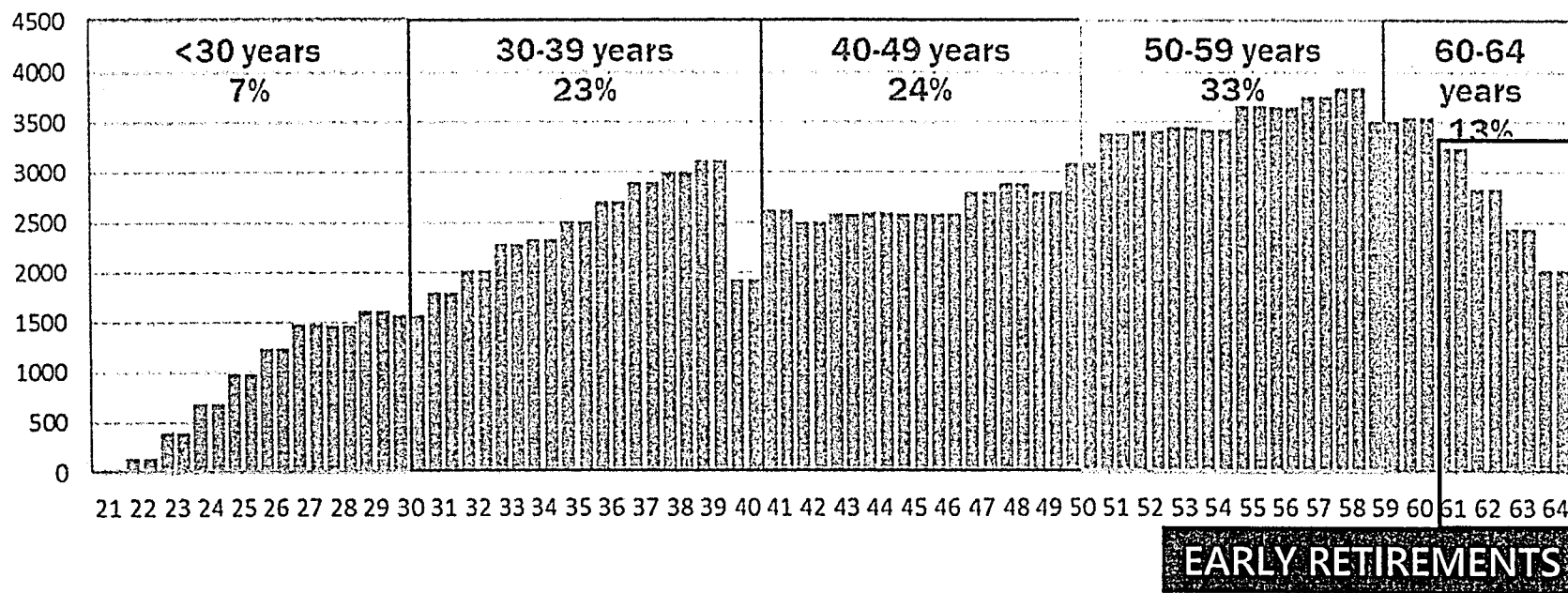


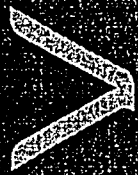
SOURCE: REGIONAL AIRLINE ASSOCIATION (RAA)



