

**DuPAGE AIRPORT AUTHORITY
ANNUAL AND REGULAR BOARD MEETING**

**Wednesday, January 12, 2011
DuPage Flight Center, 2700 International Drive, West Chicago
1st Floor Conference Room**

The Annual and 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, 1st Floor Conference Room; Wednesday, January 12, 2011. Chairman Goodwin called the meeting to order at 3:24 p.m. and a quorum was present for the meeting.

Commissioners Present: Davis, Donnelly, Gillett, Goodwin, 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 Operations Planning; Lisa Maedgen, Director of Finance and Administration; John Schlaman, General Manager Prairie Landing Golf Club; Anna Marano, Procurement Analyst; Anna Normoyle, Marketing Coordinator; Pam Miller, Executive Assistant and Board Liaison.

Others in Attendance: Phil Luetkehans, Schirott & Luetkehans; Dan Pape, Crawford, Murphy & Tilly; Fred Reynolds, CenterPoint Properties Trust; Brian Quigley, CenterPoint Properties Trust; Nicole Navarro, CenterPoint Properties Trust; Michael Vonic, CH2M Hill; Johnny Jackson, CH2M Hill; Ben Goebel, RS & H; Conor Mullady, Jones Lang LaSalle; Len Caldera, Jones Lang LaSalle.

Members of the Press: None

APPROVAL OF MINUTES

Chairman Goodwin asked for additions or corrections to the minutes of September 8, 2010 Regular Board Meeting. Commissioner Gorski made a **MOTION** to approve the minutes of the September 8, 2010 Regular Board Meeting and Commissioner LaMantia **seconded this motion**. The motion was passed unanimously by roll call vote (9-0).

Chairman Goodwin asked for additions or corrections to the minutes of the November 10, 2010 Regular Board Meeting. Commissioner LaMantia made a **MOTION** to approve the minutes of the November 10, 2010 Regular Board Meeting and Commissioner Davis **seconded this motion**. The motion was passed unanimously by roll call vote (9-0).

Chairman Goodwin asked for additions or corrections to the minutes of the December 1, 2010 Special Board Meeting and there were none. Commissioner Huizenga made a **MOTION** to approve the minutes of the December 1, 2010 Special Board Meeting and Commissioner Donnelly **seconded this motion**. The motion was passed unanimously by roll call vote (9-0).

Chairman Goodwin asked for additions or corrections to the minutes of the November 10, 2010 Capital Development, Leasing and Customer Fees Committee Meeting. Commissioner Gorski made a **MOTION** to approve the minutes of the November 10, 2010 Capital Development, Leasing and Customer Fees Committee Meeting and Commissioner Sabathne' **seconded this motion**. The motion was passed unanimously by roll call vote (9-0).

Chairman Goodwin asked for additions or corrections to the minutes of the November 10, 2010 Finance, Budget and Audit Committee and there were none. Commissioner Huizenga made a **MOTION** to approve the minutes of the November 10, 2010 Finance, Budget and Audit Committee Meeting and Commissioner Davis **seconded this motion**. The motion was passed unanimously by roll call vote (9-0).

PUBLIC COMMENT

None

DIRECTOR'S REPORT

Executive Director Bird discussed the monthly operating statistics. He advised that from a fuel sales standpoint, November was an excellent month. He reported that Jet A was up by 19½% and 100LL was down just over 5%. He continued that Operations for the month of November basically trended with the other airports in the region as well as nationally and that Year-to-Date the local operations and itinerate operations are trending down as with the other airports in the reporting area; Operations are down 7½% even with significant fuel sales.

Executive Director Bird advised that representatives from CH2M Hill will present an update on the Primary Runway Project. He continued that updates will be provided at the March Board Meeting on the Flight Center Building Improvement Project and North East Drainage Improvements. He also reported that the need for additional ramp lighting is being evaluated and staff is working with Crawford, Murphy and Tilly to address this need. He continued that staff is seeking finalization of the Environmental Assessment and a coordination meeting with all entities involved will be held later in January to discuss this issue. Discussion occurred.

Representatives from CH2M Hill; Michael Vonic and Johnny Jackson provided an update on the scope of work for the runway extension and safety area improvements; discussion followed.

