

**MEETING OF THE BOARD OF COMMISSIONERS
OF THE
GREATER ROCKFORD AIRPORT AUTHORITY**

A Regular Meeting of the Board of Commissioners of the Greater Rockford Airport Authority was held on Thursday, October 26, 2006, in the Greater Rockford Airport Authority Auditorium, 60 Airport Drive, Rockford IL.

Chairman Dunn called the meeting to order at 5:35 p.m.

BOARD/LEGAL	P	A	STAFF	P	A	GUESTS/OTHER STAFF
Eugene Allen		X	Bob O'Brien	X		WTVO
Bill MacKay	X		Derek Martin	X		
Brian Boyer	X		Amy Ott	X		
Michael Dunn	X		Franz Olson	X		
Gwen Gulley		X	Jan Benoit	X		
Peter Provenzano	X		Kathy Bruggeman	X		
Bharat Puri		X	Wayne Langy		X	
Thomas Lester	X		Zachary Sundquist	X		

A motion was made by Commissioner Boyer, seconded by Commissioner MacKay and unanimously approved by voice vote to accept the minutes of the September 28, 2006 Regular Board Meeting as presented.

DIRECTORS REPORTS:

Executive Director, Bob O'Brien, reported on the following:

- Presented the Board with a decree signed by Congressman Manzullo celebrating 60 years of flight at RFD. Also presented them with a signed USAF Thunderbird lithograph in appreciation for their participation in AirFest 2006.

Amy Ott, Deputy Director of Finance & Administration reported on the following:

- There are several resolution items on the agenda including public officials insurance and other insurances and several AirFest items.

Franz Olson, Deputy Director of Operations/Facilities reported on the following:

- Last evening was our annual Snow Removal/Operations Meeting with UPS. In attendance were RFD Airport Operations/Facilities Shift Supervisors (Matt Zinke, Dave Lindberg) as well as Zach Sundquist, Primary Security Coordinator and me. Approximately one dozen UPS division representatives attended and many of them are new faces at RFD. The annual meeting is primarily a coordination meeting concerning winter snow removal operations; however, other Airport operational issues are discussed. They were very complimentary of RFD's

snow removal operations which they confirmed are second to none in the industry.

- Pursuant to the terms of the lease with Bob Moreland, last Thursday Marge Bevers and I accepted Substantial Completion of the second hangar complex constructed by Mr. Moreland. Currently, 22 nested t-hangars have been completed and 11 of the units have now been sold. A resolution concerning a minor “housecleaning” item and his lease is brought before you this evening.
- A contract was executed by and between the Airport Authority and Reitzel Construction for the installation of the escalators. Included in the contract were improvements to the terminal building restrooms consisting of new countertops and mirrors as well as incorporating the “used” stainless sinks and faucets obtained from Ottawa International Airport in Canada. As you may recall the baggage carousel in use today was also obtained from Canada. Completion of the lavatory work is scheduled for December 1st while completion of the escalators will be sometime in March 2007. Reitzel Construction submitted the low bid for this work (\$371,000) which is covered by a federal grant. The Board approved Reitzel’s bid at the last meeting.
- On November 8th the Airport Authority will meet with the Illinois Tollway Commission as well as with representatives from District 2 Highway Department to formulate a plan to enhance directional signage to RFD airport, along the tollway and State owned highway systems. Both agencies accommodated the AirFest using the overhead electronic messaging boards as well as installing some well made signs along the tollway.
- Members of senior staff today attended the funeral of Mike Ebersole an Engineer Technician employed at CMT’s Rockford office. Mike passed away after a long battle with cancer. Mike was only 37 years old and leaves behind a wife and two small children.

Derek Martin, Deputy Director of Air Service Business Development & Marketing,

reported on the following:

- Apple Vacations has cancelled their Cancun flights for December. Their flight bookings for January, February, and March are exceeding last year’s sales. They hope to come back to RFD next year with additional destinations.
- November 3rd is the Allegiant Air one-year anniversary. The GRAA is planning an open house celebration on November 16th to highlight their one year anniversary and their first flight to Tampa/Clearwater St. Petersburg, FL. More details about this event to follow.
- Our zip code per county data for Allegiant Air has been updated. Winnebago County – 26% followed by Dane County at 4.2%. Northwest Airlines has recently

discontinued service to Las Vegas from Madison; therefore, RFD should see increased enplanements to Las Vegas in the coming months. About 15% of the traffic are from the Chicago suburbs.