...AND IT'S GETTING WORSE

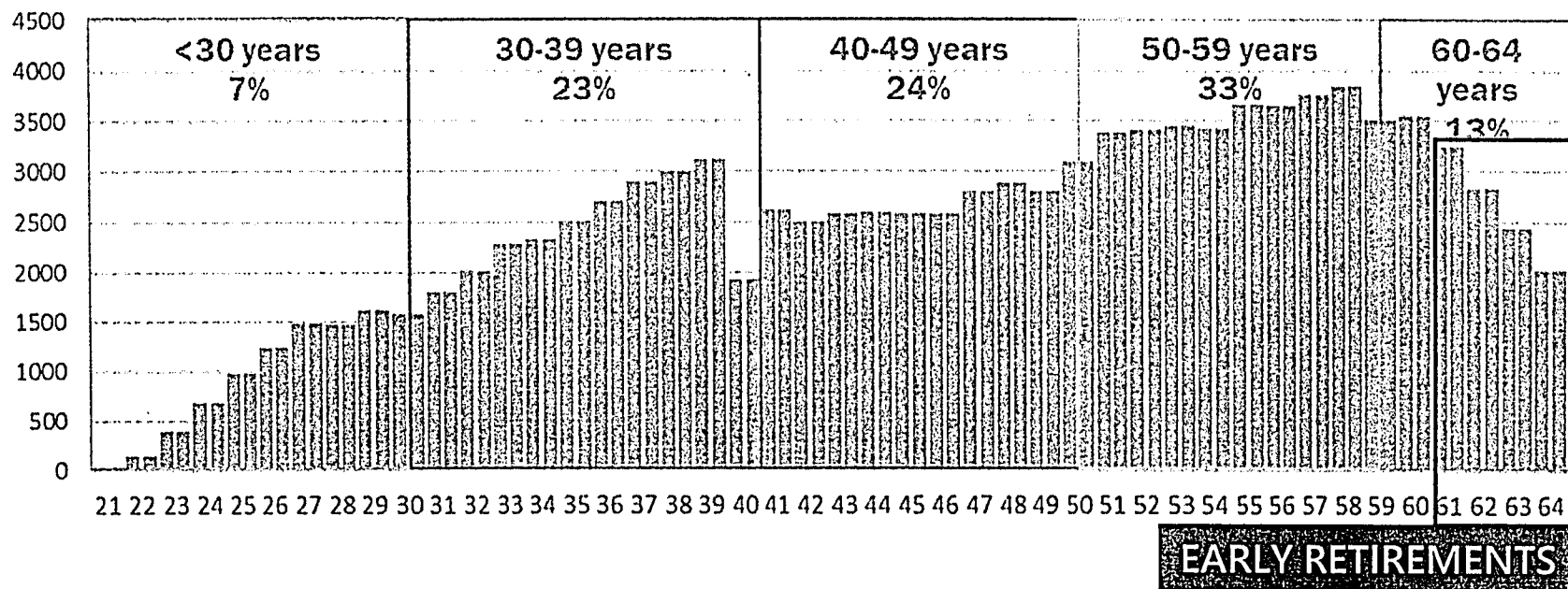
US PILOTS BY AGE AS OF OCTOBER 2022



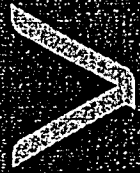


...AND IT'S GETTING WORSE

US PILOTS BY AGE
AS OF OCTOBER 2022



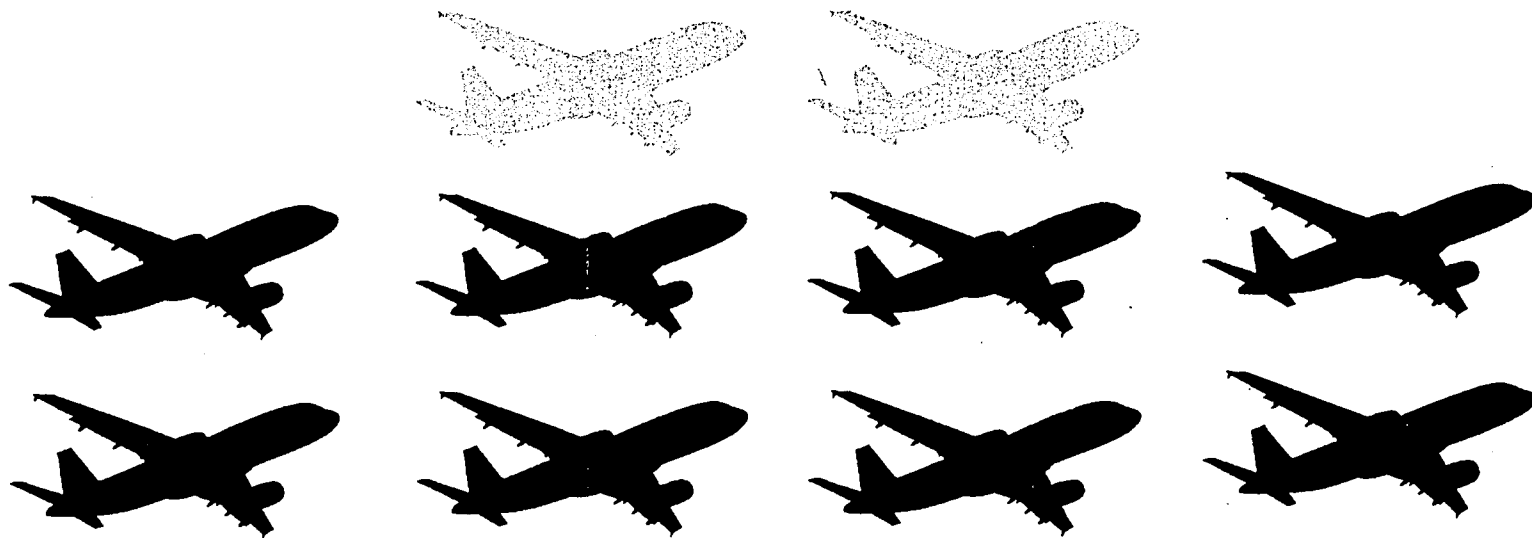
- > MANDATORY RETIREMENT AT 65
- > 46% OF CURRENT PILOTS REACH 65 IN NEXT 15 YEARS
- > MUCH LOWER NUMBERS OF PILOTS BETWEEN 25 AND 30 YEARS OF AGE



