

Metropolitan Airports Commission



Management and Operations Committee

Regular Monthly Meeting Minutes

Wednesday, January 06, 2010

1:00 pm

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REPORTS B

METROPOLITAN AIRPORTS COMMISSION MANAGEMENT & OPERATIONS COMMITTEE REGULAR MEETING

Wednesday, January 6, 2010, 1:00 p.m.
Room 3048A, Lindbergh Terminal - Wold-Chamberlain Field
Minneapolis-St. Paul International Airport

"CONSENT ITEMS"

Call to Order

A regular meeting of the Management and Operations Committee, having been duly called, was held Wednesday, January 6, 2010, in Room 3048A, Charles Lindbergh Terminal Building, Minneapolis-St. Paul International Airport, Wold-Chamberlain Field. Chair Landy called the meeting to order at 1:00 p.m. The following were in attendance:

Commissioners: Landy, Westerberg, Lanners, Harris, McKasy, McDonald, Monaco, Rehkamp, Stenerson

Staff: S. Busch, T.W. Anderson, T.L. Anderson, J. Hamiel, D. Probst, J. Nielsen, D. Ruch, S. Wareham, E. Johnson, B. Rief, P. Burke, C. Boyd, P. Hogan, M. Kilian, P. Rasmussen, J. Courteau, E. Podnieks, A. Johnson, B. Hoium, A. Irish

Others: Darren Aune, Curt Callister, Liz Nordstrom, EZ Air Park; Daniel R. Williamson, Park 'N Go; Harold Stroessner, Team Parking; Erich Schneider, Hans Rasmussen, Robert Muir Company; Bob Friskney, South Metro Airport Action Council (SMAAC); Ed Learned, Marcia Simning, Park N Fly; Emily Piper, Tim Nolan, McGrann Shea Carnival Straughn & Lamb; Michael Jensen, Heartland Payment Systems (HPS)

OPEN FORUM

The Open Forum is a portion of the Committee meeting where persons are allowed to address the Committee on subjects which are not a part of the meeting agenda. No public comments were received.

B1. PROFESSIONAL SERVICE AUTHORIZATION (PSA) QUARTERLY REPORT – CF 2119

Reports were submitted to the Commission on new, adjusted or closed Professional Service Authorizations (PSAs) for the fourth quarter (October, November, December) of 2009. The next reports are to be presented in April 2010 for any PSAs issued, adjusted or closed in the next quarter.

THIS IS AN INFORMATIONAL ITEM ONLY; NO COMMITTEE ACTION IS REQUIRED.

B2. RECOMMENDATION REGARDING BANK CARD TRANSACTION PROCESSING – CF 2120

Mr. Arlie Johnson, Assistant Director of MSP Operations/Landside provided answers and background on this item. MAC received bids on the electronic processing of bank card and personal check transactions used for parking fee transactions, commercial vehicle and taxi operator payments and conference room rent payments, at MSP. A successful candidate would need to be capable of developing an interface between MAC's custom revenue control systems -- Zeag USA parking revenue control system (RCS) and MAC Automatic Vehicle Identification System (MAVIS) -- to process bank card and check payments electronically.

The proposed bank card service would need to meet several specific requirements, including transaction speed, processing volume, and reporting capabilities. The bid evaluation was a two-part process. First, bid candidates were required to pass performance evaluation tests. Second, vendors were evaluated based on pricing and responsiveness.

After completing the review process, Heartland met all requirements and was the lowest bidder, resulting in Staff recommending that they be awarded the contract for electronic processing of bank card and personal check transactions at MSP.

In response to questions from Commissioners, Mr. Johnson explained that in reviewing qualifications of the bidders, Staff closely evaluated their performance capabilities rather than solely looking for the lowest bidder. Mr. Johnson also confirmed that interchange fees are publicly available and that any changes in fee rates will be provided by Heartland to MAC in advance. Staff agreed to do some research on interchange fees submitted by the proposers and to provide those findings to M&O Committee members.

**COMMISSIONER STENERSON MOVED AND COMMISSIONER REHKAMP SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE RECOMMEND TO THE FULL COMMISSION ACCEPTANCE OF THE BID FROM HEARTLAND PAYMENT SYSTEMS FOR A FIVE (5) YEAR AGREEMENT WITH AN OPTION TO RENEW FOR AN ADDITIONAL THREE (3) YEARS AT THE DIRECTION OF THE MSP DIRECTOR OF OPERATIONS, AND; THAT THE EXECUTIVE DIRECTOR OR HIS DESIGNEE BE AUTHORIZED TO EXECUTE THE NECESSARY DOCUMENTS.
THE MOTION CARRIED BY UNANIMOUS VOTE.**

B3. REQUEST AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR ELEVATOR, ESCALATOR, MOVING WALK AND TRAM CONSULTANT SERVICES – CF 2121

The Metropolitan Airports Commission (MAC) oversees all aspects of maintenance, repair and day-to-day operation of 187 elevators, escalators and moving walks and two automated people mover (APM) systems on the MSP campus (excluding those on the "G" Concourse). Given the volume of traffic traveling through the terminals, layout of MSP facilities, the airport's high visibility as a transportation center, and the risk of equipment failures contributing to missed flights, proper operation of all vertical and horizontal transportation equipment is critical to MSP's overall operation.