Mark Doles, Director of Operations Planning, discussed agenda items to be addressed: Lease extensions for existing tenants, a master Lease with FAA, Ordinance for temporary reduction of certain fees. Mr. Doles reported that Argonne's lease in the Flight Center Building ended December 31, 2010 and staff is working with the University of Illinois to return some of the equipment and determine the equipment to be left in the space. He advised that staff is hopeful to reutilize this space potentially for corporate meetings and groups.

Byron Miller, Director of Operations, reported that the hangar residing project is essentially completed for this year with potentially more hangars scheduled for residing in 2011. He continued that the remainder of the year will consist mostly of snow removal and ice control.

John Schlaman, General Manager of Prairie Landing Golf Club, reported on the financial status of Prairie Landing from November and what is anticipated for 2011. He advised that Prairie Landing finished 2010 essentially flat in comparison to 2009 with no real changes. He continued that generally revenue is down ½%, with Banquets up 1% and Food and Beverage up 4%. He related that expenses are up overall 2% which is mainly due Property Taxes paid in 2010 versus 2009. He reviewed the challenges experienced in 2010 such as a decline in weekday golf traffic due to the lack of scheduled corporate or business events. He also advised that some significant weather events occurred throughout 2010 and also the West Chicago Amusement Tax enacted on Golf services and the new competitor in the area, Bose Creek Golf Club in South Elgin presented some additional challenges. Mr. Schlaman advised that 2011 Capital Projects will include replacing the clubhouse windows and the purchase new golf carts. He continued that the bunker rehabilitation project has been budgeted for \$200,000 for continuing repair of 130 bunkers. He added that Business Development is a major focus with a new Banquet sales manager recently hired who has already been successful in pushing the winter business. Mr. Schlaman continued that only one recordable safety accident occurred at Prairie Landing during 2010 which is very good considering the hazardous type of work to be done to maintain the golf course and restaurant business; staff practices a high level of safety at all times.

REVIEW OF NOVEMBER 2010 FINANCIAL STATEMENTS

Executive Director Bird asked Lisa Maedgen to provide a review of the November 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; no report was given.

Golf Committee:

Commissioner Donnelly stated that John Schlaman's report was thorough and complimented Mr. Schlaman and his staff for a job well done during difficult economic times and inclement weather conditions during the year.

Finance, Budget and Audit Committee:

Commissioner Huizenga reported that the Finance Committee met earlier in the day with all agenda items favorable recommended for approval. He continued that the financial reports were reviewed and discussion occurred regarding the start up of the Annual Audit by late January.

Capital Development, Leasing and Customer Fees:

Commissioner Gorski reported that the Capital Development, Leasing and Customer Fees Committee met earlier with all committee members present. He advised that the committee considered agenda items 9.g. through 9.j. relating to the execution of an office lease agreement and a building lease agreement; Memorandum of Agreement for No Cost Land on the Airport and a temporary reduction of certain fees. He added that all four agenda items were favorably recommended to the full Board for approval.

Business Park:

Executive Director Bird advised that staff continues to work toward finalizing an agreement going forward with CenterPoint that would be discussed in detail during the Executive Session. He also advised that Fred Reynolds of CenterPoint Properties would provide a review of the newly designed marketing efforts to be undertaken by CenterPoint for the Business Park. Mr. Reynolds introduced representative from CenterPoint Properties and Jones Lang LaSalle to provide this information. Discussion followed.

Chairman Goodwin asked Attorney Luetkehans to explain the purpose and the procedures for conducting the Annual Board Meeting. Attorney Luetkehans advised that pursuant to the Airport Authority Board's By-Laws, the Regular Meeting would be recessed to the Annual Board Meeting business with the main directive to vote on a slate of officers for the coming Fiscal Year. He continued that the Chairman would normally address committee appointments and also approve the 2011 Board and Committee Meeting Calendar.

RECESS REGULAR MEETING AND CONVENE THE ANNUAL MEETING

The Regular Meeting of the DuPage Airport Authority Board of Commissioners was recessed at 4:45 p.m. by a **MOTION** made by Commissioner Gorski; **seconded** by Commissioner LaMantia and a unanimous roll call vote (9-0). The Annual Meeting was immediately convened and upon roll call there was a quorum present for this portion of the meeting.

