CHICAGO EXECUTIVE AIRPORT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
THURSDAY, JULY 11, 2013
1020 S. PLANT ROAD
WHEELING, IL 60090
6:00 PM

I. Call to Order and Roll Call

Vice Chairman, David Kolssak, called the meeting to order at 6:00 p.m. Roll call confirmed the following present: Directors Cloud, Katz, Kearns, Kolssak, Lang and Pace.

Absent: None

Also in Attendance: Jamie Abbott – Acting Airport Manager
Rita Boserup - Chief Financial Officer
Bob Fialkowski – Interim Chief Financial Officer
Vicki Mayr - Recording Secretary
Tom Lester – Airport Attorney

II. Pledge of Allegiance

Following roll call, Director Kolssak led those in attendance in the Pledge of Allegiance.

III. Approval of Minutes

A motion was made by Director Cloud and seconded by Director Lang to approve the minutes of the June 13, 2013 Regular Meeting. The motion was approved by voice vote.

IV. Changes to the Agenda

There were no changes to the agenda.

V. Public Comments

There were no public comments.

VI. Hearings and Reports

A) Treasurer's Report

- Due to the early meeting date and the staff transition, there will not be a Treasurer's report until next month's meeting.

B) Airport Manager's Report

Director Kolssak welcomed Jamie Abbott as Acting Airport Manager and expressed his confidence in Jamie's ability to carry on the business of the airport. He stated that the Board is available to assist in any way needed.

Assistant Airport Manager, Jamie Abbott, reported on the following**:**

- Jamie introduced Bob Fialkowski, interim CFO. Bob will be working on the transition between Rita's departure and the board's decision on what to do with the future of the finance department.

- The airport hosted the AAAE GA Issues and Security Conference this week. The event was made up of managers from around the country discussing issues that affect the industry. Those who attended the airport tour were very complimentary of our airport.

- Tin Goose Garage construction is progressing very well.

- Hawthorne's steel is up. They should see a spring opening. There is a resolution relating to Hawthorne's water main on tonight's agenda.

- The weather has helped the progress of the 34 hold pad. There will be construction related taxiway closures next week.

- Future projects will be covered under the TIPs section of the agenda.

- Upcoming events include the Wheeling/Prospect Heights Chamber Golf Outing tomorrow. Collings Foundation will be here the last weekend of the month.

A. Board Members Comments

- Director Kearns congratulated the airport on the Esther Noffke funeral. He stated it was a testament to her importance to the history of the airport and that Signature and Atlantic did a great job.
- Director Cloud encouraged those in attendance to pick up a card for Dennis. She also encouraged everyone to go to his CaringBridge website and show their support. Director Cloud asked that a representative from the board make sure that their trustees/aldermen are informed and up to date as to the happenings at the airport. She expressed that the feelings expressed at the joint workshop were not the feelings of the airport board.
- Director Lang explained the discussions at the Wheeling Board Meeting regarding the plans for Industrial Drive. He explained that the current codes and regulations are

being enforced effective immediately and that some of the business located there currently may choose to move. The plan is to encourage more airport friendly business through the use of a renewed TIF district.

- Director Katz asked about the status of the signs directing people to the viewing areas. Jamie explained that the airport is getting quotes for producing the signs. Jamie will look into "No Trespassing per FAA" signs. Director Katz was interested in discussing the feasibility of a "vertiport" at CEA. Jamie explained that our airport and the FBOs can handle helicopter traffic. There may be a noise concern if traffic picks up significantly. Director Katz also brought up the NBAA stipend topic. It was explained that there would be an airfare stipend of $500 and a per diem of $500 per day. The airport will look into potential tax issues.
- Director Pace stated that, as this is his first meeting, he plans to be quiet at first but he will speak at future meetings.

B. Correspondence and Chairman's Comments

Director Kolssak stated that he would like to reserve his comments until later in the meeting.

VII. Consent Agenda

A motion was made by Director Lang and seconded by Director Katz to approve Item A on this evening's consent agenda.

