

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

**Wednesday, January 25, 2012
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 25, 2012. Chairman Goodwin called the meeting to order at 3:25 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 Aviation Facilities and Properties; Patrick Hoard, Director of Finance; Anna Marano, Procurement Analyst; Anna Normoyle, Marketing Coordinator; Pam Miller, Executive Assistant and Board Liaison.

Others in Attendance: Phil Luetkehans, Schirott & Luetkehans; Bruce Garner, Schirott & Luetkehans; Dan Pape, Crawford, Murphy & Tilly; Brian Quigley, CenterPoint Properties Trust; Edward Harrington, CenterPoint Properties Trust; Michael Murphy, CenterPoint Properties Trust; Marjorie Howard, Richmond Breslin, LLP; Michael Vonic, CH2M Hill.

Members of the Press: None

APPROVAL OF MINUTES

Chairman Goodwin asked for additions or corrections to the minutes of November 9, 2011 Regular Board Meeting. Commissioner Gorski made a **MOTION** to approve the minutes of the November 9, 2011 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 November 9, 2011 Capital Development, Leasing and Customer Fees Committee Meeting. Commissioner Gillett made a **MOTION** to approve the minutes of the November 9, 2011 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 9, 2011 Finance, Budget and Audit Committee and there were none. Commissioner Huizenga made a **MOTION** to approve the minutes of the November 9, 2011 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:

For the month of November: Total operations were down 16%; total gallons of fuel sold decreased 6.6%. Year-to-Date for November the total operations were down 7.7% and the total gallons of fuel sold was up 2.2% from 2010.

For the month of December: Total operations were down 2.8% and total gallons of fuel sold were down 13.7%. Year-to-Date for December the total operations were down 7.4% from 2010 and total gallons of fuel sold was essentially flat from 2010.

Executive Director Bird stated that the President's Security Unit has based at DuPage Airport for the President's previous two visits to Chicago.

Executive Director Bird advised that two significant environmental actions have occurred. He reported that the Finding of No Significant Impact (FONSI) has been cleared by FAA and is moving forward with the Runway Improvements Project; the bidding process will begin in February. He continued that the Airport Authority has had before the FAA since summer the Land Release which required the completion of a condensed environmental assessment. He advised the environmental portion of this process is out for agency review and the comments received are now being addressed. Executive Director Bird stated that concurrently, it is required that the Land Release be published in the Federal Register for 30 days and 28 days of that period are now complete. He continued this will favorably impact the land sale process for the Department of Transportation's Route 64 and Route 38 road improvement project.

Executive Director Bird continued to report on the ongoing Airport projects:

The Flight Center Building renovations are moving forward and on schedule for a May completion.

Coordination of the Primary Runway Improvement Project and the mill and overlay of Runway 10-28 is underway. The project for Runway 10-28 is a grant funded project and scheduled for the State's March bid letting.

A briefing on the New Fire Station was provided at the last Board Meeting and staff is now involved with the fee proposal and obtaining an independent fee analysis. This project should be ready for Board Approval at the March meeting.

DuPage County has contracted with a Consulting Group to review and evaluate various agencies having appointed Boards to determine where spending can be reduced, saving taxpayers' dollars. Commissioner Stephen Davis, Patrick Hoard and David Bird met with this consulting group in December to discuss the Airport's policies and

procedures. Commissioner Davis commented that the Airport Authority demonstrated an excellent model of the business being well run and efficient. Discussion occurred.

Mark Doles, Director of Aviation Facilities and Properties, advised that upgrades for many of the flight departments of the federal government agencies based at DuPage Airport have been ongoing and all the leases have been either renewed or the agencies upgraded to larger facilities. He continued that another Federal Law Enforcement Agency has been added as a tenant with their aircraft and base operations located at the Airport. He continued that a small sales office for the company Cirrus has also been opened in the Flight Center Building on the second floor. Mr. Doles advised that HMX 1, the President's Security Unit, has based at DuPage Airport during the previous two visits to Chicago by the President. He continued that 65 marines based here for that period of time provided positive economic impact to the communities surrounding the Airport. Mr. Doles advised that Flight Center renovations are moving forward. He also commended Airport staff and maintenance crews for their work during the snow events keeping runways open when other Airports were closed.