ELECTION OF OFFICERS FOR THE 2011 FISCAL YEAR

Commissioner LaMantia placed into nomination the following Slate of Officers for the 2011 Fiscal Year: Daniel Goodwin, Chairman; Gerald Gorski, Vice-Chairman; Dayle Gillett, Secretary; Stephen Davis, Treasurer; Mark Doles, Assistant Secretary and Lisa Maedgen, Assistant Treasurer. Chairman Goodwin then asked for other nominations and there were none. Commissioner Huizenga made a **MOTION** that nominations be closed; the motion was seconded by Commissioner Donnelly and was passed by roll call vote (9-0).

Commissioner Thompson made a **MOTION** for the Board to approve the Slate of Officers for Fiscal Year 2011 as presented. The **motion was seconded** by Commissioner Sabathne' and was unanimously passed by roll call vote (9-0).

REVIEW OF COMMITTEE ASSIGNMENTS

Chairman Goodwin stated that committees would remain as established unless there were recommendations for changes. Commissioner Thompson advised that he is aware of vacancies on two of the committees,

Internal Policy and Compliance Committee and Golf Committee. He advised of his interest to serve on these committees. Chairman Goodwin appointed Commissioner Thompson to serve on the Internal Policy and Compliance Committee and the Golf Committee of the Airport Authority Board.

APPROVAL OF 2011 MEETING CALENDAR

Chairman Goodwin advised that each year a schedule for Board and Committee Meetings is approved for public notice. He asked if there were objections or recommended changes to the calendar as presented; there were none.

A **MOTION** was made by Commissioner Gorski to approve the 2011 Board and Committee Meeting Calendar. The **motion was seconded** by Commissioner Davis and was passed unanimously by roll call vote (9-0).

A **MOTION** was made by Commissioner Gillett to adjourn the Annual Board Meeting; the **motion was seconded** by Commissioner Thompson. By unanimous roll call vote (9-0), the motion was passed and the Annual Board Meeting adjourned at 4:53 p.m. The Regular Board Meeting was immediately reconvened with all members present.

OLD BUSINESS

None

NEW BUSINESS

Proposed Ordinance 2011-241; Adopting Budget and Appropriations Ordinance for the DuPage Airport Authority for the fiscal Year Beginning January 1, 2011 and ending December 31, 2011.

Executive Director and Lisa Maedgen reviewed the Budget and Appropriations for Fiscal Year 2011. Executive Director Bird asked Mrs. Maedgen to address the high points of the budget and she explained the process leading to passage of the Budget and Appropriations. Mrs. Maedgen advised the Tentative Budget and Appropriations was passed at the November 10, 2010 Board meeting and was forwarded to the DuPage County Chairman for review on December 8, 2010. She continued that a Public Notice was published in the Daily Herald which stated that the Tentative Budget and Appropriations was available to the public for inspection at the Airport Authority during business hours and that to this date there have been no inquiries made regarding the Budget. Mrs. Maedgen advised the County Board Chairman has a period of 30 days to review the budget and provide comment or questions and that time period has elapsed. She continued that the Public Hearing was held earlier this day with no members of the public in attendance and with this all statutory requirements have been met. Discussion occurred. Staff and the Finance, Budget and Audit Committee recommend approval.

A **MOTION** was made by Commissioner Huizenga to approve Proposed Ordinance 2011-241; Adopting Budget and Appropriations Ordinance for the DuPage Airport Authority for the Fiscal Year Beginning January 1, 2011 and ending December 31, 2011. The **motion was seconded** by Commissioner Gorski and was passed unanimously by roll call vote (9-0).

DISCUSSION OF ABATING LEVY OF TAXES FOR THE FISCAL YEAR JANUARY 1, 2010 THROUGH DECEMBER 31, 2010.

Executive Director Bird advised that an abatement of \$500,000 as again shown in the 2011 Budget. This abatement of property taxes for the 2010 Fiscal Year and this Ordinance will be presented for Board action at the March meeting. Attorney Luetkehans stated that the Board can abate two years consecutively and on the third year choose not to abate and retain the original amount of the property taxes received. He continued that if the Board chooses to abate for three consecutive years, this would permanently reduce the Airport Authority's property tax levy by the amount of the third year's abatement. The Chairman advised this will be discussed and voted upon by the Board at the March Board Meeting.