THE FLEET IS ALSO SHRINKING

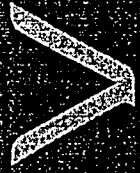
CHANGE IN FLEET SIZE

FALL 2022 VS. FALL 2019



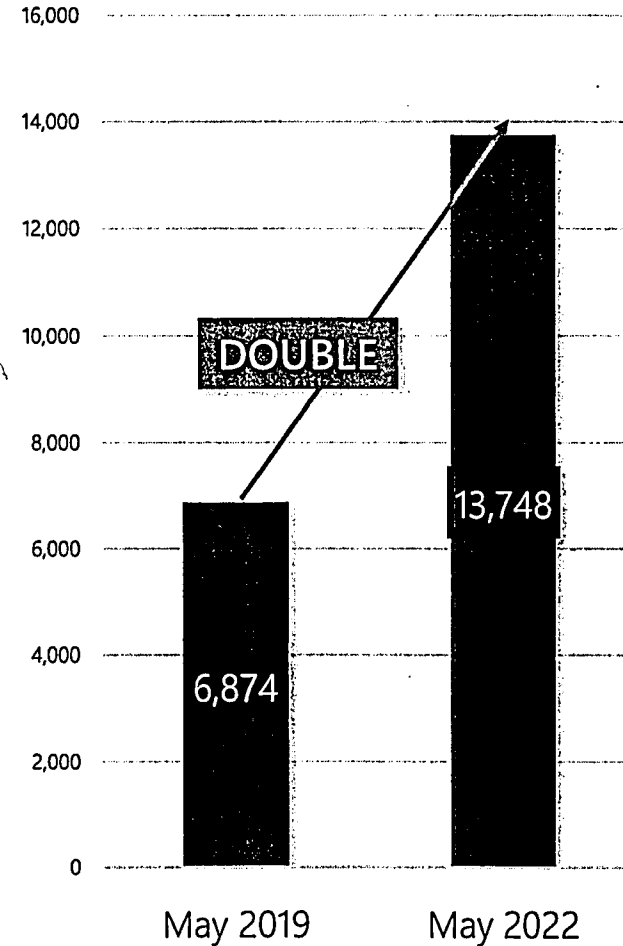
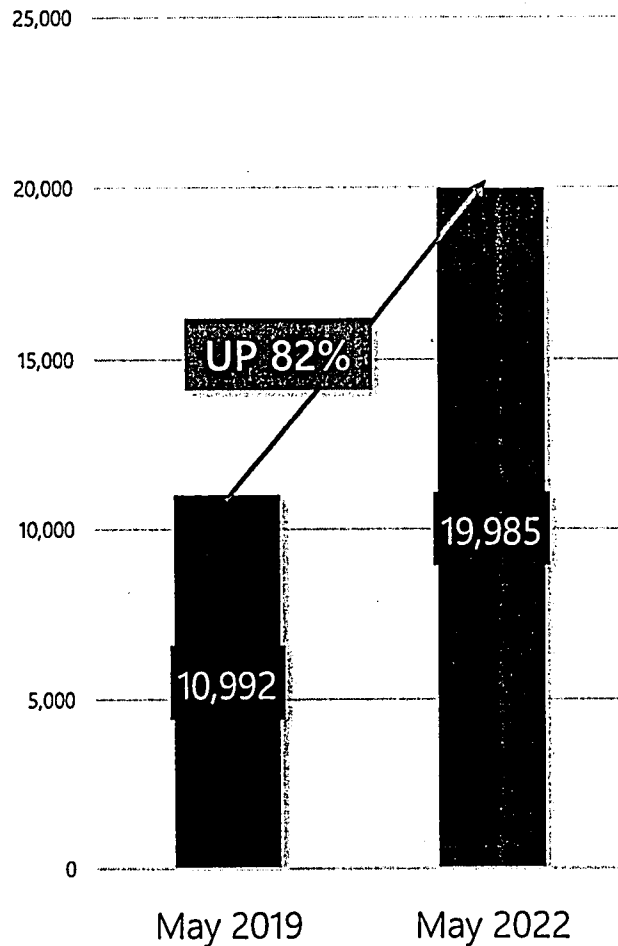
- > ROUGHLY 330 AIRCRAFT HAVE BEEN PARKED
- > ROUGHLY 1,200 FEWER DEPARTURES PER DAY
- > ALMOST 4,000 PILOTS HAVE LEFT FOR NEW JOBS

SOURCE: REGIONAL AIRLINE ASSOCIATION (RAA)



