

## **Preliminary Program to Support Airport Employees in the Event of P3 Lease**

The City of St. Louis is exploring a possible lease of Lambert International Airport under the FAA Airport Investment Partnership Program (the "FAA Program") to an airport operator (the "Airport Operator"). The Airport Operator would be a private-sector company or consortium experienced in operating large commercial airports.

The City recognizes and appreciates the many contributions of Airport employees to the success and value of the Airport. The City included certain "Guiding Principles" in the consulting agreement with its transaction advisors, critical among which is providing meaningful opportunities to current Airport employees. Specifically, the Guiding Principles included the following principles for any airport lease transaction:

"4. Protection of existing collective bargaining agreements and future protections as outlined in the contract," and

"5. Development of an agreed upon plan and approach to offer employment to existing employees not covered by collective bargaining agreements and future protections as outlined in the contract and a commitment to inclusion and diversity in hiring with a focus on minority and disadvantaged hiring."

Federal law that governs the FAA Program also provides important protections for current Airport employees who are members of collective bargaining units. Currently there are about 550 positions at the Airport, of which approximately 400 are, or will be soon, covered by an existing collective bargaining agreement. Under federal law, the lease may not abrogate the terms of any current collective bargaining agreement that covers any Airport employees. Upon expiration of any such agreement, the Airport Operator would be required to negotiate successor agreements with appropriate bargaining units.

The City desires to go above and beyond the protections provided under federal law. Below is a summary of a possible program to support current Airport employees if the City completes a lease of the Airport. The purpose of this program to provide current Airport employees with meaningful career opportunities in both the private and public sectors, while ensuring continuous, safe operation of the Airport at all times.

### **Opportunity to Work for the Airport Operator**

- The Airport Operator will be required to offer employment to all interested Airport employees (including both union-represented and non-represented employees), at a salary at least equal to the employee's then current salary, plus an annual increase of at least 1.5% above the employee's current annual salary during the first five years following the transaction closing.
- As provided by federal law and explained above, the lease may not abrogate the terms of any current collective bargaining agreement that covers any Airport employees. Upon expiration of any such agreement, the Airport Operator will be required to negotiate successor agreements with appropriate bargaining units.

- For any union-represented Airport employees that accept employment with the Airport Operator, the Airport Operator will be required to abide by the terms of any collective bargaining agreement or memorandum of understanding applicable to those employees.
- A current Airport employee who accepts employment with the Airport Operator will have seniority for compensation and benefits purposes based on the employee's original hiring date (by the City) in the employee's current Airport position.
- See separate sections below regarding Police and Fire Personnel.

### **Police Personnel**

- Airport police are currently employed by the Airport and are commissioned as law enforcement officers by St. Louis County. They are not a unit of the City of St. Louis Metropolitan Police Department.
- Following the closing of the lease transaction, a comparable arrangement for police services is anticipated. The Airport Operator will be responsible for reimbursing the City or County for any Airport police service costs incurred by the City or County, respectively.

### **Fire Personnel**

- Fire personnel at the Airport are employed by the City of St. Louis Fire Department.
- Following the closing, City-employed fire personnel will remain employed by the City. The Airport Operator will be responsible for reimbursing the City for any fire and rescue services provided by the City of St. Louis Fire Department.

### **Opportunity to Remain with the City of St. Louis**

- A current Airport employee who desires to remain employed by the City may seek a vacant (non-Airport) City position for which he or she is qualified through transfer, promotion, or demotion. If the position is in the same or similar classification and pay grade as the employee's current position, the employee would transfer into the non-Airport position with no test for fitness required and the employee would remain at his or her current salary. If the position is in a higher classification than the employee's current position, the employee would be required to participate in a competitive testing process; however he or she would receive five preference points because of his or her promotional status, which would be a significant advantage over non-City applicants.
- If an Airport employee does not accept employment with the Airport Operator and does not transfer into a non-Airport position with the City, the employee may continue to work in his or her current position at the Airport during a transition period. The Airport Operator will reimburse the City for these personnel costs. The transition period is anticipated to be at least two years from the date of closing, although the City Working Group may consider a longer transition period for employees nearing retirement eligibility.
- Continued employment by the City will be pursuant to the City's civil service rules and procedures.

### **Possible Timeline**

- The City anticipates approximately 12 months to complete the RFQ, RFP, FAA approval, and closing processes (i.e. through late 2020).
- Employees will be presented with the opportunity to work for the Airport Operator during the period of time between selection of the Airport Operator and closing of the lease transaction (i.e. late 2020).
- The Airport Operator will assume responsibility for operation of the Airport in late 2020 at the earliest. The City will then provide transition services during the transition period described above (e.g. late 2020 through late 2022). Employees who do not accept employment with the Airport Operator or transfer into other non-Airport positions may remain in their positions at the Airport during this transition period.
- The dates included here are intended to be illustrative. The actual timeline of any transaction may vary from these dates.