

**DuPAGE AIRPORT AUTHORITY
FINANCE, BUDGET AND AUDIT COMMITTEE
WEDNESDAY, MAY 14, 2014**

A meeting of the Finance, Budget and Audit Committee of the DuPage Airport Authority Board of Commissioners was convened at the DuPage Flight Center, 2700 International Drive, West Chicago, Illinois, First Floor Conference Room, on Wednesday, May 14, 2014. Chairman Huizenga called the meeting to order at 1:02 p.m.

Commissioners Present: Donnelly, Huizenga, Posch

Commissioners Absent: Wagner

DuPage Airport Authority Staff Present: Executive Director David Bird; Mark Doles, Director of Aviation Facilities and Properties; Byron Miller, Director of Operations; Patrick Hoard, Director of Finance; John Schlaman, General Manager, Prairie Landing Golf Club; Dan Barna, Procurement Manager; Pamela Miller, Executive Assistant and Board Liaison.

Others: James Savio, Sikich

OLD BUSINESS

None

NEW BUSINESS

REVIEW OF FINANCIAL STATEMENTS

Patrick Hoard introduced James Savio, representing the firm of *Sikich*, who presented the Fiscal Year 2013 Financial Audit Report. Mr. Savio stated this was the first year of engagement with the Airport Authority and the audit process went very smoothly. He continued that all scheduled deadlines were met and a clean and unmodified opinion was issued. Mr. Savio provided a detailed overview of the audit report and Mr. Hoard then commented on the good working relationship experienced with the *Sikich* group. Chairman Huizenga asked that going forward, staff provide the annual audit report prior to the Board meeting to allow time for review. Discussion followed.

Mr. Hoard proceeded to review the Financial Statements.

Operating Revenues:

Airport Operations are basically on budget.

Flight Center Fuel Operations are exceeding budget by 6%; a good year to this point.

Prairie Landing Golf Club is 15% below budget for the year.

Total Operating Revenues are at 4% actual versus budget.

Operating Expenses:

Airport Operations increased 6% for the year.

Flight Center Fuel Operations increased 3% for the year; margins are better than budgeted.

Prairie Landing Golf Club is 10% below operating expenditures year-to-date with a slow start to the season due to weather.

Total Operating Expenses are 3% better than the budgeted amount for the year.

Net Profit from Operations is \$23,000 versus a loss of \$26,000.

Total Non-Operating Revenues increased 58% actual versus Budget for the year.

Non-Operating Expenses – nothing significant to report dollar wise.

Total Net-Profit from Non-Operations are 58% higher than budget.

Net Profit Excluding Depreciation at just under \$190,000 versus the budgeted amount of nearly \$79,000.

Capital Development Program – Many capital projects have been approved by the Board for this year with more coming to the May and June meetings for consideration. It is anticipated that by year end there will be no significant amount left in the Capital Program budget lines.

Cash Ending Balance is \$25.5 million.

Proposed Resolution 2014-1841; Resolution for the Disposal/Destruction of Surplus Personal Property.

Dan Barna discussed two items of surplus property to be disposed; a 1998 Hobart Jet-X4 GPU and a 2002 zero-turn turf mower. He provided a picture of each unit for the Committee's reference and advised staff is requesting the Board's approval to offer these items for sale on *eBay*. Discussion followed.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2014-1841; Resolution for the Disposal/Destruction of Surplus Personal Property. The **motion was seconded** by Commissioner Donnelly and was passed unanimously by roll call vote (3-0).

Proposed Resolution 2014-1842; Award of Bid to J. W. Turf, Inc. for Procurement of One (1) 2014 Model 3 WD Golf Course Bunker Rake.

Mr. Barna advised the new bunker rake to be purchased will replace two existing units to be traded in as part of the procurement process. The new bunker rake will be utilized by the golf course maintenance staff for smoothing and finishing sand in the bunkers. He continued that three sealed bids were received and staff recommends approval of J.W. Turf, Inc. as the low, responsive and responsible bidder. Discussion followed.

A **MOTION** was made by Commissioner Donnelly to recommend Board approval of Proposed Resolution 2014-1842; Award of Bid to J. W. Turf, Inc. for Procurement of One (1) 2014 Model 3 WD Golf Course Bunker Rake. The **motion was seconded** by Commissioner Posch and was passed unanimously by roll call vote (3-0).

Proposed Resolution 2014-1843; Award of Bid to Award of Bid to Burris Equipment Company for Procurement of Two (2) 2014 Model 2 WD Fairway Mowers.