Byron Miller, Director of Operations, reported that FOX News came to the Airport on two occasions to view the snow removal and ice clearing equipment and the Airport received good press coverage. Mr. Miller advised the drainage project is nearing completion with approximately two weeks of work to resume in the Spring. He reported that the hangar siding project is finished for the year with only one remaining hangar to be resided in 2012; this project has been included in the 2012 budget. Also Mr. Miller reported that construction of the South Flight Center Apron is nearly complete with only a small punch list remaining. He advised that a significant savings will be recognized in the budget relating to ice clearing chemicals due to the good weather conditions eliminating the need for additional spending.

REVIEW OF DECEMBER 2011 FINANCIAL STATEMENTS

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

REPORT OF COMMITTEES

Internal Policy and Compliance Committee:

Commissioner Gillett advised that the Internal Policy and Compliance Committee had not met since the last Board Meeting. She advised that a meeting would be scheduled prior to the March Board Meeting to begin the process to review and update the Airport's policies and procedures and the Employee Handbook.

Finance, Budget and Audit Committee:

Commissioner Huizenga reported that the Finance Committee met earlier in the day with all agenda items favorably recommended for Board approval and these items would be discussed later in the meeting.

Golf Committee:

Commissioner Donnelly advised that John Schlaman was not present at the Board Meeting and had provided a report to share with the Board: On Thanksgiving Day the golf course was open and 55 rounds were played; on the following Friday, 150 rounds were played; on New Year's Eve 90 were played and on January 6, 120 rounds were played. Commissioner Donnelly stated that Mr. Schlaman advised this to be the best January on record for golf revenues. Commissioner Donnelly complimented Mr. Schlaman and his staff for a job well done during difficult economic times and inclement weather conditions of 2011.

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.e. through 9.h. He continued that 9e., an Ordinance approving fee reductions and 9.f., an Amendment to the Agreement for Construction of the South Flight Center Apron were unanimously recommended for Board approval. Commissioner Gorski stated the Committee recommended that action on agenda items 9.g. and 9.h. relating to CenterPoint Properties be deferred for further discussion and this will be addressed later in the meeting.

Business Park:

Executive Director Bird invited comments from the CenterPoint Group. Michael Murphy of CenterPoint introduced the other representatives in attendance; Ed Harrington, Brian Quigley, Dan Hemmer and Attorney Marjorie Howard of Richmond Breslin LLP. Mr. Murphy stated that discussion for the agenda items relating to CenterPoint would be held until addressed by the Board later in the meeting. Ed Harrington advised there was nothing new to report at this time regarding marketing efforts at the Business Center and discussion continued briefly.

Chairman Goodwin stated that the Regular Meeting would be recessed to the Annual Board Meeting where the Board would vote on a slate of officers for the coming Fiscal Year, address committee appointments and approve the 2012 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 4:22 p.m. and the Annual Meeting was immediately convened. Upon roll call there was a quorum present for this portion of the meeting.

ELECTION OF OFFICERS FOR THE 2012 FISCAL YEAR

Commissioner LaMantia placed into nomination the following Slate of Officers for the 2012 Fiscal Year: Daniel Goodwin, Chairman; Gerald Gorski, Vice-Chairman; Dayle Gillett, Secretary; Stephen Davis, Treasurer; Mark Doles, Assistant Secretary and Patrick Hoard, 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 Thompson and was passed unanimously by roll call vote (9-0).

Commissioner LaMantia made a **MOTION** for the Board to approve the Slate of Officers for Fiscal Year 2012 as presented. The **motion was seconded** by Commissioner Thompson 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. There were none.

APPROVAL OF 2012 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. The following date changes were agreed upon by Board Members: Board Meeting and Committee Meetings originally scheduled for March 14 will be changed to March 21; Board and Committee Meetings originally scheduled for May 9 will be changed to May 16. The 2012 Calendar will be revisited at a future Board Meeting to discuss the September through December Board and Committee Meeting dates.

A **MOTION** was made by Commissioner Gorski to adjourn the Annual Board Meeting; the **motion was seconded** by Commissioner Davis. By unanimous roll call vote (9-0), the motion was passed and the Annual Board Meeting adjourned at 4:45 p.m. The Regular Board Meeting was immediately reconvened with all members present.