Currently Van Deusen & Associates (VDA) provides professional consultant services for MSP's vertical and horizontal transportation systems. The six-year term of the contract expires May 31, 2010 and, therefore, staff requests authority to issue a Request for Proposals for elevator, escalator, moving walk and tram consulting services. Staff also recommends a three-year term with a three-year renewal option.

**COMMISSIONER STENERSON MOVED AND COMMISSIONER MONACO SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE RECOMMEND AUTHORIZATION FOR STAFF TO ISSUE A REQUEST FOR PROPOSALS FOR ELEVATOR, ESCALATOR, MOVING WALK AND TRAM CONSULTANT SERVICES AND AUTHORIZE THE EXECUTIVE DIRECTOR OR A DESIGNATED REPRESENTATIVE TO EXECUTE THE NECESSARY DOCUMENTS.
THE MOTION CARRIED BY UNANIMOUS VOTE.**

B5. ENTERPRISE-ONE COMPUTER SYSTEM MAINTENANCE – CF 2123

Mr. Dave Ruch, Director Information Services, presented background on this request to renew the software maintenance agreement from Oracle Corp. for support of the EnterpriseOne system that provides accounting, finance, human resources, purchasing, property management and other functions.

This is a sole source purchase; software maintenance is only available from the Oracle Corp. This is an annual expense and is included in the approved 2010 Operating Budget. Total cost is \$ 122,935.84 with MN tax.

**COMMISSIONER WESTERBERG MOVED AND COMMISSIONER REHKAMP SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE RECOMMEND TO THE FULL COMMISSION THAT STAFF BE AUTHORIZED TO EXPEND \$122,935.84 FOR ENTERPRISEONE SOFTWARE SUPPORT FOR 2010, AND THAT THE EXECUTIVE DIRECTOR OR HIS DESIGNEE BE AUTHORIZED TO SIGN THE NECESSARY DOCUMENTS.
THE MOTION CARRIED BY UNANIMOUS VOTE.**

The meeting was adjourned at 2:41 pm.

**METROPOLITAN AIRPORTS COMMISSION
MANAGEMENT & OPERATIONS COMMITTEE
REGULAR MEETING**

Wednesday, January 6, 2010, 1:00 p.m.
Room 3048A, Lindbergh Terminal - Wold-Chamberlain Field
Minneapolis-St. Paul International Airport

"DISCUSSION ITEM"

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B4. RECOMMENDATION TO ADOPT COMMERCIAL VEHICLE ORDINANCE AS MAC ORDINANCE 110 – CF 2122

Mr. Steve Wareham, Director MSP Operations, and Mr. Arlie Johnson, Assistant Director MSP Operations/Landside, presented background on this proposed change to Commercial Vehicle Ordinance 93 which allows Minneapolis-St. Paul International Airport (MSP) to assess fees to commercial vehicle operators at MSP.

Staff began this process in December of 2008 when the Commission authorized a reopening of Ordinance 93 with the express purpose of looking to increase revenues. An April 8th, 2009 public hearing was held by the Management and Operations Committee, and staff brought forward recommendations of moving from a cost recovery per trip fee to a percentage of gross revenue approach (10%). At that time, Commissioners asked staff for more study on the topic and alternative options to consider. In subsequent industry discussions, off-airport parking operators expressed their preference for any potential increase to involve an add to the per-trip fee rather than a percentage share of gross revenues. Following further study, a report was given to the Management and Operations Committee in October 2009. At that time, it was

suggested that additional revenues could be best collected by taking a "per-trip fee" plus approach.

Following an additional meeting with the industry, MAC staff devised a more moderate fee structure recommendation and a 3-year phased approach to its implementation. The first year fees would remain flat, the second year would result in a 50% increase in fees with an estimated customer impact of \$0.18 per day, and the third year the fees would equal 2 times the per trip fee charge (currently \$2.50). The full impact on the customer was then estimated to be \$0.37 per day. It was also noted that one of the 4 off-airport parking companies had recently raised their rates by \$0.95 per day.

Each of the four off-airport parking company representatives addressed the committee expressing concern about staff's recommendation which would have, in their opinion, a severe financial impact on their individual businesses. Commissioners listened to their concerns and asked staff numerous questions to clarify intent and to further identify financial impacts. After extensive deliberations several commissioners remained unconvinced about the appropriateness of the staff recommendation.

Another change being recommended in the ordinance is in regard to off-airport car rental companies. Staff recommends that the off-airport car rental percentage of gross receipts paid to the MAC increase from 9.5% to 10%, matching the on-airport car rental fees. If adopted, the proposed new ordinance would replace Ordinance 93 and take effect March 1, 2010.

COMMISSIONER REHKAMP MOVED AND COMMISSIONER STENERSON SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE

- 1. ADOPT THE ATTACHED HEARING OFFICERS' REPORT; AND**
- 2. RECOMMEND THAT THE FULL COMMISSION:**
 - A. APPROVE THE ATTACHED FINDINGS, CONCLUSIONS AND ORDER RELATED TO THE ADOPTION OF THE PROPOSED COMMERCIAL VEHICLE ORDINANCE**
 - B. ADOPT THE PROPOSED ORDINANCE AS ORDINANCE NO. 110; AND**
 - C. AUTHORIZE THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO EXECUTE THE NECESSARY DOCUMENTS.**

THE MOTION FAILED.

The meeting was adjourned at 2:41 pm.