

**PALWAUKEE BOARD OF DIRECTORS
STRATEGIC PLANNING WORKSHOP
FRIDAY – APRIL 7, 2006
1020 S. PLANT ROAD
WHEELING, IL 60090
1:00 p.m.**

I. Call to Order:

Chairman Dohm called the meeting to order at 1:05 p.m. He welcomed and thanked everyone for attending today's meeting. Chairman Dohm introduced Jane Lump, Consultant of AON, Consulting, Inc. Ms. Lump explained the Agenda for today's meeting.

Attendees included: Chairman Dohm, Directors' Dourlain, Douthwaite, Shepstone, Wylie and Zimmerman.

Also in attendance: Dennis Rouleau, Airport Manager, Jamie Abbott, Assistant Airport Manager, and Peggy Cooney, Recording Secretary.

Audience Attendees: See attached sheet

Absent: Director Kolssak by prior notification

II. Pledge of Allegiance

III. Topic for Discussion:

A. Strategic Planning for Palwaukee Municipal Airport - Highlights / Updates included:

- Jane Lump, Consultant further explained three items that would be successfully accomplished at today's meeting. They include:
 - Climate
 - Thinking
 - Action
- Climate Setters highlights:
 - Explanation / use of metaphors as it relates to the Airport today and in five years.
 - Explained the "Aloha" analogy method going from specifics to actions
 - A = Assume value
 - L = Listen
 - O = Open minded
 - H = Headline
 - A = Action / specifics
- Explained the sessions would consist of a series of maps
- First map discussed was a "Context Map"
 - Highlights included:
 - Discussion / list of "key" trends (included):
 - Fuel costs
 - Demand for more services

- Increasing volume of small jets
- Chicago – airports turning away customers
- Hassle issues at larger airports
- Size of turf (possible expansion limits)
- Breakdown of these key trends into groups:
 - Negative Trends:
 - Cost of fuel
 - Land lock issues
 - Fewer pilots coming on-line
 - National limits on air traffic control
 - Technology Factors:
 - Newer, smaller Very Light Jets(VLJ's)
 - GPS technology
 - Increasing rate of the internet
 - Security cameras / smart cards
 - Flight simulator games
 - Positive Trends:
 - Increased amount of small jets (both private and corporate)
 - Difficulty in dealing with large airports
 - Fewer pilots coming on line
 - Increased range and globalization
 - Time share / fractional ownership
 - Customer Needs:
 - Demand for more services
 - Political Factors:
 - U. S. security
 - User fees
 - Illinois sales tax
 - The Intergovernmental Agreement
 - Other governmental entities
 - Need for education
 - Property taxes
 - Economic Climate:
 - Cost of fuel
 - Cost of insurance
 - Taxes add to the cost of doing business at this airport
 - More disposable income and/or more debt mobility
 - Uncertainties:
 - Decreasing grant pools
 - GPS technology interface with current government FAA Air Traffic Control
 - Audience comments included:
 - From Bill Nesbit:
 - The National climate

- Competitive climate
 - Long term threat
 - From Lou Nistler:
 - This type of process is going very well and there is no need for suggestions at this point of the discussion
- ➔ Second Map discussed was a “Stakeholders Map”
 - Highlights included:
 - Current network
 - Other constituents
 - Direct customers
 - Demand for more services i.e.
 - Aircraft maintenance
 - Low cost fuel
 - Infrastructure
 - Demand for dialog
 - Demand for low cost housing
 - Customers providing revenue to airport
 - Small private aircraft
 - Corporate aircraft
 - Flight schools
 - Charter operations
 - Flight clubs
 - FBO’s (transient aircraft)
 - Aircraft maintenance
 - Business customers
 - Ideal / convenience
 - Time sensitive
 - Alliances
 - Developers
 - Support staff
 - Aviation Management, Inc.
 - Engineering firms
 - Legal firms
 - Marketing
 - FAA
 - IDOT – DOA
 - PAPA
 - PACE Council
 - Other Constituents
 - WPH-COC
 - Convention and Visitors Bureau
 - Local government / agencies
 - Police and Fire departments
 - Aviation organizations / airport vendors