A. Resolution 13-024 - A Resolution Authorizing the Payment of Claims;

The motion was approved by roll call vote. Ayes: Directors Cloud, Katz, Kearns, Kolssak Lang and Pace. Nays: None.

Director Cloud made a motion to approve Item B on the agenda. The motion was seconded by Director Lang.

B. Resolution 13-025 – A Resolution Approving Changes to the 2013 Chicago Executive Airport Regular Board Meeting Schedule;

It was state that the meeting schedule was changed in 2013 to accommodate previous board member schedules. The earlier meeting date made completing financial statements difficult. The new and remaining board members agreed to return the meetings to the 3rd Wednesday of each month.

The motion was approved by voice vote. Ayes: Directors Cloud, Katz, Kearns, Kolssak, Lang and Pace. Nays: None.

C) **Consideration of Items Removed from the Consent Agenda**

There were no items removed from the Consent Agenda.

D) Old Business

There was discussion on the bid opening on the AvGas self service fueling station. Jamie provided copies of the bid documents. Jamie will schedule a conference call with the consultant who has been helping with the bid process to go over the proposals and to make sure everything has been covered. Discussion included input from the FBOs on the proposed fuel tank size and the limitation of the type of fuel the tank could hold. Director Kolssak suggested that the PAPA representatives reach out to the Acting Airport Manager with a business plan. Then he can see if those can be implemented in order to achieve the goal of lower AvGas prices. The Board suggested a market study to see what the piston pilots are willing to pay for 100LL here at CEA.

E) New Business

Director Cloud made a motion to approve Item A on tonight's agenda. The motion was seconded by Director Lang.

A. Resolution 13-026– A Resolution Approving the Sale of Surplus Property;

It was explained that the vehicle would be sold on govdeals.com.

The motion was approved by a roll call vote. Ayes included Directors Cloud, Katz, Kearns, Kolssak, Lang and Pace. Nay: None.

A motion was made by Director Lang and seconded by Director Katz to approve Item B under this evening's agenda.

B. Resolution 13-027 – A Resolution Approving Authorized Signers for the Illinois Metropolitan Investment Fund (IMET);

The resolution was approved by a voice vote. Ayes: included Directors Cloud, Katz, Kearns, Kolssak, Lang and Pace. Nay: None.

A motion was made by Director Cloud and seconded by Director Lang to approve agenda Item C.

C. Resolution 13-028 – A Resolution Approving and Award of Contract to Preform Traffic Control for the 2013 Airfield Remarking;

It was explained that, although the airport recently purchased equipment to do smaller marking jobs around the airport, Preform has the equipment to perform the big and wide markings necessary for the runways and has done work for the airport in the past.

The resolution was approved by a roll call vote. Ayes included: Directors Cloud, Katz, Kearns, Kolssak, Lang and Pace. Nays: none.

Director Lang made a motion to approve Item D on the agenda. Director Katz seconded the motion.

D. Resolution 13-029 – A Resolution Approving a Construction Agreement with Chapple Design Build for the Installation of Weather Main Infrastructure for Future Airport Development;

The airport is working with Hawthorne's contractor, Chapple, to extend the water main north under the ramp while the work is being done for Hawthorne. The extended water main is needed for future development of areas 2 & 3, the motel and the 1098 building.

The motion was approved by roll call vote. Ayes: Directors Cloud, Katz, Kearns, Kolssak, Lang and Pace. Nays: none.

TIPs Discussion - Brian Welker gave a summary of TIPs . He explained that TIPs represents the 5 year development plan for the airport. The airport's key priorities and placeholders will be presented to the FAA and the FAA will assign the projects funding priorities. EMAS and runway safety and environmental issues are top priority issues with the FAA. Recent project came in over budget and will be rebid in better bidding climates or with different materials.

Painting and decorating the CEA offices –There is money in the budget for repairs and maintenance. It was agreed that Jamie would get quotes on painting and decorating of the CEA offices, to include some color and updated lighting in the board room and hallway, at least. Director Kolssak and Director Katz have referrals for designers that they will pass along to Jamie.