OLD BUSINESS

None

NEW BUSINESS

Proposed Ordinance 2012-247; Adopting Budget and Appropriations Ordinance for the DuPage Airport Authority for the Fiscal Year Beginning January 1, 2012 and ending December 31, 2012.

Executive Director Bird and Patrick Hoard reviewed the Budget and Appropriations for Fiscal Year 2012. Executive Director Bird advised the Tentative Budget and Appropriations for 2012 was passed at the November 9, 2011 Board Meeting and forwarded to the DuPage County Chairman on December 1, 2011 for review. He continued that all statutory requirements have been met and staff and the Finance, Budget and Audit Committee recommended approval. Discussion then turned to the Property Tax Levy and Chairman Goodwin asked that the Board consider reducing the Property Tax Levy once again as has been done for the past two years, which would permanently reduce the levy. Attorney Luetkehans advised that the levy must be filed with DuPage County during the first quarter of the fiscal year. Chairman Goodwin

stated this would be an agenda item for the March Regular Board Meeting. A Special Board Meeting can be called if necessary to address this prior to the March Meeting.

A **MOTION** was made by Commissioner Huizenga to approve Proposed Ordinance 2012-247; Adopting Budget and Appropriations Ordinance for the DuPage Airport Authority for the Fiscal Year Beginning January 1, 2012 and ending December 31, 2012. The **motion was seconded** by Commissioner Davis and was passed unanimously by roll call vote (9-0).

Proposed Ordinance 2012-248; An Ordinance of the DuPage Airport Authority Promulgating Regulations Under the Freedom of Information Act.

Executive Director Bird advised this Proposed Ordinance is passed annually by the Board in order to promulgate regulations under the Freedom of Information Act and is a statutory requirement.

A **MOTION** was made by Commissioner Huizenga to approve Proposed Ordinance 2012-248; An Ordinance of the DuPage Airport Authority Promulgating Regulations Under the Freedom of Information Act. The **motion was seconded** by Commissioner Davis and was passed unanimously by roll call vote (9-0).

Proposed Resolution 2012-1628; Resolution Approving the Use of Outside Attorneys and Auditors for the Year 2012.

Executive Director Bird stated that each year the Board approves the use of outside attorneys and auditors for the Airport Authority. He reviewed the rates for 2011 compared to the proposed 2012 rates. Chairman Goodwin asked if quotes from other firms or companies had been reviewed by staff to determine if rates are fair and competitive. Executive Director Bird responded that quotes had not been solicited for the Fiscal Year 2012 however staff felt these rates were competitive for the recommended companies and firms. Chairman Goodwin stated that he believes the rates proposed are competitive and fair, however in keeping with the Airport Authorities procurement policies it would be best to secure quotes for a final determination. Discussion occurred and all commissioners were in agreement for this proposed resolution to be tabled for further review. Chairman Goodwin stated that action on this Resolution would be addressed at the Regular Board Meeting in March.

A **MOTION TO TABLE** Proposed Resolution 2012-1628; Resolution Approving the Use of Outside Attorneys and Auditors for the Year 2012 was made by Commissioner Davis and was **seconded** by Commissioner Gillett; the motion to table was passed unanimously by roll call vote (9-0).

Proposed Resolution 2012-1629; 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. He continued that staff received two final and best

offers this day at 10 a.m. which was the required deadline for submission. Executive Director Bird reported that Champion Energy Services, Inc. did not respond with their final offer until 11 a.m. The final offer submitted by Champion Energy Services, Inc. would have been the low bid for this service but due to their late response were disqualified. Attorney Bruce Garner agreed with this determination. Executive Director Bird advised that the low responsible and responsive bidder was Integrys Energy Services, the current electric energy provider for the Airport Authority. Discussion occurred. Staff and the Finance, Budget and Audit Committee recommended Board approval.

A **MOTION** was made by Commissioner Gorski to approve Proposed Resolution 2012-1629; Award of an Electric Energy Supplier Agreement to Integrys Energy Services. The **motion was seconded** by Commissioner Davis and was passed unanimously by roll call vote (9-0).

Proposed Ordinance 2012-249; Authorizing the Temporary Reduction of Certain Fees.