AIRLINES MUST CARRY MORE CREWS

FLIGHT ATTENDANT AND PILOT SICK CALLS PRE-PANDEMIC VS. POST-PANDEMIC

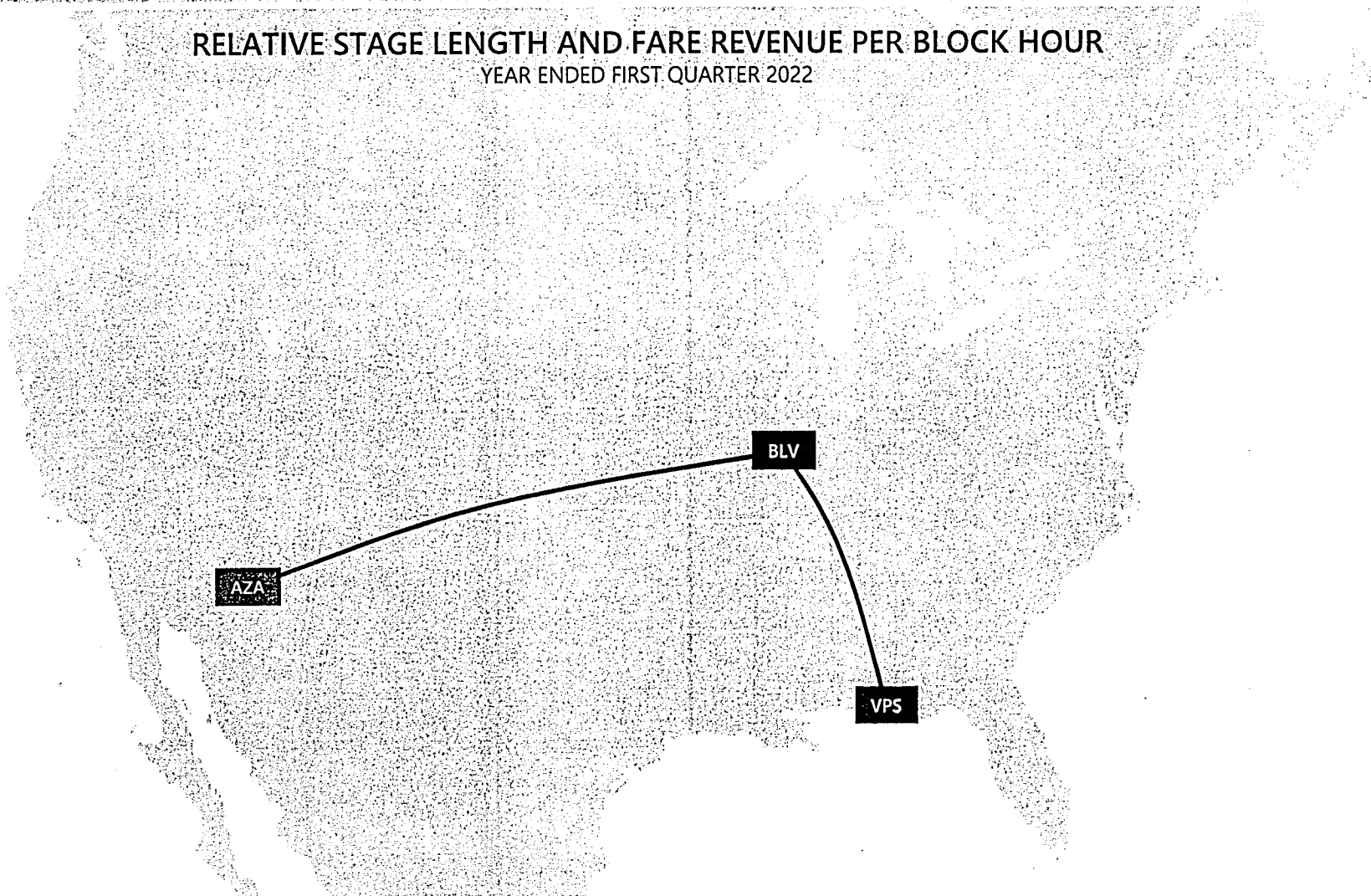


SOURCE: DELTA AIR LINES

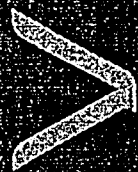


BEST USE OF EACH PILOT HOUR

RELATIVE STAGE LENGTH AND FARE REVENUE PER BLOCK HOUR
YEAR ENDED FIRST QUARTER 2022



SOURCE: VOLAIRE ANALYSIS OF AIRLINE DATA, INC.



BEST USE OF EACH PILOT HOUR

RELATIVE STAGE LENGTH AND FARE REVENUE PER BLOCK HOUR
YEAR ENDED FIRST QUARTER 2022

BLV-PHOENIX/MESA

- > BLOCK HOURS: 3.5
- > AVERAGE FARE: \$52
- > REVENUE PER HOUR: \$15

AZA

BLV

VPS

SOURCE: VOLAIRE ANALYSIS OF AIRLINE DATA, INC.