Hiring of a new accounting firm – The board agreed that an RFP should be sent out for an accounting firm to handle the airport's monthly accounting functions. The airport will retain a full time bookkeeper for daily accounting activity. Director Kolssak asked that new accounting software be included in the RFP.

IT Firm – Director Kolssak suggested that the airport explore a new company to handle its IT functions. Currently the airport does not have proper wireless and is in need of additional technology. It was agreed that Jamie would send out an RFP for IT services.

Director Kolssak read a letter that he wrote to the board regarding the June 26, 2013 Joint Workshop, a copy of which is attached. He has requested that this letter be made a part of the minutes for this meeting.

Director Cloud addressed the topic of One Zero Charlie/Michael Stanard's claim for unpaid invoices from 2012. The airport attorney reminded the Board that Mr. Stanard was offered a settlement, which was approved of by the board, in June of 2012 to which he did not respond. After much discussion, it was decided that the airport attorney would extend the same offer to Mr. Standard that he was offered in June of 2012. The offer would be made with the stipulation that he had 30 days in which to respond and that this would be the airport's final offer.

VIII. Executive Session

A Motion to go into Executive Session was made by Director Kolssak pursuant to 5 ILCS 120/2 (c) (1), (6) and (11) to discuss the appointment, employment, compensation, discipline, performance or dismissal of specific employees, the sale or lease of property owned by public body and pending or potential litigation. The motion was seconded by Director Cloud. The motion was approved by a roll call vote. Ayes: Directors Cloud, Katz, Kearns Kolssak, Lang and Pace. Nays: None.

IX. Action Taken from Executive Session

There was a motion by Director Cloud to authorize Attorney Lester to present a letter of agreement to the Army Corps of Engineers per the direction given in Executive Session. The motion was seconded by Director Lang. The motion was approved by a voice vote. Ayes included: Directors Cloud, Katz, Kearns, Kolssak, Lang and Pace. Nays: None.

Director Cloud stated that due to the additional work load that Jamie Abbott and Vicki Mayr have taken on during Dennis Rouleau's absence, the board felt that temporary bonuses are warranted. Therefore a percentage bonus will be added to Jamie's (15%) and Vicki's (10%) pay effective July 1st until December 31st, 2013. The bonus shall be paid in accordance with their normal payroll schedule and will be reviewed by the board in December.

Director Cloud moved and Director Kearns seconded the above. The motion was approved by a roll call vote. Ayes: Directors Cloud, Katz, Kearns, Kolssak, Lang and Pace. Nays: None.

X. Adjournment

A motion was made by Director Cloud and seconded by Director Lang to adjourn the meeting. The motion was unanimously approved by a voice vote. The meeting was adjourned at 8:18 p.m.

Respectfully submitted,

Elizabeth F. Cloud

Elizabeth Cloud
Secretary

To begin with, I would like to clarify something that I said at the Joint Meeting of last month. When we sent the recommendation to the municipalities to reduce the number of joint meetings to 1 instead of 2 I did not intend to intimate that the municipalities should meet less with each other. They can and should meet on their own regularly. I thought it was clear that the airport itself should not have to bear the financial and organizational burden of hosting meetings when they were not needed. The recommended language, as I recall, stated that we would mandate one meeting per year AND as needed. The recommendation was also sent to see if something so innocuous could get through both municipalities. The answer was and still is no.

