

**DuPAGE AIRPORT AUTHORITY
REGULAR BOARD MEETING
WEDNESDAY, SEPTEMBER 14, 2011**

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 14, 2011. Chairman Goodwin called the meeting to order at 3:35 p.m. and a quorum was present for the meeting.

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

Commissioners Absent: Donnelly

DuPage Airport Authority Staff Present: David Bird, Executive Director; Mark Doles, Director of Aviation Facilities and Properties; Byron Miller, Director of Operations; Patrick Hoard, Director of Finance; 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; Brian Quigley, CenterPoint Properties Trust; Edward Harrington, CenterPoint Properties Trust; Michael Vonic, CH2MHill; Dan Pape, Crawford, Murphy and Tilly; Ben Goebel, R S & H; Jim McConachie, LDC/LMCE.

Members of the Press: None

APPROVAL OF MINUTES

Chairman Goodwin asked for additions or corrections to the minutes of the May 11, 2011 Regular Board Meeting. Commissioner Gorski made a **MOTION** to approve the minutes of the May 11, 2011 Regular Board Meeting and Commissioner Davis **seconded this motion**. The motion was passed unanimously by roll call vote (8-0).

Chairman Goodwin asked for additions or corrections to the minutes of the June 9, 2011 Regular Board Meeting. Commissioner Davis made a **MOTION** to approve the minutes of the June 9, 2011 Regular Board Meeting and Commissioner LaMantia **seconded this motion**. The motion was passed unanimously by roll call vote (8-0).

Chairman Goodwin asked for additions or corrections to the minutes of the August 4, 2011 Special Subcommittee Meeting. Commissioner Gorski made a **MOTION** to approve the minutes of the August 4, 2011 Special Subcommittee Meeting and Commissioner Gillett **seconded this motion**. The motion was passed unanimously by roll call vote (8-0).

Chairman Goodwin asked for additions or corrections to the minutes of the June 8, 2011 Finance, Budget and Audit Committee and there were none. Commissioner Huizenga made a **MOTION** to approve the minutes of the June 8, 2011 Finance, Budget and Audit Committee Meeting and Commissioner Davis **seconded this motion**. The motion was passed unanimously by roll call vote (8-0).

Chairman Goodwin asked for additions or corrections to the minutes of June 8, 2011 Capital Development, Leasing and Customer Fees Committee Meeting. Commissioner Gorski made a **MOTION** to approve the minutes of the June 8, 2011 Capital Development, Leasing and Customer Fees Committee Meeting and Commissioner Gillett **seconded this motion**. The motion was passed unanimously by roll call vote (8-0).

PUBLIC COMMENT

None

DIRECTOR'S REPORT

Executive Director Bird discussed the monthly operating statistics:

He advised that total fuel sales are improved; 100LL fuel sales up 16% for the month and Jet A sales are up 2%; a total increase for the year of 3.8%. He added that 80% of fuels sales are to base customers and 20% to transient customers. He continued these numbers reflect the importance of base customers to the Airport as fuel prices increase, more fuel will be sold to base customers; transient customers are tankering fuel. Executive Director Bird stated staff is optimistic the remainder of the year will continue trending strong. Discussion continued.

Executive Director Bird reported that new statutes were passed by the State Legislature for County Governments to require greater financial reporting from agencies having Boards that are appointed by the County Chairman. He continued that County Board Chairman Cronin hosted a meeting for these agencies and the Airport Authority was represented by Commissioner Gerry Gorski, David Bird and Patrick Hoard. Discussion occurred regarding these requirements and the potential outcome. Chairman Goodwin commented that the County asked for total compliance as soon as possible and the Airport Authority responded immediately. The DuPage Airport Authority already has been transmitting an annual budget to the County Board Chairman every year for inclusion in the County Budget. Executive Director Bird responded that the Airport Authority was able to comply immediately with the request because under Chairman Goodwin the DuPage Airport Authority had already rewritten all of the policies and procedures to ensure transparency and ethics in all areas. These included the Employee Handbook, the Procurement Policy, the disclosure of political contributions by vendors and updating the Airport Authority website to include electronic access to all actions of the Board. Discussion continued.

Executive Director Bird reported that during August DuPage Airport was selected to serve as the base airport for the Presidents Helicopter Unit during the time spent in the Chicagoland area. The Airport Authority has worked in the past with this unit and they were impressed with the facilities and service provided at DuPage Airport.

Executive Director Bird advised that in July the Airport hosted the last flying B-29 aircraft during Community Days Weekend; it is anticipated to return in 2012.