- Representatives from Air IT (Common Use System) and Lufthansa Airlines will be here tomorrow to view RFD's CUTE system applications. Lufthansa will most likely be utilizing this technology system wide. Air IT chose RFD for their meetings to showcase their equipment.
- Traveled to New York last week with Director O'Brien and met with JetBlue Airways about serving RFD. They made the decision this week to initiate air service from O'Hare International. Fare will start at \$39 one-way. Also met and gave a proposal to executives from Polar Air. They communicated to us that they will be having an executive committee meeting next week to discuss our proposal.

COMMITTEE REPORTS:

Planning & Finance Committee: Commissioner Dunn reported that a meeting was held on October 19, 2006. Items for discussion included updates on AirFest 2006, Marketing, United Airlines and pending resolutions.

PUBLIC COMMENT: None

OLD BUSINESS: The primary contractor was significantly delayed in the Landfill project. Details have been handled and the contractor has brought in additional trucks and labor to get the project back on track. The project is scheduled for completion by mid-December.

NEW BUSINESS: None

RESOLUTIONS:

Commissioner MacKay made a motion to adopt **Resolution #06-82**, adopting a revised Foreign Trade Zone (FTZ) #176 Tariff Schedule #2 (FTZ #176 rates and charges) issued Oct 1, 2006 and effective Nov 1, 2006 following the approval of the Greater Rockford Airport Authority Board of Commissioners. The motion was seconded by Commissioner Boyer and unanimously approved.

Commissioner MacKay made a motion to adopt **Resolution #06-83**, consenting to the assignment of the Net Ground Lease, dated June 16, 1985, concerning Aviation Plot #11 by and between Charles N. Salberg and Greater Rockford Airport Authority, to the Heartland Community Church of Rockford, Inc. The motion was seconded by Commissioner Boyer and unanimously approved. Chairman Dunn abstained from voting by reason of conflict of interest.

Commissioner MacKay made a motion to adopt **Resolution #06-84**, consenting to the assignment of the Net Ground Lease, dated 16 June 1985, concerning Aviation Plot #11 by and between the Heartland Community Church of Rockford, Inc. and Greater Rockford Airport Authority to the First Franklin Investment Company, LLC. The motion was seconded by Commissioner Boyer and unanimously approved. Chairman Dunn abstained from voting by reason of conflict of interest.

Commissioner MacKay made a motion to adopt **Resolution #06-85**, approving the purchase and installation of electrical cabling in the air show area on Ramp C & D from Rockford Electric Power, Inc of Loves Park, IL in the amount of \$56,722.08. The motion was seconded by Commissioner Boyer and unanimously approved.

Commissioner MacKay made a motion to adopt **Resolution #06-86**, approving expenditures up to \$18,000 with Ad Specialty Creations of Rockford, IL. for various air show materials and regular marketing materials. The motion was seconded by Commissioner Boyer and unanimously approved.

Commissioner MacKay made a motion to adopt **Resolution #06-88**, approving bid #06-20 for a five-year contract with Arrow Uniform of Elmhurst, IL. for employee uniform service beginning January 1, 2007. The motion was seconded by Commissioner Boyer and unanimously approved.

Commissioner MacKay made a motion to adopt **Resolution #06-89**, the purchase and installation of an upgrade to Workorderama – work order and preventive maintenance software in the amount of \$12,560. The motion was seconded by Commissioner Boyer and unanimously approved.

Commissioner MacKay made a motion to adopt **Resolution #06-90**, awarding bid #06-19 for Solid Runway and Taxiway Deicing/Anti-icing Compound to Quad Chemical of Virginia Beach, VA. in the amount of \$311.00 per ton of agricultural grade compound. The motion was seconded by Commissioner Boyer and unanimously approved.

Commissioner MacKay made a motion to adopt **Resolution #06-91**, awarding bid #06-19 for Solid Runway and Taxiway Deicing/Anti-icing Compound to Old World Industries of Northbrook, IL. in the amount of \$1,200 per ton of sodium formate grade compound. The motion was seconded by Commissioner Boyer and unanimously approved.