I was angered and deeply disturbed after the Joint Meeting. So much so I considered resigning from the board. I continue to be baffled by the situation here. It is quite clear that the municipalities do not get along and would not use the forum I believe was properly provided for them to actually discuss some of the things that are stifling the growth and management of this airport. It was also crystal clear that many of the elected officials have little to no faith in the recommendations that flow from this board and little interest in the airport at all. Sitting on this board since 2005 has taught me many things - the most important being that I should do whatever was possible for the sake of the Airport. Like many of you, I have spent much time dealing with airport matters and have consistently tried to develop consensus about what should be done for the betterment of the airport and the region. I have never been told by the elected officials in Wheeling how to vote, think or act. They have placed me here to represent the interests of the airport and think and act on my own merits. The other Wheeling representatives I believe are treated equally. I do not believe the same is true for some of the others that sit across from me. I am aware that on several occasions, they have been directed. As of late, I am not sure the influence is as strong as it once was but there are always murmurs to replace those who don't tow the company line. I do not believe this is prudent and only speaks further to the underlying problems that undermine the governance of the airport. As I have stated before, the spirit of the IGA (in my interpretation) is that we handle the day to day operations and the municipalities handle the larger issues. The airport board should have the ability to handle operations and by not having a manager report directly to our board cuts at the knees. Furthermore, it creates an untenable condition of too many masters for the manager. It was clear by the actions observed at the Joint Meeting that some of the elected officials don't see it that way and want to micro manage everything at the airport. To that end, I would like to give the municipalities what they want as everything we send upstream gets manipulated, politicized and micro managed. It just doesn't work. The system and the communities do not work together. As a result, <u>I will be sending matters from this point on that require both municipalities approval directly to the municipalities</u>. The last two recommendations (and the only recommendations in over a year) have been disregarded and the airport board's opinions were dismissed. In fact, at the Joint Meeting, none of us were allowed to participate in a conversation where we were completely read in. Why not ask those closest to a situation to give perspective, knowledge, background and opinion? Leaders who ignore the council of those they appoint should find others they trust. Further, we have been told by Prospect Heights' officials that no amendments or changes to the IGA will occur until revenue sharing has been resolved. Would you cut off your nose to spite your face? Politics is squarely in the way of the development of the airport.

I would think that the differences between municipalities would harbor less bitterness than is apparent. If I had a partner who was stronger financially and strategically, I would befriend him rather than attack him. The fight between the communities is at so many levels that it is impassable. The courts are now involved in the revenue sharing argument to further slowdown any reconciliation.

In the last 6 months, our partners and tenants on the field have each reached out to me in many ways and voiced their concerns about lack of leadership, political infighting, poor airport management and yet we as a board are powerless to overcome any of it. Tenants whisper their opinions and disapprovals and yet will not produce anything in writing for fear of backlash by the Airport Manager or municipality.

One such prominent partner has indicated their corporation's lack of confidence in the governance at the airport and is questioning further investment on the field. We are on a very slippery slope.

However, at the joint meeting I heard elected officials express their approval and lauded the minor successes we have attained so far. They look at the potential I spoke of and think it too lofty or otherwise foolish. "We're doing just fine," I heard at the meeting. "Why don't we just keep things the way they are?" "Why would the airport manager report to the airport board?" "Why should we approve a sound recommendation that makes good business sense?" "Why do we have to think about potential when what we have is pretty great?" If you think like that in the private sector, you're dead.

What I hear and see is that Prospect Heights thinks and acts one way and Wheeling acts the other. There is rarely agreement and they should either come together or come apart. Until that time, this board will operate as it has within its boundaries. I would encourage those on this board to stand up for themselves and not be bullied by officials who may think otherwise. We have clear counsel to guide and protect our positions and I am confident in our actions.

If you are going to have a board, have a board. For the sake of our time as professionals, don't have a board so that you can play with us. It's not a good use of anyone's time.

Please don't mistake my passion for anything but being fed up with the situation and wanting to protect the airport. This airport needs a boost in morale and needs to be protected from the negativity that surrounds it. We need to edify our staff and grow their confidence. They deserve an atmosphere that is less toxic, more inviting and certainly more protective. I would like to ask that the management and staff to adhere to the idea that this board is where you receive direction. If there are outside influences, please bring them to my attention and I will protect you to the best of my abilities. The municipalities need to duke it out and we will protect our staff, our airport and most of all our tenants and partners from the ugly dysfunction that is our governance at this time. To those elected officials with the false sense that things are fine the way they are, they’re not.