Executive Director Bird discussed the midyear budget reductions that staff spent much of the summer undertaking. He explained that upon review of the 2011 Budget, it was determined there was a significant shortfall and staff immediately addressed this with the needed adjustments. Executive Director Bird advised this shortfall came about as a result of the renegotiated Development Agreement with CenterPoint Properties for the Business Center.

Mark Doles, Director of Aviation Facilities and Properties, advised that fuel sales were up 12% for the month. He reported that two new aircraft have been moved to the airfield, providing 60-90 days of increased hangar revenues for the Airport Authority. Mr. Doles continued that some new deals are being addressed and will potentially be brought to the November Board Meeting for consideration.

Byron Miller, Director of Operations, reported that the construction season had a slow start for this year. He continued that the South Apron Construction project is completed; the East Side Drainage project is underway with 3500 feet of drainage pipes in the ground; and the hangar siding project for the last three hangars on Tower Road are 4 to 5 weeks from completion. Mr. Miller added that grass cutting and landscaping work is ongoing.

John Schlaman, General Manager of Prairie Landing Golf Club, reported that the Prairie Landing Golf Course and Clubhouse are in good working order and good condition. He continued that Banquet sales are trending stronger and staff is beginning to recapture this business. Mr. Schlaman reported that golf outings and weekday rounds are down; weekend business remains consistent. He continued that staff is reacting to decreased revenues by extreme cost control measures, keeping a positive outlook and working harder to increase sales. Executive Director Bird stated that staff will be developing a plan for reducing these losses and will bring recommendations to the Board at the November meeting in conjunction with presentation of the 2012 Tentative Budget and Appropriations. Discussion occurred.

REVIEW OF AUGUST 2011 FINANCIAL STATEMENTS

Executive Director Bird asked Patrick Hoard to discuss the August Financials. Mr. Hoard reviewed the new format being utilized for financial reporting and provided analysis for the August financial statements. Mr. Hoard also discussed the development of an investment policy for the Airport Authority and advised this proposed plan will be brought to the Finance Committee for consideration at a future meeting. Discussion occurred.

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.

Finance, Budget and Audit Committee:

Commissioner Huizenga advised that financial reporting was discussed at the committee meeting held earlier, September 14. He added that staff will present proposed resolutions that have been reviewed and unanimously approved by the Finance Committee for Board approval.

Golf Committee:

Commissioner Donnelly was not present for the meeting. The Golf Committee had not met since the last Board Meeting; no report was given.

Capital Development, Leasing and Customer Fees:

Commissioner Gorski reported that the Capital Development, Leasing and Customer Fees Committee met earlier in the afternoon of September 14, and all committee members were present. He advised the Committee unanimously recommended for approval agenda items 9.g. through 9.o. all relating to proposed capital projects and lease renewals as well as agreements relating to the NIPTRC Development in the Business Center.

DuPage Business Center:

Brian Quigley of CenterPoint Properties reviewed marketing efforts for the Business Center and discussion occurred. He advised there are some ongoing preliminary conversations with companies who are looking to increase efficiency and reduce costs. He continued that these potential deals would be further discussed during the Executive Session of the Board Meeting.

OLD BUSINESS

None

NEW BUSINESS

Proposed Resolution 2011-1597; Award of Bid to Snow Systems Inc. for Snow Removal Services.

Executive Director Bird advised this bid award was discussed at the Finance Committee and staff and the Committee recommend approval.

A **MOTION** was made by Commissioner Huizenga to approve Proposed Resolution 2011-1597; Award of Bid to Snow Systems Inc. for Snow Removal Services. The **motion was seconded** by Commissioner Davis and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1598; Award of Bid to LNT Solutions, Incorporated for the Procurement of Runway Deicing Material.

Executive Director Bird advised that staff and the Finance Committee recommend approval.

A **MOTION** was made by Commissioner Davis to approve Proposed Resolution 2011-1598; Award of Bid to LNT Solutions for the Procurement of Runway Deicing Materials. The **motion was seconded** by Commissioner Huizenga and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1603; Authorization to Execute an Amendment to the Agreement with Serafin and Associates Inc. for Marketing and Communications Services.

Executive Director Bird advised this resolution was considered by the Finance Committee and was unanimously recommended for Board approval. Chairman Goodwin stated that working with Serafin and Associates has brought positive attention to the Airport and its tenants and has provided exceptional marketing and communications services. Discussion occurred. Attorney Luetkehans will make the necessary modifications in the resolution to reflect "marketing and communications services."

A **MOTION** was made by Commissioner Huizenga to approve Proposed Resolution 2011-1603; Authorization to Execute an Amendment to the Agreement with Serafin and Associates Inc. for Marketing and Communications Services. The **motion was seconded** by Commissioner Davis and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1609; Authorization to Execute an Intergovernmental Agreement with the County of DuPage Relating to Lobbyist Services.