Executive Director Bird asked Mark Doles to review this proposed Ordinance. Mr. Doles stated that due to the substantial downturn of the economy, particularly for the aviation industry, a temporary fee reduction was approved by the Board over the previous two years. He explained this reduction has provided relief to the based regulated aviation businesses at the Airport. Discussion occurred. Mr. Doles advised that staff is requesting this reduction be implemented for Fiscal Year 2012. Staff has anticipated this fee reduction in the 2012 Budget and Appropriations and the Capital Development, Leasing and Customer Fees Committee recommended Board approval.

A **MOTION** was made by Commissioner Thompson to approve Proposed Ordinance 2012-249; Authorizing the Temporary Reduction of Certain Fees. The **motion was seconded** by Commissioner Gorski and was passed unanimously by roll call vote (9-0).

Proposed Resolution 2011-1632; Authorizing the Execution of an Amendment to the Agreement for Engineering Services with Crawford, Murphy and Tilly, Inc. for Construction Phase Services for the Project Described as Construct South Flight Center Apron – Phase 4.

Executive Director Bird asked Byron Miller to discuss this proposed Amendment to the Engineering Agreement with Crawford, Murphy and Tilly, Inc. (CMT) for this project. Mr. Miller explained that on November 11, 2009 the Board approved the execution of an Engineering Agreement with CMT for a not-to-exceed amount of \$225,000. He continued that the agreement was based on 139 calendar days of construction, however, the contractor actually used 260 days which required CMT to provide Construction Observation for an additional 121 calendar days. He continued that CMT is requesting an additional fee of \$33,352.59 which would change the not-to exceed amount of the agreement to \$258,352.59. Mr. Miller advised that the Illinois Division of Aviation has reviewed and approved this request and it will be eligible to be funded under the project with the Airport Authority paying only 2.5% of this additional amount. He explained the terms of the Amendment and advised that due to overall project cost

savings the Airport Authority's estimated share will be reduced from the original amount of \$91,730 to \$89,181.37. Discussion followed. Staff and the Capital Development, Leasing and Customer Fees Committee recommended approval.

A **MOTION** was made by Commissioner Gorski to approve Proposed Resolution 2012-1632; Authorizing the Execution of an Amendment to the Agreement for Engineering Services with Crawford, Murphy and Tilly, Inc. for Construction Phase Services for the Project Described as Construct South Flight Center Apron – Phase 4. The **motion was seconded** by Commissioner Sabathne' and was passed unanimously by roll call vote (9-0).

Proposed Resolution 2012-1633; Authorizing the Execution of an Amended and Restated Agreement to Develop and Lease with CenterPoint Properties Trust.

Proposed Resolution 2012- 1635; Authorizing the Approval of the Declaration of Covenants, Conditions, Restrictions and Easements for DuPage Business Center and Authorizing the Establishment of the DuPage Business Center Property Owners' Association, An Illinois Not-for-Profit Corporation.

Executive Director Bird asked Attorney Luetkehans to address the two Resolutions relating to CenterPoint and the DuPage Business Center. Attorney Luetkehans advised that the Capital Development Committee did not feel comfortable recommending Board approval of these Proposed Resolutions without further review. He continued that the Capital Development Committee recommended that action be deferred at this time and a Special Board Meeting scheduled within the next few weeks. Discussion occurred regarding issues of concern expressed by Commissioner LaMantia and Commissioner Thompson. Attorney Luetkehans advised that CenterPoint also had issues to present for Board consideration and representatives from CenterPoint were invited to discuss these issues. Chairman Goodwin stated that in view of the reservations expressed by the Capital Development Committee and CenterPoint, further review is required and a Special Board Meeting will be scheduled in the coming weeks to address these documents. No action was taken by the Board on these Proposed Resolutions.

Discussion of Abating Levy of Taxes for the Fiscal Year January 1, 2011 through December 31, 2011.

This agenda topic was addressed earlier in the meeting during discussion of the 2012 Budget and Appropriations. It was agreed upon by the Board that action to address the abatement would be taken at the Regular Board Meeting in March or a Special Board Meeting prior to the March Meeting.

Commissioner Sabathne' departed the meeting at 5:43 p.m.

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 Thompson and was passed unanimously

by voice vote. The Regular Meeting was recessed to Executive Session at 5:50 p.m. and was reconvened at 6:30 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 Davis 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 6:32 p.m.

Approved at the March 21, 2012 Board Meeting
Daniel L. Goodwin, Chairman