Executive Director Bird advised that all of the agenda items relating to bid awards have been thoroughly vetted at the Finance Committee and were unanimously recommended for Board approval.

Proposed Ordinance 2011-242; An Ordinance of the DuPage Airport Authority Promulgating Regulations Under the Freedom of Information Act.

Executive Director Bird advised this ordinance is passed annually by the Board in order to promulgate regulations under the Freedom of Information Act for Fiscal Year 2011 and is a statutory requirement.

A **MOTION** was made by Commissioner Davis to approve Proposed Ordinance 2011-242; An Ordinance of the DuPage Airport Authority Promulgating Regulations Under the Freedom of information Act. The **motion was seconded** by Commissioner Huizenga and was passed unanimously by roll call vote (9-0).

Proposed Resolution 2011-1555; Resolution Approving the Use of Outside Attorneys and Auditors for the Year 2011.

Executive Director Bird stated the Airport Authority each year approves the use of outside attorneys and auditors for the DuPage Airport Authority. He reviewed rates for 2010 and the rates proposed for 2011. Executive Director Bird stated that it is recommended that Wolf and Company be retained as the audit firm to be utilized by the Airport Authority; Schirott and Luetkehans and Veddar Price are recommended as the legal firms to be utilized by the Airport Authority during Fiscal Year 2011. Chairman Goodwin stated that the rates proposed are very competitive and fair. Discussion occurred and all commissioners were in agreement.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2011-1555; Resolution Approving the Use of Outside Attorneys and auditors for the Year 2011. The **motion was seconded** by Commissioner Gillett and was passed unanimously by roll call vote (9-0).

Proposed Resolution 2011-1556; Award of an Electric Energy Supplier Agreement.

Executive Director Bird stated the Airport has purchased electric energy from suppliers in the deregulated market since 2007 and the current provider is MidAmerican Energy. He continued that MidAmerican's agreement with the Airport Authority will expire February 1, 2011 and staff has solicited Request for Proposals with four proposals received. After thorough review it was determined that Integrys Energy Services offered the lowest and best rate for electric energy. This recommendation was confirmed by attorney review and recommended for Board approval by staff and the Finance, Budget and Audit Committee. Discussion occurred.

A **MOTION** was made by Commissioner Gorski to approve Proposed Resolution 2011-1556; Award of an Electric Energy Supplier Agreement to Integrys Energy Services. The **motion was seconded** by Commissioner Donnelly and was passed unanimously by roll call vote (9-0).

Proposed Resolution 2011-1557; Award of Service Contract to Urban Elevator Service, Inc. for Elevator Maintenance for the DuPage Airport Authority.

Executive Director Bird explained that staff solicited Request for Proposals for a service contract for elevator maintenance at the airport and three proposals were submitted. He continued that after evaluation it was determined that Urban Elevator Service Inc. was the low responsible bidder. Staff and the Finance Committee recommended Board approval.

A **MOTION** was made by Commissioner Donnelly to approve Proposed Resolution 2011-1557; Award of Service Contract to Urban Elevator Service, Inc. for Elevator Maintenance for the DuPage Airport Authority. The **motion was seconded** by Commissioner Davis and was passed unanimously by roll call vote (9-0).

Proposed Resolution 2011-1558; Authorizing the Execution of a Building Lease Agreement with MorganFranklin Corporation for 320 Kress Road.

Executive Director Bird asked Mark Doles to discuss this lease renewal for MorganFranklin Corporation. Mr. Doles advised that staff has been working with this company to continue their lease at 320 Kress Road and proceeded to explain the specific terms of this lease agreement. Discussion followed and staff and the Capital Development, Leasing and Customer Fees Committee recommended approval.

A **MOTION** was made by Commissioner Davis to approve Proposed Resolution 2011-1558; Authorizing the Execution of a Building Lease Agreement with MorganFranklin Corporation for 320 Kress Road. The **motion was seconded** by Commissioner Thompson and was passed unanimously by roll call vote (9-0).

Proposed Resolution 2011-1559; Authorizing the Execution of an Office Lease Agreement with NetJets Services, Inc.