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BLV-DESTIN/FT WALTON BEACH

- > BLOCK HOURS: 1.7
- > AVERAGE FARE: \$47
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BEST USE OF EACH PILOT HOUR

RELATIVE STAGE LENGTH AND FARE REVENUE PER BLOCK HOUR
YEAR ENDED FIRST QUARTER 2022

> 46% MORE REVENUE PER BLOCK HOUR ON SHORTER ROUTE

BLV-PHOENIX/MESA

- > BLOCK HOURS: 3.5
- > AVERAGE FARE: \$52
- > REVENUE PER HOUR: \$15

AZA

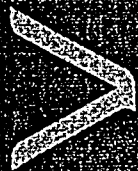
BLV

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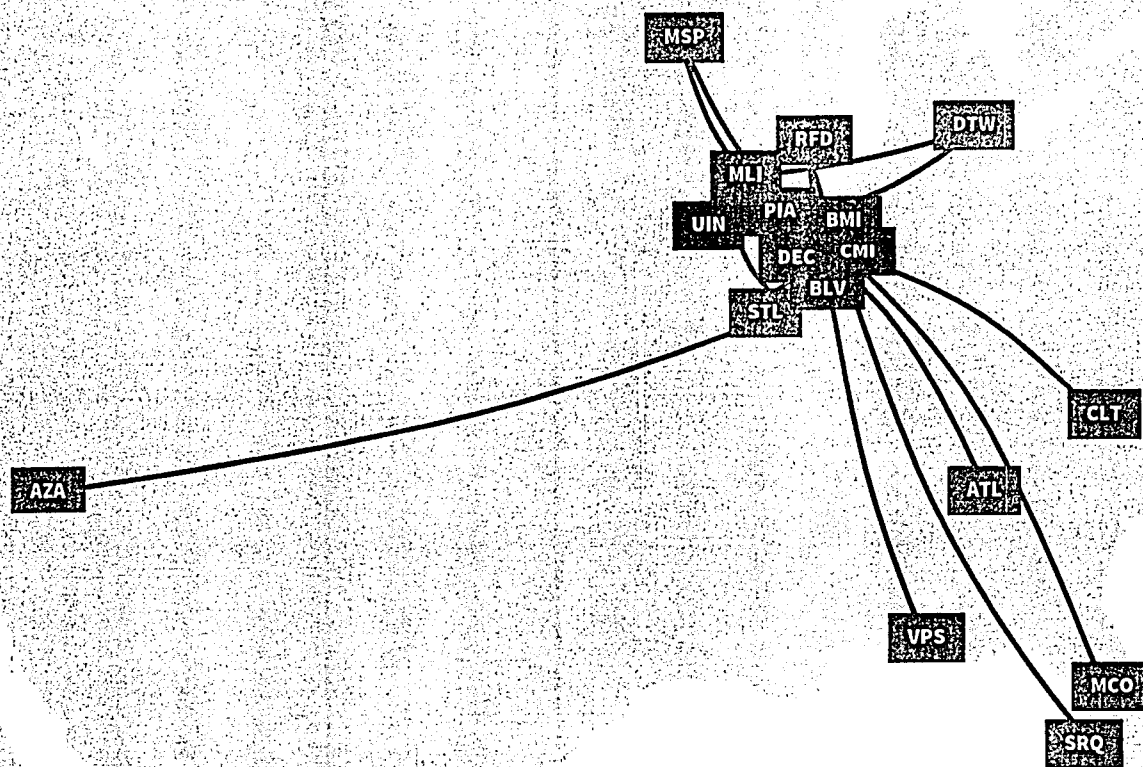
VPS

SOURCE: VOLAIRE ANALYSIS OF AIRLINE DATA, INC.



