

**DuPAGE AIRPORT AUTHORITY
REGULAR BOARD MEETING**

Wednesday, November 20, 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, November 20, 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, Posch, 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; Ed Harrington, CenterPoint Properties; Steve Moulton, Burns & McDonnell.

Members of the Press: None

Commissioner David Sabathne' resigned his position with the DuPage Airport Authority Board. Chairman Davis thanked Commissioner Sabathne' for his five years of service and dedication to the Board. Commissioner Sabathne' spoke briefly thanking the Board and staff and then departed the meeting.

Chairman Davis welcomed newly appointed commissioner, Gregory J. Posch. Commissioner Posch spoke briefly.

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.

Commissioner Gorski advised that the Capital Development Committee recommended Agenda Item 4.j. relating to the project to convert the general lighting system at the Flight Center Building be deferred for further review. There were no further objections and a **MOTION** was made by Commissioner Gorski for approval of the Consent Agenda Items 4.a. through 4.i. and 4.k. through 4.p.; pulling from the agenda Resolution 2013-1795; Authorization to Execute Task Order No. 002R Under the Master Agreement with Kluber, Inc. for the Project Partial Conversion of General Lighting System at the Flight Center Building. This motion was seconded by Commissioner Donnelly and passed by roll call vote (9-0). The consent agenda included the September 18, 2013 Finance Committee Meeting Minutes; Capital Development Committee Meeting Minutes; November 1, 2013 Special Finance Committee Meeting Minutes and the following resolutions:

Resolution 2013-1787; Award of Bid to Gary Spielman Plumbing for Procurement of On Call Plumbing Services.

Resolution 2013-1788; Award of Bid to RMR Electric, Inc. for on Call Electrical Repair and Maintenance Services.

Resolution 2013-1789; Award of Bid to Fox Valley Fire and Safety for Fire Alarm and Sprinkler Testing and Maintenance Services.

Resolution 2013-1790; Award of Bid to Aramark Uniform for Uniform Rental and Mat Rental Services.

Resolution 2013-1791; Award of Bid to Petroleum Traders Corporation for Procurement of Gasoline and Diesel Fuel.

Resolution 2013-1792; Award of Bid to Advance GSA Corporation for the Procurement of One (1) AC/DC Aircraft Ground Power Unit.

Resolution 2013-1793; Award of Bid to Tronair Inc. for Procurement of Aircraft Tow Bar and Attachment Heads.

Resolution 2013-1794; Authorizing the Execution of a Non-Federal Reimbursable Agreement with the Department of Transportation Federal Aviation Administration Related to the Project to Widen Runway 2L/20R.

Resolution 2013-1796; Award of Bid to Allpoints Inc. for Prairie landing Golf Course Grill Room A/C Replacement.

Resolution 2013-1798; Authorization to Execute Task Order No. 14 Under the General Engineering Services Agreement with CH2MHill for the Project to Route, Seal and Patch flight Center Apron Phase II.

Resolution 2013-1799; authorization to Execute Task Order No. 15 Under the General Engineering Services Agreement with CH2M Hill for the Project to Route, Seal and Patch Taxiway C and Runway 2L/20R Pavement.

Resolution 2013-1800; Authorizing the Execution of a Cash Farm Lease Agreement for 361 Acres with Henry Harvell.

Resolution 2013-1801; Award of Bid to Reinert Structures Inc. for Prairie Landing Golf Course Clubhouse Roof Access Platforms.

Resolution 2013-1802; Approving the Use of Outside Auditors for the Year 2014.

PUBLIC COMMENT

None

DIRECTOR'S REPORT

Executive Director Bird discussed the monthly operating statistics:

Overall total fuel sales are down 10% for September and Year to Date sales have decreased 7.3%. Overall total operations for September are increased 3.5% and Year to Date operations have decreased 5.7%. Discussion followed.

National Business Aviation Association (NBAA) Conference was held in September and Mark Doles, Anna Normoyle and David Bird attended. Executive Director Bird stated that the aviation industry is now more optimistic and is forecasting growth for 2014. He indicated that Mr. Doles would share with the Board the significant number of aircraft recently coming on to the airfield which is the key to revenue growth. He added that month to month operations are volatile and in review of the regional airports overall all are down in operations. Executive Director Bird stated that staff continues to monitor these statistics month to month. Discussion continued briefly.