Executive Director Bird explained that four years ago the Airport Authority and DuPage County began partnering to share lobbying services provided by the firm of Baker, Donelson, Bearman, Caldwell & Berkowitz. He stated that the County has proposed continuing this partnership utilizing a different firm in 2012; the BGR Group. Executive Director Bird added the Airport Authority's portion under this Intergovernmental Agreement is \$40,000. Staff recommended approval.

A **MOTION** was made by Commissioner Davis to approve Proposed Resolution 2011-1609; Authorization to Execute an Intergovernmental Agreement with the County of DuPage Relating to Lobbyist Services. The **motion was seconded** by Commissioner Gorski and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1604; Authorization to Execute a Purchase Order Contract with Vaisala, Inc. for Repairs and Upgrades to Runway Weather Information System.

Executive Director Bird advised that staff and the Finance Committee recommended approval of this Purchase Order Contract with Vaisala, Inc.

A **MOTION** was made by Commissioner Huizenga to approve Proposed Resolution 2011-1604; Authorization to Execute a Purchase Order Contract with Vaisala, Inc. for Repairs and Upgrades to Runway Weather Information System. The **motion was seconded** by Commissioner Davis and was passed by roll call vote (8-0).

Proposed Resolution 2011-1605; Authorization to Execute a Non-Federal Reimbursable Agreement Between the Department of Transportation Federal Aviation Administration and DuPage Airport Authority.

Executive Director Bird explained that DAA pays the Federal Aviation Administration (FAA) for nighttime staffing of the Air Traffic Control Tower in order that the Tower can be staffed and the Airport remain open and controlled during the nighttime hours. He added that DAA staff reviewed the agreement submitted by the FAA. The operational data for nighttime hours was questioned and a potential reduction in costs was requested. The FAA acknowledged that the Airport Authority does average at or above the required four operations per hour for some of the night shifts and provided a revised estimate of costs, reducing the amount of the total agreement by \$104,624.49. The total estimated cost for this non-reimbursable agreement with the FAA is \$343,766.15 and staff and the Finance Committee recommended approval. Discussion occurred.

A **MOTION** was made by Commissioner Davis to approve Proposed Resolution 2011-1605; Authorization to Execute a Non-Federal Reimbursable Agreement Between the Department of Transportation Federal Aviation Administration and DuPage Airport Authority. The **motion was seconded** by Commissioner LaMantia and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1610; Award of Bid to Geneva Construction Company for Pavement Rehabilitation.

Executive Director Bird advised that staff and the Capital Development Committee recommended Board approval.

A **MOTION** was made by Commissioner Gorski to approve Proposed Resolution 2011-1610; Award of Bid to Geneva Construction Company for Pavement Rehabilitation. The **motion was seconded** by Commissioner LaMantia and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1613; Authorizing Task Order 5 of On-Call Consultant Capital Program – Construction Design Support and Observation.

Executive Director Bird advised that staff and the Capital Development Committee recommended Board approval.

A **MOTION** was made by Commissioner Gillett to approve Proposed Resolution 2011-1613; Authorizing Task Order 5 of On-Call Consultant Capital Program – Construction Design Support and Observation. The **motion** was seconded by Commissioner Gorski and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1601; Award of Bid to Z-Corp Services, Co. for the Flight Center Remodeling Project.

Executive Director Bird advised that staff and the Capital Development Committee recommended approval.

A **MOTION** was made by Commissioner Davis to approve Proposed Resolution 2011-1601; Award of Bid to Z-Corp Services Co. for the Flight Center Remodeling Project. The **motion was seconded** by Commissioner LaMantia and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1602; Authorization for Construction Administration and Observation Services from GHAFARI Associates, LLC for Flight Center Remodeling Project.

Executive Director Bird advised that staff and the Capital Development Committee recommended Board approval.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2011-1602; Authorization for Construction Administration and Observation Services form GHAFARI Associates, LLC for Flight Center Remodeling Project. The **motion was seconded** by Commissioner Gorski and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1606; Authorizing the Execution of GSA Lease No. GS-05B-18692 with the Government of the United States of America for Hangar and Office Space.

Executive Director Bird advised that staff and the Capital Development Committee recommended Board approval with the modification of the Resolution to reflect that the Board is ratifying the action of the Executive Director to execute this Lease Agreement. Attorney Luetkehans will make the modifications to the resolution.