EIGHT AIRPORTS HAVE LOST A ROUTE

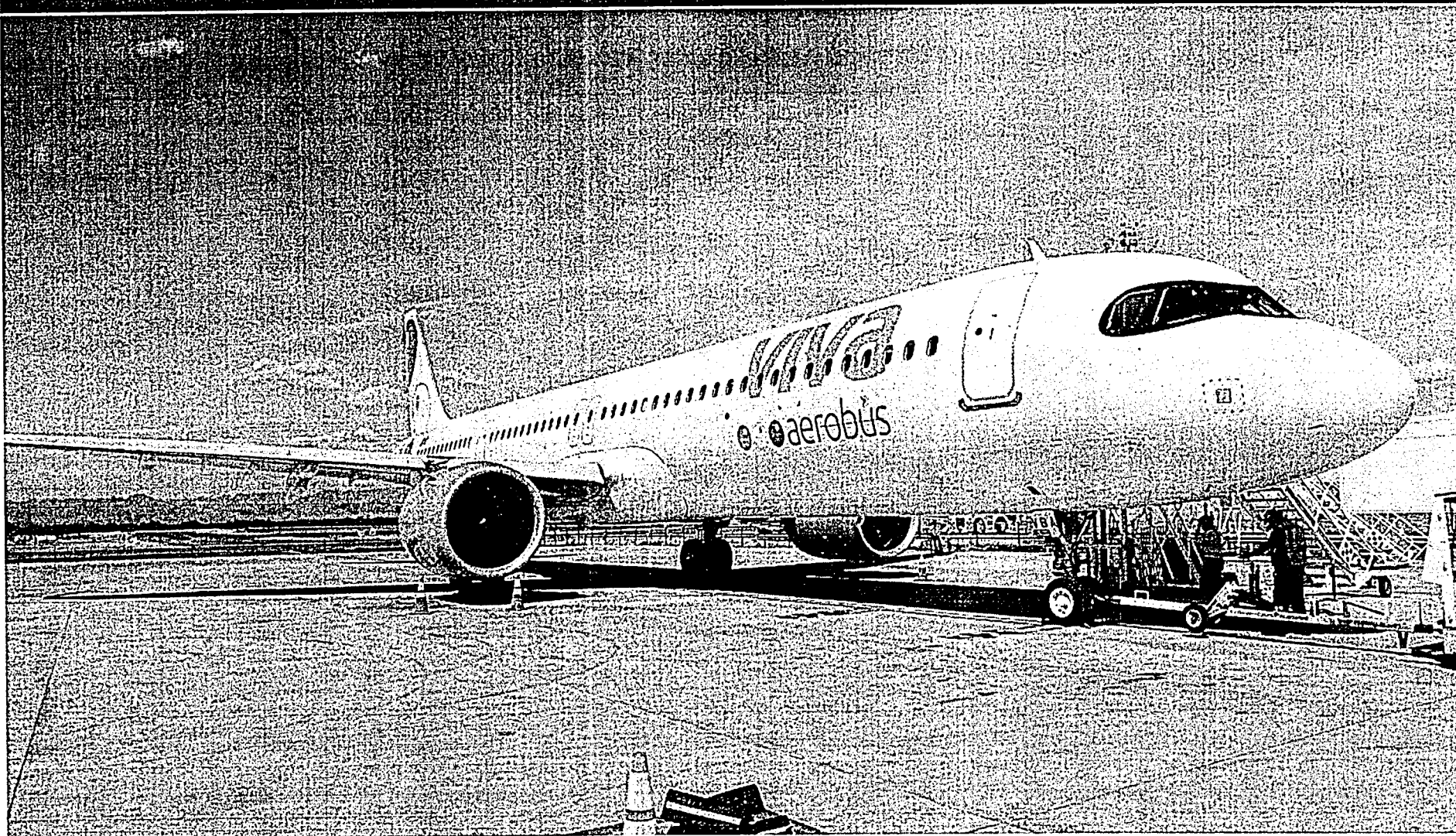
ROUTES LOST AT "DOWNSTATE" ILLINOIS AIRPORTS
OCTOBER 2022 VS. OCTOBER 2019

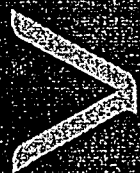


SOURCE: VOLAIRE ANALYSIS OF AIRLINE DATA, INC.