Executive Director Bird stated that relative to upcoming projects, the largest capital project for 2014 will be widening of Runway 2L 20R; the final phases of design are in process. He added the 100% design meeting will occur during the first week of December and anticipate bidding the project in late February early March for the 2014 construction season. Discussion followed.

Executive Director Bird advised the newly constructed Airport Rescue and Fire Fighting (ARFF) Station is anticipated to be occupied by end of the year. He added that the Flight Center Building Curtain Wall Replacement is 75% complete; with final completion by the end of the year. Discussion followed.

The following projects proposed for 2014 were reviewed: Runway 2L 20R widening; construction of new transient hangar early in 2014; design for the construction of new General Aviation facilities at the southeastern quadrant to eliminate the old facilities now located on North Avenue; Prairie Landing Golf Course Bunker Renovation as well as many smaller projects planned for 2014. Executive Director Bird advised that he would be meeting with Bill Viney, lobbyist for the Airport Authority, to discuss seeking possible funding sources for some of these capital projects. Discussion followed.

Mark Doles further reviewed the fuel sales for October and stated that staff is optimistic for 2014 and beyond. Mr. Doles continued that staff is budgeting for a new transient hangar to be constructed as earlier discussed and advised that no new leases are anticipated for the Airport at this time. He continued that eleven new jet and turbine aircraft have been added on the airfield during the past 90 to 120 days. Discussion followed.

John Schlaman reviewed the work being done on the golf course bunker refinement project and efforts to complete the permitting process with DuPage County.

DuPage Business Center:

Ed Harrington, CenterPoint Properties advised that business park activity is fairly slow with nothing of substance to report. He continued that the new tenants for the Data Center Building have gone to the City of West Chicago for permits. Mr. Harrington stated that one other strong prospect is looking at property in the Business Center. Discussion continued briefly.

Executive Director Bird stated that a draft 2014 Board Meeting Calendar is part of the meeting packet for review. Discussion followed briefly.

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 met on October 29 to review and update the DuPage Airport Authority Code. The Committee's discussions had to be continued in a subsequent meeting held on November 11 to address in detail the amendments that needed updating or changing. She thanked Commissioners LaMantia and Thompson for their participation. She continued that because of the current revisions in some legislation and the newly adopted DuPage County's Ethics Bill, there were 22 changes, additions and insertions that had to be discussed and agreed upon. She added that most of the 22 changes are revisions of language in a paragraph that more clearly defines the issue, to updating terms currently used, and even typos. For instance, updating the previous term FBO (Fixed Based Operation) to the now industry recognized term of SASO (Specialized Aviation Service Organization). Commissioner Gillett stated that on the more substantial issues, new language was added because of the relaxed requirements to requesting information of a government entity in the Freedom of Information Act (FOIA), along with the most important addition of incorporating the County's Ethics Code into the DuPage Airport Authority Code, but still keeping the DAA's stricter rules when there is a difference on the same issue with the County's Ethics Policy. These two amendments are just examples of the many changes the Policy Committee had to address. She continued by saying that as seen in the board meeting packet, Attorney Luetkehans and Attorney Brian Armstrong have issued a summary of the more complicated changes that required the Policy Committee's extended attention and Attorney Luetkehans will address these changes for the Board's benefit later on in the agenda under New Business. Commissioner Gillett stated that at the Policy Committee's November 11 meeting, interview as scheduled with Bob Kartholl, an attorney specializing in HR issues. She related that Jim Spizzo of Vedder Price has retired, so a replacement is needed and the Committee would like to interview at least two more candidates, which will be scheduled sometime in December.