A **MOTION** was made by Commissioner Sabathne' to approve Proposed Resolution 2011-1606; Authorizing the Execution of GSA Lease No. GS-05B-18692 with the Government of the Unites States of America for Hangar and Office Space with the modifications to the Resolution as stated. The **motion was seconded** by Commissioner Davis and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1607; Authorizing the Execution of an Office Lease with the United States of America for the National Transportation Safety Board.

Executive Director Bird advised that staff and the Capital Development Committee recommended Board approval.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2011-1607; Authorizing the Execution of an Office Lease with the United States of America for the National Transportation Safety Board. The **motion was seconded** by Commissioner Gorski and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1614; Authorizing the Execution of a Closing Agreement to the Ground Lease with Northern Illinois Proton Treatment and Research Center, LLC.

Executive Director asked Attorney Luetkehans to address this proposed resolution. Attorney Luetkehans stated the Airport Authority has granted Northern Illinois Proton Treatment and Research Center, LLC (NIPTRC) four extensions to the original closing date for execution of their Ground Lease Agreement; the last extension terminated on December 31, 2010. He continued that NIPTRC has made no requests for an additional extension and the DAA Board directed staff and attorneys to negotiate with NIPTRC to attempt to close out the remaining issues relevant to this site. He continued to explain that Schirott and Luetkehans currently holds \$75,000 earnest money in escrow for the possible need to upgrade the site. Attorney Luetkehans added that the Board's direction was to attempt to negotiate for the Airport Authority to retain the \$75,000 and delay the removal of the improvements made to the site by NIPTRC while the Airport Authority determines if another user could be found who may see these improvements as a benefit. He discussed the two agreements negotiated by the Airport Authority with the first relating to the termination of NIPTRC's rights in the property and the second agreement between NIPTRC, Airport Authority and the City of West Chicago relating to the stabilization of the site as required by City of West Chicago Ordinances. Chairman Goodwin stated that the DAA Board has honored all of NIPTRC's requests as quickly as possible and have approved every lease extension requested however NIPTRC was not able to obtain the necessary financing for construction to proceed. Chairman Goodwin again stated that the Airport Authority Board was always responsive and ready to positively act upon their requests. Attorney Luetkehans concurred with the Chairman's comments. Discussion continued.

A **MOTION** was made by Commissioner Gorski to approve Proposed Resolution 2011-1614; Authorizing the Execution of a Closing Agreement to the Ground Lease with Northern Illinois Proton Treatment and Research Center, LLC. The **motion was seconded** by Commissioner Davis and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011- 1611; Authorizing the Execution of an Agreement Regarding Site Stabilization Work with Northern Illinois Proton Treatment and Research Center, LLC and the City of West Chicago.

A **MOTION** was made by Commissioner Davis to approve Proposed Resolution 2011-1611; Authorizing the Execution of an Agreement Regarding Site Stabilization Work with Northern Illinois Proton Treatment and Research Center, LLC and the City of West Chicago. The **motion was seconded** by Commissioner LaMantia and was passed unanimously by roll call vote (8-0).

Proposed Resolution 2011-1612; Authorizing the Execution of the Third Amendment to the Intergovernmental Agreement with the City of West Chicago.

Attorney Luetkehans explained that the Airport Authority entered into an Intergovernmental Agreement (IGA) with the City of West Chicago in 2001 relating to the Airports property zoning and annexation of the property. He continued that for the past 10 years both the Airport Authority and the City of West Chicago staffs have operated under this Intergovernmental Agreement and has resolved between themselves issues that were not clearly addressed under the IGA. He reviewed the specific modifications being made under this Third Amendment to the Intergovernmental Agreement with the City of West Chicago and recommended Board approval. Discussion occurred.

A **MOTION** was made by Commissioner Sabathne' to approve Proposed Resolution 2011-1612; Authorizing the Execution of the Third Amendment to the Intergovernmental Agreement with the City of West Chicago. The **motion was seconded** by Commissioner Gorski and was passed unanimously by roll call vote (8-0).

Chairman Goodwin recessed the meeting at 5:17 p.m. for a break and reconvened the meeting at 5:29 p.m.

RECESS TO EXECUTIVE SESSION

A **MOTION** was made by Commissioner LaMantia to recess to Executive Session for the discussion of the 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 Gorski and was passed unanimously by roll call vote (8-0). The Regular Meeting was recessed to Executive Session at 5:30 p.m. and was reconvened at 6:37 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 Perry to adjourn the Regular Meeting of the DuPage Airport Authority Board of Commissioners. The **motion was seconded** by Commissioner Sabathne' and was passed unanimously by voice vote; the meeting was adjourned at 6:38 p.m.

Approved November 9, 2011 Board Meeting

**Daniel L. Goodwin
Chairman**