

**DuPAGE AIRPORT AUTHORITY
REGULAR BOARD MEETING**

Wednesday, September 18, 2013

The Regular Meeting of the Board of Commissioners of the DuPage Airport Authority was convened at the DuPage Flight Center, 2700 International Drive, West Chicago, Illinois, First Floor Conference Room; Wednesday, September 18, 2013. Chairman Davis called the meeting to order at 3:01 p.m. and a quorum was present for the meeting.

Commissioners Present: Chavez, Davis, Donnelly, Gillett, Gorski, Huizenga, LaMantia, Sabathne', Thompson.

Commissioners Absent: None

DuPage Airport Authority Staff Present: David Bird, Executive Director; Byron Miller, Director of Operations; Mark Doles, Director of Aviation Facilities and Properties; Patrick Hoard, Director of Finance; John Schlaman, General Manager Prairie Landing Golf Club; Dan Barna, Procurement Analyst; Anna Normoyle, Marketing Coordinator; Pam Miller, Executive Assistant and Board Liaison.

Others in Attendance: Phil Luetkehans, Schirott, Luetkehans and Garner; Michael Vonic, CH2M Hill; Dan Pape, Crawford, Murphy and Tilly; Wyatt Zastro, FAA; Ed Harrington, CenterPoint Properties.

Members of the Press: None

CONSENT AGENDA

Chairman Davis advised that the Consent Agenda consists of items that have been reviewed by the respective committees and unanimously recommended for Board approval. He continued that if any Board Member has concerns, items can be pulled from the Consent Agenda for discussion under the **NEW BUSINESS** portion of the meeting.

There being no objections, a **MOTION** was made by Commissioner Gorski for approval of the Consent Agenda, seconded by Commissioner Thompson and passed by roll call vote (9-0). The consent agenda included the June 12, 2013 Board Meeting Minutes, Finance Committee Meeting Minutes, Capital Development Committee Meeting Minutes and the following resolutions:

Resolution 2013-1760; Award of Contract to ADP, Inc. for Payroll, Time and Attendance Services.

Resolution 2013-1761; Award of Bid to Martam Construction Inc. for Utility Disconnect Project.

Resolution 2013-1762; Appointing the Firms of Wine Sergi Insurance and Nation Air Aviation as Insurance Broker.

Resolution 2013-1763; Award of Bid to LNT Solutions for Procurement of Sodium Formate Deicing Materials.

Resolution 2013-1764; Award of Bid to Nachurs Alpine Solutions for Procurement of Runway Deicing Fluid.

Resolution 2013-1766; Award of Contract to Discipio Enterprises, Inc. for Snow Removal Services.

Resolution 2013-1767; Award of Bid to Sparkle Painting and Construction Company for Flight Center Carpet Replacement and Painting.

Resolution 2013-1768; Award of Bid to UBM Mechanical Services for Flight Center Chiller Replacement.

Resolution 2013-1769; Award of Bid to Anthony Roofing Tecta America LLC for the Air Traffic Control Tower Roof Restoration Project.

Resolution 2013-1770; Award of Bid to Colley Elevator Company for a Hydraulic Elevator Jack Replacement.

Resolution 2013-1772; Award of Bid to Direct Fitness Solutions for the Procurement of Exercise Equipment.

Resolution 2013-1773; Disposition/Destruction of Surplus Personal Property.

Resolution 2013-1774; Authorizing the Purchase of a Mid Size 4-Door Sedan, Gas-Electric Hybrid Vehicle from the State of Illinois Joint Purchasing Contract.

PUBLIC COMMENT

None

DIRECTOR'S REPORT

Executive Director Bird discussed the monthly operating statistics:

Executive Director Bird introduced Dan Barna, newly hired Procurement Analyst. Anna Marano formerly served in this position and has taken a job with the Kane County Forest Preserve and Mr. Barna was available to come back to the Airport Authority in this position.

Operating Statistics for July:

Total gallons of fuel sold for July were up 2.8%. These statistics are compared against some very large volume months; May 2012 when the NATO Summit was held in Chicago, two presidential visits, and the Ryder Cup Golf Tournament held in September 2012. These are large events that will not occur this year.

Total operations for the year are down 8%.

Staff attended an NBAA Regional Forum held in Waukegan this month and everyone seemed more optimistic for forecasting industry growth.

Airfield Project Update:

Flight Center is structurally completed with only punch list items remaining. Furniture will be delivered at the end of this month. Everything should be completed by the November Board Meeting.

ARFF Station is scheduled for completion in November. Contractor continues to say the project is progressing ahead of schedule.

Runway Widening Project - the 80% plan for this project has been submitted by Crawford, Murphy and Tilly and is on schedule for the State's March 7 letting.

Prairie Landing Golf Club Parking lot has been resurfaced. The course remained open through the entire process with events ongoing. *Landscaping* around the building has also been completed.

Prairie Landing Golf Course Bunker Renovation Project – Staff continues to work through the permitting process and required documents have been received from Robert Trent Jones. Start up of this project is anticipated for spring 2014.