Executive Director Bird asked Mark Doles to review this proposed Office Lease Agreement for NetJets Services. Mr. Doles explained this would authorize a one-year office lease for space currently occupied by NetJets on the third floor of the Flight Center Building. He reviewed the specific terms of this lease agreement. He also advised that because of timing issues this lease was administratively approved by the Executive Director in order to retain a long-term tenant and a revenue stream for the Airport Authority; Board approval would ratify the action of the Executive Director to execute this office lease agreement.

A **MOTION** was made by Commissioner Sabathne' to approve Proposed Resolution 2011-1559; Ratification of the Executive Director's Execution of an Office Lease Agreement with NetJets Services Inc. The **motion was seconded** by Commissioner Gillett and was unanimously passed by roll call vote (9-0).

Proposed Resolution 2011-1560; Authorizing Execution of No Cost Land on Airport Memorandum of Agreement.

Executive Director asked Mark Doles to discuss the No Cost Land on Airport Memorandum of Agreement. Mr. Doles explained this agreement was previously referred to as a Master Lease for Navigational Aids. He continued that the Federal Aviation Administration (FAA) Grant Assurances stated that Airports must provide, at no cost to the FAA, land for navigational facilities. He added that failure to have the master lease in place could jeopardize the Airport's ability to receive future federal grants. Discussion occurred.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2011-1560; Authorizing the Execution of No Cost Land on Airport Memorandum of Agreement. The **motion was seconded** by Commissioner Davis and was unanimously passed by roll call vote (9-0).

Proposed Ordinance 2011-240; Authorizing the Temporary Reduction of Certain Fees.

Executive Director Bird asked Mark Doles to continue. Mr. Doles explained that as a result of the downturn in the economy and particularly in the aviation industry, relief had been proposed for our based regulated aviation business in the form of a temporary fee reduction. He continued the passage of an Ordinance in 2009 provided a temporary 50% reduction in SASO fees charged by the Airport Authority and that Proposed Ordinance 2011-240 would continue the 50% reduction for a one-year period for this year. Mr. Doles added that this decrease has been recognized as a part of the FY 2011 Budget and Appropriations. Discussion occurred and staff and the Capital Development Committee recommended Board approval to extend this temporary fee reduction for FY 2011.

A **MOTION** was made by Commissioner Davis to approve Proposed Ordinance 2011-240; Authorizing the Temporary Reduction of Certain Fees. The **motion was seconded** by Commissioner Gillett and passed by roll call vote (9-0).

Proposed Resolution 2011-1561; Authorizing the Execution of a Contract with Serafin and Associates Inc. for the Purpose of Developing Public Relations Materials for the DuPage Airport Authority.

Executive Director Bird stated that the Airport Authority periodically would have a need to produce public relations materials to highlight newsworthy accomplishments and actions of the Airport Authority. Also, he added, the ability to prepare news releases and other types of public relations documents and strategically place them into newspapers and other types of media outlets would also be helpful to the Airport Authority. Executive Director Bird advised that the Airport Authority is proposing a relationship with the firm of Serafin and Associates Inc. for a \$25,000 not-to-exceed contract to assist the Airport Authority on an as needed basis with these types of services when required.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2011-1561; Authorizing the Execution of a Contract with Serafin and Associates Inc. for the Purpose of Developing Public Relations Materials for the DuPage Airport Authority. The **motion was seconded** by Commissioner Davis and was unanimously passed by roll call vote (9-0).

Chairman Goodwin recessed the meeting at 5:20 p.m. for a short break and the meeting was reconvened at 5:36 p.m.

RECESS TO EXECUTIVE SESSION

A **MOTION** was made by Commissioner LaMantia to recess to Executive Session for purchase or lease of real property for the use of the DuPage Airport Authority and the setting of a price for sale or lease of property owned by the DuPage Airport Authority. The **motion was seconded** by Commissioner Davis and was passed unanimously by voice vote. The Regular Meeting was recessed to Executive Session at 5:38 p.m. and was reconvened at 7:12 p.m. Upon roll call, a quorum was present for the remainder of the Regular Meeting.

OTHER BUSINESS

None

A **MOTION** was made by Commissioner Sabathne' to adjourn the Regular Meeting of the DuPage Airport Authority Board of Commissioners. The **motion was seconded** by Commissioner Gillett and was passed unanimously by voice vote; the meeting was adjourned at 7:14 p.m.

Approved - March 16, 2011 Board Meeting
Daniel L. Goodwin, Chairman