Commissioner MacKay made a motion to adopt **Resolution #06-92**, awarding bid #06-18 for Liquid De-Icer (Potassium Acetate) to Old World Industries of Northbrook, IL. in the amount of \$2.18 per gallon. The motion was seconded by Commissioner Boyer and unanimously approved.

Commissioner MacKay made a motion to adopt **Resolution #06-93 & #06-94**, approving the following specified insurances at stated prices for the period of November

1, 2006 – October 31, 2007. The motion was seconded by Commissioner Boyer and unanimously approved.

Coverage	Broker/Carrier	Current Year Premium	Proposed Premium
Airport General Liability	Aviation Insurance Service/AIG Aviation	\$65,100	\$59,344
Property	Williams-Manny, Inc/St. Paul/Travelers	\$54,048	\$57,186
Crime	Williams-Manny, Inc/St. Paul/Travelers	\$1,480	\$1,480
Equipment Floater	Williams-Manny, Inc/St. Paul/Travelers	\$22,567	\$22,567
Business Auto	Williams-Manny, Inc/St. Paul/Travelers	\$21,871	\$20,174
Equipment Breakdown	Williams-Manny, Inc/St. Paul/Travelers	\$2,150	\$2,150
Public Officials/EPLI	Williams-Manny, Inc/St. Paul/Travelers	\$57,954	\$57,560*
Workers Compensation	Williams-Manny, Inc/St. Paul/Travelers	\$102,525	\$95,479
		\$327,695	\$315,940

Commissioner MacKay made a motion to adopt **Resolution #06-96** approving a provision of notice of agreement relating to the ground leases with Moreland Enterprises, Ltd. Which were subsequently assigned to Airmen, Inc. The motion was seconded by Commissioner Boyer and unanimously approved.

OTHER BUSINESS: None

EXECUTIVE SESSION: Commissioner Provenzano made a motion to inter into Executive Session Pursuant to Section 5 ILCS 120/2(d) of the open meetings act to discuss Personnel Matters and Pursuant to Section 5 ILCS 120/2 (c)(6) to discuss setting prices for the sale or lease of property owned by the Greater Rockford Airport Authority. A roll call vote indicated 4 ayes and 0 nays. Executive session was entered into at 6:18 pm. The Board reconvened in open session at 7:12 p.m., at which time Commissioner Mackay made a motion to adoption Resolution No. 06-95 as read by Attorney Lester.

Resolution #06-95 approving and authorizing the authority to enter into an amendment to the net ground lease dated July 1, 2002 with Vista Marketing Group Ltd. relating to Industrial Plot No. 27, whereby said amendment would include the following terms and conditions:

- The Amendment would provide to Vista two additional five-year renewal terms to be added on to the end of the existing Lease. In exchange for said extension

rights, Vista shall pay to the Authority a minimum of \$55,000.00 at the time of the execution of the Amendment;

- The Amendment shall also have provisions which shall prohibit Vista from selling or otherwise allowing spectators to view any airshow or any other event sponsored by the Authority at its property;
- The Amendment shall require Vista to provide to the Authority updated environmental reports and other reports it is required to file under state and federal laws, and to otherwise protect the Authority as it relates any other potential environmental liability that may arise as a result of the operation of a retail gas operation;
- The Amendment shall provide that if at any time during the term of the Lease or any renewal term thereof the Tenant ceases operation of the retail gasoline facility for a period of thirty (30) days, the Lease can be terminated at the Authority's option upon fifteen (15) days written notice to the Tenant; and
- The Amendment shall provide:
 - *That the sale of the retail gasoline and convenience store business which Vista operates and the Leased Premises shall close within sixty (60) days of October 26, 2006; and*
 - *The sale shall be to the current proposed purchaser.*

In the event conditions 5(a) and 5(b) are not met, the Lease Amendment shall be null and void. Further, the Board hereby approves and authorizes the Chairman to execute said Lease Amendment on behalf of the Board so long as the minimum terms and conditions contained in this Resolution are met and the Lease Amendment is approved by legal counsel.

The motion was seconded by Commissioner Boyer. The motion was approved by unanimous vote of the Commissioners. A motion was made and seconded to adjourn and was unanimously passed. The Board adjourned at 7:15 p.m.