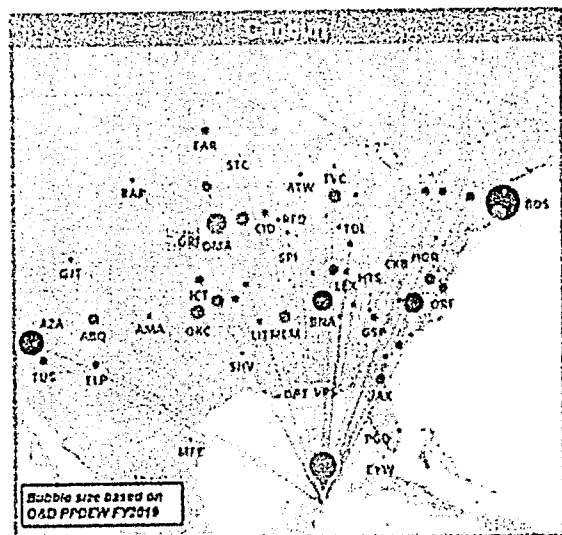
TOPIC THREE FUTURE POTENTIAL



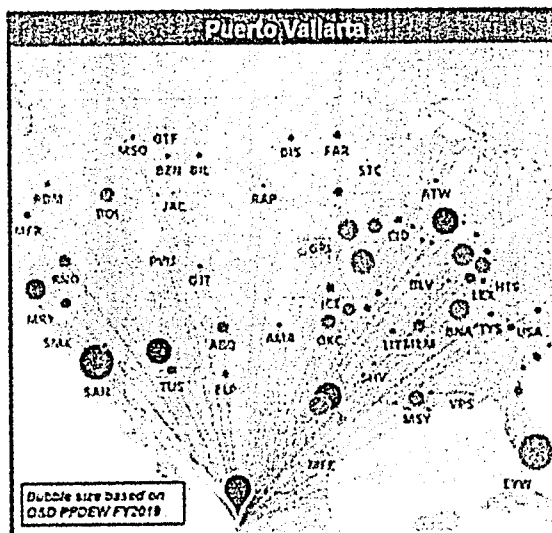


ALLEGiant + VIVA AEROBUS

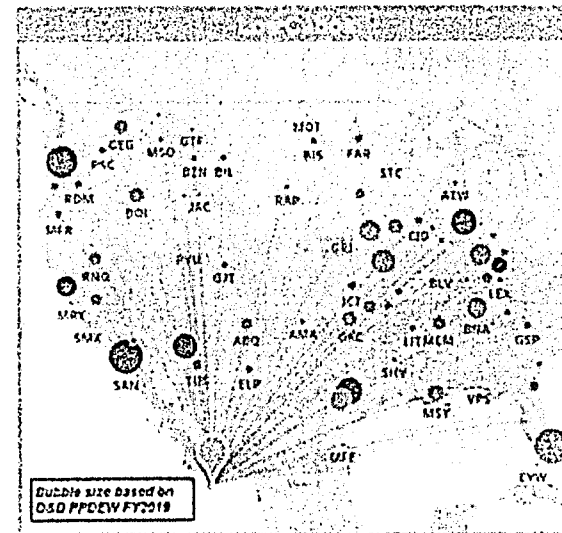
Allegiant network vs. current Mexico service



83 Allegiant airports { 76 no non-stop service
7 non-stop but non-ULCC
(FY 2021 metro basis)



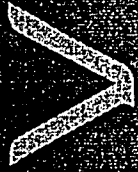
90 Allegiant airports { 82 no non-stop service
8 non-stop but non-ULCC
(FY 2021 metro basis)



91 Allegiant airports { 81 no non-stop service
10 non-stop but non-ULCC
(FY 2021 metro basis)

Source: Schedules. Sabre O&D Market Intelligence
Note: Includes all Allegiant airports as of FY2021 within 1,900mi range

SOURCE: VOLAIRE AVIATION ANALYSIS



LAMBERT – MEXICO DOES WELL

PERFORMANCE OF CURRENT SERVICE (BY LOAD FACTOR) BETWEEN ST. LOUIS AND MEXICO
JANUARY 2022 – JUNE 2022

St. Louis

> Southwest	84.6%
> FRONTIER	72.0%

Cancun

VOLAIRE
AVIATION CONSULTING

MidAmerica
ST. LOUIS AIRPORT

SOURCE: AIRLINE DATA, INC.

VOLAIRE
AVIATION CONSULTING



SHORT HAUL MORE LIKELY?

POTENTIAL SHORT HAUL EXPANSION MARKETS
AS OF DECEMBER 2022

- > USE FEWER BLOCK HOURS
- > HIGHER UNIT REVENUE (PER MILE AND BLOCK HOUR)

BLV

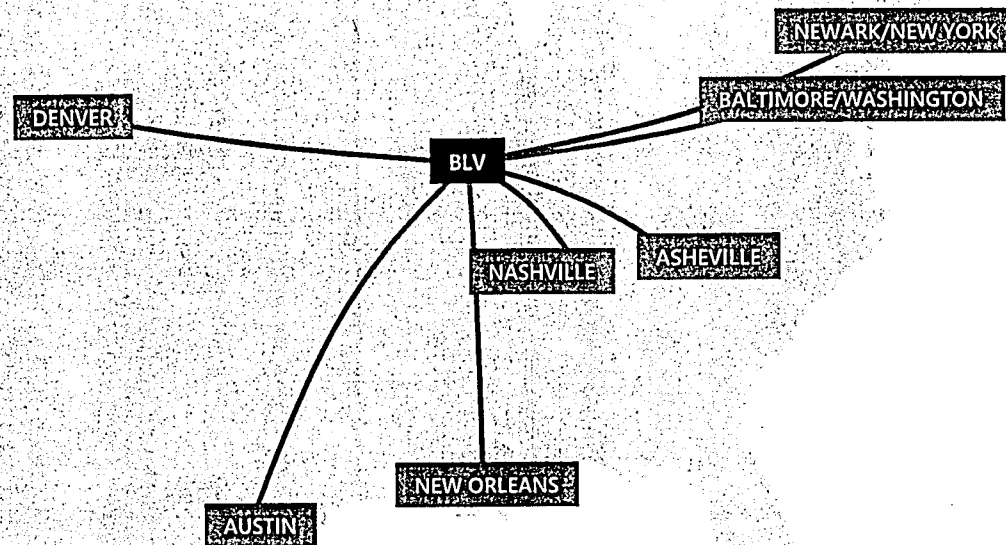
SOURCE: VOLAIRE ANALYSIS



SHORT HAUL MORE LIKELY?