- NATA
 - CABAA
 - IPAA
 - NBAA
 - AAAE
 - Civil Air Patrol
 - Airport insurance / advisors
 - Wildlife control
- Palwaukee Board of Directors (PBOD)
- Airport staff
 - Airport Manager
 - Assistant Airport Manager
 - Administrative office staff
 - Finance
 - Maintenance
- Future Stakeholders Map
 - (Note: The PBOD decided there should be no radical change for the immediate future)
 - Future questions / issues for possible discussion
 - Will suppliers become staff
 - Will staff become suppliers
 - Should constituents become alliances
 - Add VLJ's as an "other customers" item
 - Expand contractual areas
 - Should marketing become a permanent staff member
 - Should the Finance Department be outsourced
 - Should overall Management be contracted
 - Should the Airport be an independent authority (privatized)
 - Re-visit current Airport network within 5 years versus 10 years
 - Some current alliances may be categorized as suppliers in the future
- Audience participation / comments included:
 - Lou Nistler – Finds the current discussion / thought processes are going in the right direction
 - Fran Huritz – The PBOD has a good handle on the current structure of items

At this point, Ms. Lump adjourned for a break in the session.

The Strategic Planning meeting reconvened and continued with the next step of the program.

Strengths

- Location closest to downtown Chicago
- Positive view of aviation, business and private flying community
- Closest airport to O'Hare International

- Able to accommodate international flights to 6 continents
- Strong new governing Board
- Excellent commercial facilities (i.e. restaurants, hotels, conference facilities)
- Two quality FBO's
- Excellent highway network
- Inter-modal transportation (i.e. trains, buses, ferry's)
- 24 hour U.S. Customs availability
- Has numerous CEO's that reside in the surrounding communities
- Has numerous Corporate headquarters in close proximity
- Continuous planning and upgrades of the airport
- Progressive plans for continued growth
- Dedicated agreeable elected officials that are supportive of the airport

Problems

- Limited hours of operation for the Air Traffic Control Tower
- Runway length
- Lack of safety zones
- One instrument approach
- Overall size limitations
- High cost of fuel
- Taxiway structure impact costs
- Inadequate maintenance facilities
- Same approach pattern for all size aircraft
- Landing procedures
- Capital improvements / governmental agency funding
- Expensive capital improvement requirements
- Obstructions at the end of runways
- The need to navigate 2 airport owners for changes to guiding documents
- Lack of ramp space and hangars (i.e. both T & box)
- O'Hare impact on travel both in and out of Palwaukee Municipal Airport (treated as a second class citizen)
- Lack of public ramps and flight planning facilities
- No restaurant on the field to fly up to
- No terminal facilities
- Lack of freight capabilities

Threats

- Du Page Airport larger with more buildings / structures
- Kenosha Airport has cheaper priced hangars
- User fees
- A major change in either community government
- FAA funding ceases

Opportunities

- Assorted hangars
- Public use areas
- Runway length & safety zones
- Active pursuit of Federal, State and Local funding
- Develop a strategy for a greater market share
- Self service fuel facility
- Creating a strategy to “re-brand” the airport

Summary of Discussion

<h3>Strengths</h3> <ul style="list-style-type: none"> ▪ Location ▪ Continuous planning & upgrades ▪ 2 first class FBO’s (1st & 3rd in Nation) ▪ 24 hour international capabilities ▪ Inter-mode ability ▪ Supporting (world class hotels, restaurants, conference facilities) ▪ New progressive governance board ▪ Excellent support services (i.e. snow removal) 	<h3>Opportunities</h3> <ul style="list-style-type: none"> ▪ Assorted hangars ▪ Public use areas ▪ Runway length & safety zones ▪ Active pursuit of Federal, State and Local funding ▪ Develop a strategy for a greater market share ▪ Self service fuel facility ▪ Creating a strategy to “re-brand” the airport
<h3>Problems</h3> <ul style="list-style-type: none"> ▪ Lack of public areas ▪ Runway length ▪ O’Hare proximity ▪ Dependant on Federal, State and Local funding for capital improvements ▪ High cost of operation ▪ Lack of hangars / ramp space ▪ Need to navigate the 2 owners of the Airport in governance 	<h3>Threats</h3> <ul style="list-style-type: none"> ▪ User fees ▪ FAA funding ▪ Du Page expansion / competitor ▪ Overall economy ▪ Change in municipal government support

Ms. Lump announced this portion of the Strategic Planning had been successfully accomplished. She inquired if the group would want to discuss the necessity of a “Mission / Purpose” statement in the next planning meeting.

Chairman Dohm thanked both Ms. Lump and Director Wylie for coordinating and planning today's meeting. The next Strategic Planning meeting is scheduled for Friday, May 19, 2006 at 12:00 noon (NOTE: Lunch will be served at 11:30 a.m.).

III. Adjournment:

With no further business to discuss, the meeting adjourned at 4:55 p.m.

Respectfully submitted,

Peggy Cooney

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Recording Secretary

Palwaukee Municipal Airport

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