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 4.a. through 4.h. and 4.o. through 4.p.; all were unanimously recommended for Board approval. He commented briefly on Agenda Item 4.p. addressing the approval of auditors for 2014 and stated that Wolf and Company had provided auditing services for the Airport Authority for 25 years. He continued that John DeLand and his staff were very competent there was never a problem experienced with their work. Discussion followed regarding the evaluation process. He also commented that the Tentative 2014 Budget and Appropriations was put together in record time for this year and after Board approval would be presented to the DuPage County Board Chairman for review. Commissioner Huizenga added that at the January Board Meeting, the final 2014 Budget and Appropriations will be presented for approval. He continued that the Financials Statements 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 that he had met with John Schlaman for a lunch meeting at the Kitty Hawk after its reopening; food and surroundings were great. He also discussed the budget preparation for Prairie Landing Golf Course. He stated that if not for the unexpected emergency repair of the sprinkler system and the property tax amount Prairie Landing Golf Course would have been making a profit for this year.

Capital Development, Leasing and Customer Fees:

Commissioner Gorski reported the Committee met earlier in the afternoon at 2 p.m. He continued that the committee considered five items that appeared on the consent agenda and recommended four of these agenda items for Board approval. Commissioner Gorski stated that the committee deferred action on Agenda Item 4.j. relating to the lighting in the Flight Center Building. He continued that the Committee also considered and recommended for Board Approval agenda items appearing under Old Business relating to the Business Park Owners Association and all members of the committee were present and participated.

DuPage Business Center:

Mr. Harrington spoke earlier. Nothing further to provide.

Commissioner LaMantia requested that the order of the Board Meeting agenda be moved so the consent agenda would be acted upon after the committee reports are given. She stated that this would provide board members an opportunity to hear from each committee chair regarding the items considered prior to approval of the Consent Agenda. All commissioners were in agreement.

OLD BUSINESS

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

Attorney Luetkehans discussed the following four Resolutions all relating to the DuPage Business Center.

Attorney Luetkehans advised that at the September Board Meeting Resolution 2013-1782 was passed authorizing a number of personal property items located within the DuPage Business Center to be conveyed to the Owners Association. These items are located within the right of way dedicated to the City of West Chicago. The Association will also need the right of enter the right of way to maintain the property and this license agreement authorizes this action. Discussion followed and Attorney Luetkehans and the Capital Development Committee recommended Board approval.

A **MOTION** was made by Commissioner Gorski to approve Proposed Resolution 2013-1783; Authorizing the Execution of a License Agreement with the DuPage Business Center Property Owners Association. The **motion was seconded** by Commissioner LaMantia and was passed by roll call vote (9-0).

Proposed Resolution 2013-1785; Rescinding Resolution 2013-1781; Declaring Certain Real Property Surplus and Authorizing Publication of Notice Requesting Offers to Purchase Authority Real Property.

Attorney Luetkehans continued by explaining that at the September Board Meeting a Resolution was passed declaring the ponds located in the DuPage Business Center to be surplus property and authorizing publication of a notice requesting offers to purchase the ponds. He continued that with further research it was determined the ponds were specifically excepted from the FAA land release in the Business Center and the Airport Authority cannot convey title to the ponds thus requiring this resolution to be rescinded. Discussion followed. Attorney Luetkehans and the Capital Development Committee recommended Board approval.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2013-1785; Rescinding Resolution 2013-1781; Declaring Certain Real Property Surplus and Authorizing Publication of Notice Requesting Offers to Purchase Authority Real Property. The **motion was seconded** by Commissioner Thompson and was passed by roll call vote (9-0).

Proposed Resolution 2013-1803; Authorizing the Execution of an Easement Agreement with the DuPage Business Center Property Owners Association.

Attorney Luetkehans continued to explain that since the ponds cannot be granted to the Business Owner's Association, another means is needed to allow for development of the Business Center and to utilize the ponds for drainage. He continued that this proposed easement agreement with the Business Center Property Owners Association reserves the Airport Authority's right to maintain the ponds and ensure the ponds are properly maintained. He continued that a modification to this easement agreement was recommended and passed by the Capital Development Committee; discussion followed. Attorney Luetkehans and the Capital Development Committee recommend Board approval as modified.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2013-1803; Authorizing the Execution of an Easement Agreement with the DuPage Business Center Property Owners Association as modified by the Capital Development Committee. The **motion was seconded** by Commissioner Gorski and was passed by roll call vote (9-0).

Proposed Resolution 2013-1784; Rescinding Resolution 2013-1782 and Declaring Certain Personal Property Surplus and Authorizing the Transfer of Property.