Executive Director Bird met with the City of West Chicago, Mayor Pineda and Ed Harrington of CenterPoint for an update on marketing efforts for the Business Park. Mr. Harrington will provide this update to the Board as part of his report.

Executive Director Bird advised that staff is currently in the 2014 budget preparation process. He added that the Finance Committee was given a preview of the proposed budget at their earlier committee meeting earlier this day. A more detailed draft of the Tentative Budget and Appropriations will be presented at a Special Finance Committee Meeting held in October. He continued that the Capital Improvements Plan was reviewed with the Capital Development Committee at their earlier meeting and staff is on schedule for the 2014 Tentative Budget and Appropriations to be presented to the Board at the November Meeting; forwarded to DuPage County Board Chairman Cronin during the first week of December.

Commissioner Gillett will be scheduling a Policy Committee Meeting in October for updates to the Procurement Policies and Procedures.

Mark Doles reported that between now and the end of the year there would potentially be eight new jet aircraft located on the airfield; three new aircraft have already arrived with the total of eight expected by January 1 2014. He explained that these new aircraft are from charter companies located on the East Coast and the Midwest. He continued that this also speaks to the need for additional community storage space and the construction of a new hangar; construction of this new hangar has been included in the proposed Tentative 2014 Budget and Appropriations. Discussion occurred.

DuPage Business Center:

Ed Harrington, CenterPoint Properties advised that he and Airport Authority staff met with the Mayor of the City of West Chicago in August to provide an update on CenterPoint's marketing efforts for the Business Center. He continued that market activity has increased and he discussed two requests for information from companies interested in locating in the Business Center. He reported specifically on these inquiries and discussion occurred. Mr. Harrington advised the data building had been leased to a local company in the data storage business. He added this is not a start up business and the company would be making the Business Center their primary facility headquarters.

REVIEW OF FINANCIAL STATEMENTS

Executive Director Bird asked Patrick Hoard to provide a review of the Financial Statements and discussion followed.

REPORT OF COMMITTEES

Internal Policy and Compliance Committee:

Commissioner Gillett advised that the Internal Policy and Compliance Committee had no reason to meet since the last Board Meeting. She advised there would be a Policy Committee meeting scheduled prior to the next Board meeting.

Finance, Budget and Audit Committee:

Commissioner Huizenga advised that the Finance Committee met earlier in the day and considered Resolutions shown on the Consent Agenda; all were unanimously recommended for Board approval. He continued that the Financials were reviewed as presented to the Board.

Golf Committee:

Commissioner Donnelly stated that the Golf Committee did not meet prior to the Board Meeting. He commented briefly on construction activity ongoing at the Prairie Landing Golf Course and the good job done by Mr. Schlaman and staff to keep events progressing during this time.

Capital Development, Leasing and Customer Fees:

Commissioner Gorski reported the Committee met earlier in the afternoon with all members present. He continued that agenda items 8.a., b, c, and d. were unanimously recommended for Board approval by the Committee and that agenda items 8 e. and f., relating to the Business Center, was tabled. These two items will be discussed in detail later in the meeting as they appear on the agenda under New Business.

OLD BUSINESS

None

NEW BUSINESS

Proposed Ordinance 2013-1778; Authorizing the Execution of an Intergovernmental Agreement with the County of DuPage for Lobbyist Services.

Executive Director Bird stated for a number of years the Airport Authority has participated with DuPage County in an Intergovernmental Agreement to share expenses for lobbyist services. He continued that for 2014 the County has requested that the Airport Authority absorb more of the costs for these services; from \$40,000 to \$60,000. Staff and the Finance Committee recommended Board approval. Discussion followed.

A **MOTION** was made by Commissioner Gorski to approve Proposed Resolution 2013-1778; Authorizing the Execution of an Intergovernmental Agreement with the County of DuPage for Lobbyist Services. The **motion was seconded** by Commissioner LaMantia and was passed by roll call vote (9-0).

Proposed Resolution 2013-1779; Authorization to Execute the Settlement Agreement and Release with Gray Insurance Company Regarding Z Corp.

Executive Director Bird asked Attorney Phil Luetkehans to address this proposed resolution. Attorney Luetkehans advised that ZCorp Services Company was the general contractor for Phase I of the Flight Center Renovation Project and near the end of the project it became apparent that ZCorp would not have funding to pay its subcontractors. ZCorp declared bankruptcy and its surety company, Gray Insurance Company stepped in immediately and is in the process of completing the warranty work. Gray Insurance has also paid off and received releases from all

subcontractors filing liens. Attorney Luetkehans proceeded to review the scope of this agreement. Discussion followed. Staff and the Capital Development Committee recommended Board approval.

A **MOTION** was made by Commissioner Sabathne' to approve Proposed Resolution 2013-1779; Authorization to Execute the Settlement Agreement and Release with Gray Insurance Company Regarding Z Corp. The **motion was seconded** by Commissioner Donnelly and was passed by roll call vote (9-0).

Proposed Resolution 2013-1781; Declaring Certain Real Property Surplus and Authorizing Publication of Notice Requesting Offers to Purchase Authority Real Property.