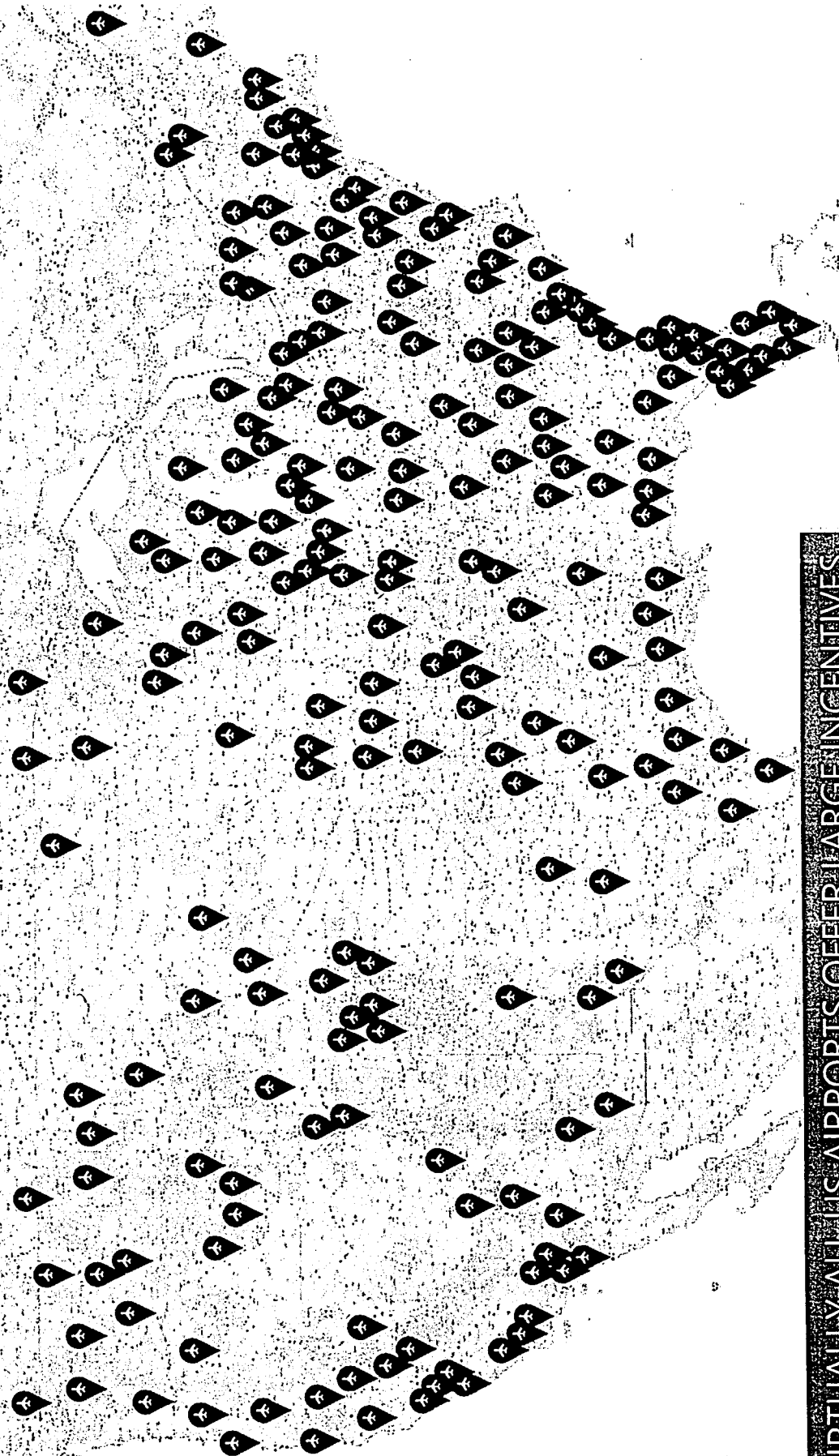
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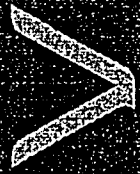


SOURCE: VOLAIRE ANALYSIS

COMPETITION IS INTENSE



VIRTUALLY ALL US AIRPORTS OFFER LARGE INCENTIVES



VOLAIRE
AVIATION CONSULTING

JACK PENNING
MANAGING PARTNER
VOLAIRE AVIATION
PORTLAND, OREGON