Attorney Luetkehans stated that as previously discussed, at the September Board Meeting the Authority approved Resolution 2013-1782 which authorized the transfer of a number of personal property items located within the Business Center including the pond aerators and pumps. He continued that since the Authority will not convey the ponds to the association, the pond pumps and aerators should not be conveyed to the Association but retained by the Airport Authority. Attorney Luetkehans stated that Resolution 2013-1784 will rescind resolution 2013-1882 and authorize conveyance of all the items listed except for the pond aerators and pumps. Attorney Luetkehans and the Capital Development Committee recommended Board approval. Discussion continued briefly.

A **MOTION** was made by Commissioner LaMantia to approve Proposed Resolution 2013-1784; Rescinding Resolution 2013-1782 and Declaring Certain Personal Property Surplus and Authorizing the Transfer of Property. The **motion was seconded** by Commissioner Thompson and was passed by roll call vote (9-0).

NEW BUSINESS

Proposed Ordinance 2013-268; An Ordinance Authorizing Amendments to the DuPage Airport Authority Code.

Attorney Luetkehans stated that in 2006 a codification of all of the Ordinances enacted was completed and adopted by the Airport Authority Board and since that time there have been modifications and mandated changes made to certain ordinances. He proceeded to summarize the revisions and modifications made to the DAA Code. The Internal Policy and Compliance Committee thoroughly vetted these revision and modifications and recommended Board approval. Discussion followed.

A **MOTION** was made by Commissioner Gorski to approve Proposed Ordinance 2013-268; An Ordinance Authorizing Amendments to the DuPage Airport Authority Code. The **motion was seconded** by Commissioner Thompson and was passed by roll call vote (9-0).

Proposed Ordinance 2013-269; Adopting the Tentative Budget and Appropriations Ordinance for the DuPage Airport Authority for the Fiscal Year Beginning January 1, 2014 and Ending December 31, 2014.

Executive Director Bird asked Patrick Hoard to review the 2014 Budget and Appropriations. Mr. Hoard stated that the 2014 budget had been reviewed by the Finance Committee at three separate meetings; the September Regular Committee Meeting, November Special Committee Meeting and the November Regular Committee Meeting. He continued that a high level of critiquing had been accomplished by the Finance Committee. He added that the Capital Development Committee was also provided a summary of the proposed capital program budget for 2014 and the Committee's comments were incorporated into the budget. Mr. Hoard added that the 2014 budget is status quo with no new positions included and continued to summarize the budget; discussion followed.

A **MOTION** was made by Commissioner Donnelly to approve Proposed Ordinance 2013-269; Adopting the Tentative Budget and Appropriations Ordinance for the DuPage Airport Authority for the Fiscal Year Beginning January 1, 2014 and Ending December 31, 2014. The **motion was seconded** by Commissioner Chavez and was passed by roll call vote (9-0).

RECESS TO EXECUTIVE SESSION

A **MOTION** was made by Commissioner LaMantia to recess to Executive Session for 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 by roll call vote (8-0). Commissioner Huizenga was not present for this vote. The Regular Meeting was recessed to Executive Session at 4:32 p.m. and was reconvened at 4:55 p.m. Upon roll call, a quorum was present for the remainder of the Regular Meeting.

OTHER BUSINESS

A **MOTION** was made by Commissioner Gorski to accept the business terms of a global settlement regarding the outstanding balance and lease issues for Mukenschnabl Inc. based upon the business terms as outlined by Attorney Phil Luetkehans during the Executive Session. The **motion was seconded** by Commissioner Gillett and was unanimously by voice vote.

Commissioner Thompson stated this would be his last meeting as a member of the Airport Authority Board of Commissioners. He spoke briefly regarding the reasons for his departure and advised this had been one of the most satisfying experiences of his professional life. He thanked the Board, Airport Authority staff and legal staff for their work and support and stated that he feels few people realize the value and contribution to the County that is made by the DuPage Airport and its staff. Chairman Davis made a presentation to Commissioner Thompson commemorating his tenure with the Airport Authority Board.

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 Gillett and was passed unanimously by voice vote; the meeting was adjourned at 4:58 p.m.

Approved at the January 15, 2014 Board Meeting

Stephen L. Davis
Chairman