Executive Director David Bird asked Phil Luetkehans to discuss resolutions relating to the Business Center Property Owners Association. Attorney Luetkehans explained there were three resolutions relating to the Business Center: a resolution for the declaration of the ponds as surplus real estate of the Authority; a resolution declaring the amenities surplus personal property and conveying them to the Association; and the final resolution authorizing the Authority to enter into a license agreement with the Association for access to the personal property amenities in the rights of way.

Attorney Luetkehans stated that with the Business Center there are ponds owned by the Authority and these ponds must be conveyed to the Association. He continued that the Authority must declare these ponds surplus property and offer for sale to the public via publication in the local newspaper; this resolution accomplishes that task. He continued that during the Capital Development Committee there were modifications recommended and approved by the committee adding language to insure this surplus property would never be transferred without the direct consent of the Airport Authority Board. Discussion followed. Staff and the Capital Development Committee recommended Board approval with these modifications.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2013-1781; Declaring Certain Real Property Surplus and Authorizing Publication of Notice Requesting Offers to Purchase Authority Real Property subject to the modifications made by the Capital Development Committee as discussed.

The **motion was seconded** by Commissioner Gorski and was passed by roll call vote (9-0).

Proposed Resolution 2013-1782; Declaring Certain Real Property Surplus and Authorizing the Transfer of Property.

Attorney Luetkehans explained the Airport Authority currently owns a number of items of personal property in the Business Center. This resolution will declare this personal property surplus and authorizes the Executive Director to convey these items to the Association. He continued that no publication and offer to the public for sale of these items is necessary. Attorney Luetkehans stated that the same modifications as discussed for the previous resolution will be included. Discussion followed. Staff and the Capital Development Committee recommended Board approval subject to the modifications as noted.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2013-1782; Declaring Certain Real Property Surplus and Authorizing the Transfer of Property Subject to the modifications as discussed. The **motion was seconded** by Commissioner Gorski and was passed by roll call vote (9-0).

Proposed Resolution 2013-1783; Authorizing the Execution of a License Agreement with the DuPage Business Center Property Owners Association.

This proposed resolution was **TABLED** and will be addressed at the November Board Meeting.

Proposed Resolution 2013-1784; Approval of Easement to the City of St. Charles.

This proposed resolution was **TABLED** and will be addressed at the November Board Meeting.

Discussion of Status of the Air Traffic Control Tower Nighttime Operations.

Executive Director Bird advised that for a number of years the Airport Authority has funded night time operational hours of the Air Traffic Control Tower for 24-7 operations. He continued that at the June Board Meeting a reimbursable agreement with the FAA for continuing this service was approved for the amount of \$385,000. Executive Director Bird advised that subsequently, the FAA advised that a calculation error was made and the amount of this agreement would be \$535,000; the Airport Authority will need to determine if the nighttime hours should continued to be funded at this cost. Discussion occurred. Executive Director Bird stated the Airport Authority's recommendation is to negotiate with the FAA for a not to exceed amount of \$410,000 for staffing the tower Monday through Friday on a 24-7 basis and not funding tower operations on weekends; Saturday and Sunday night, 10:00 p.m. to 6:00 a.m. Discussion continued and Executive Director Bird advised if it is the decision of the Board is to negotiate a contract with the FAA as discussed, a proposed resolution will be presented at the November Meeting for Board approval. All Commissioners agreed.

Discussion of Ten-Year Capital Improvement Plan and Cash Flow Forecast.

Executive Director Bird asked Patrick Hoard to review the Capital Plan. Mr. Hoard stated that at a previous Capital Development Committee meeting, staff reviewed this plan in detail and the Committees recommendations included. Discussion occurred.

RECESS TO EXECUTIVE SESSION

A **MOTION** was made by Commissioner LaMantia to recess to Executive Session for the discussion of pending, probable or imminent litigation; employee matters; and the setting of a price for sale or lease of property owned by the DuPage Airport Authority. The **motion was seconded** by Commissioner Gorski and was passed unanimously by roll call vote (9-0). The Regular Meeting was recessed to Executive Session at 3:57 p.m. and was reconvened at 4:49 p.m. Upon roll call, a quorum was present for the remainder of the Regular Meeting.

OTHER BUSINESS

Proposed Resolution 2013-1780; Authorizing the Execution of an Employment Agreement with the Executive Director of the DuPage Airport Authority.

A **MOTION** was made by Commissioner Thompson to approve Proposed Resolution 2013-1780; Authorizing the Execution of an Employment Agreement with the Executive Director of the DuPage Airport Authority. The **motion was seconded** by Commissioner Thompson and was passed by roll call vote (9-0).

A **MOTION** was made by Commissioner Thompson to adjourn the Regular Meeting of the DuPage Airport Authority Board of Commissioners. The **motion was seconded** by Commissioner Donnelly and was passed unanimously by voice vote; the meeting was adjourned at 4:51 p.m.

Approved at the January 15, 2014 Board Meeting

**Stephen L. Davis
Chairman**