Mr. Barna continued to explain that the two new fairway mowers will be utilized by the golf course maintenance staff and will replace three old units; these units will be traded in as part of the procurement process. Mr. Barna explained that three bids were received and after review Burris Equipment Company was determined to be the low, responsive and responsible bidder. Discussion followed relating to the trade in costs as part of this purchase and the specific uses for these mowers at Prairie Landing Golf Course. Staff recommended approval. Discussion continued briefly.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2014-1843; Award of Bid to Burris Equipment company for Procurement of Two (2) 2014 Model 2 WD Fairway Mowers. The **motion was seconded** by Commissioner Donnelly and was passed unanimously by roll call vote (3-0).

Proposed Resolution 2014-1844; Award of Bid to J. W. Turf, Inc. for the Procurement of One (1) 2014 Model 4 WD Compact Utility Tractor with Front Loader Attachment.

Mr. Barna continued to review the purchase of a compact utility tractor with a front loader attachment to be utilized at Prairie Landing Golf Course. He stated that three bids were received and upon evaluation J.W. Turf, Inc. was determined to be the low bidder; references were checked and positive responses received. He added there is no trade in provided as part of this procurement. Staff recommended approval.

A **MOTION** was made by Commissioner Donnelly to recommend Board approval of Proposed Resolution 2014-1844; Award of Bid to J. W. Turf, Inc. for the Procurement of One (1) 2014 Model 4 WD Compact Utility Tractor with Front Loader Attachment. The **motion was seconded** by Commissioner Posch and was passed unanimously by roll call vote (3-0).

Proposed Resolution 2014-1845; Authorizing the Purchase of a Wildlife Mitigation Vehicle from the Rock Island County Joint Purchasing Contract.

Dan Barna advised that the Airport Authority is in need of a wildlife mitigation vehicle for access to the hard to reach areas of the airfield. The Airport Authority has an aggressive wildlife management program for trapping and removing nuisance wildlife from the airfield. He continued that the procurement policy allows a Joint Purchasing Contract to be utilized for procurement, as does both the State of Illinois and DuPage County and continued to review the scope for this purchase. Discussion followed and staff recommended approval of procuring this wildlife mitigation vehicle from the Rock Island Joint Purchasing Contract.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2014-1845; Authorizing the Purchase of a Wildlife Mitigation Vehicle form the Rock Island County Joint Purchasing Contract. The **motion was seconded** by Commissioner Posch and was passed unanimously by roll call vote (3-0).

Proposed Resolution 2014-1846; Award of Contract to Huddleston McBride Land Drainage Company for Farm Tile Drainage Investigation and Rehabilitation Services – Phase I.

Mr. Barna provided exhibits showing the parcels that are included in the investigation for farm tile drainage issues. He explained the identified areas have issues with ponding or standing water which impacts farming operations and creates a significant wildlife hazard for the Airport. He continued that this investigation will be undertaken to determine the needed repairs and a Request for Proposal was issued on February 9 for this purpose; only one proposal was received. Mr. Barna then advised that pursuant to Airport Authority Procurement Policies and Procedures the Request for Proposal was reissued on March 21 with still only one proposal received; Huddleston McBride Land Drainage Company. Upon review by the evaluation committee, Huddleston McBride's proposal met Airport Authority requirements at a fair and reasonable cost. The scope of this investigation process was reviewed and discussion followed. Staff recommended approval of Huddleston McBride Land Drainage Company.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2014-1846; Award of Contract to Huddleston McBride Land Drainage Company for Farm Tile Drainage investigation and Rehabilitation Services – Phase I. The **motion was seconded** by Commissioner Donnelly and was passed unanimously by roll call vote (3-0).

Proposed Resolution 2014-1847; Award of Contract to Olsson Roofing Company for Hangar E-21 Roofing Repair.

Dan Barna provided photographs of the significant repairs needed for the Hangar 21 roof; the roof is 30 years old. Mr. Barna reviewed the scope of this project and advised four bids were received and Olsson Roofing Company was determined to be the low, responsive and responsible bidder. He added positive responses were received for their references. Staff recommended approval.

A **MOTION** was made by Commissioner Donnelly to recommend Board approval of Proposed Resolution 2014-1847; Award of Contract to Olsson Roofing company for Hangar E-21 Roofing Repair. The **motion was seconded** by Commissioner Posch and was passed unanimously by roll call vote (3-0).

Proposed Resolution 2014-1849; Award of Contract to Lifco Construction Company for Concrete Stairs and Retaining Wall Improvements.

Mr. Barna reviewed the needed improvements to the stairs and retaining wall at the entrance to the hangars on Tower Road and the ADA Ramp for the Flight School at Hangar 21 to be included. Mr. Barna explained the scope of this project and stated that four bids were received; Lifco Construction Company was the low responsive and responsible bidder. He continued that references were checked and positive responses were received. Staff recommended approval.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2014-1849; Award of Contract to Lifco Construction Company for Concrete Stairs and Retaining Wall Improvements. The **motion was seconded** by Commissioner Donnelly and was passed unanimously by roll call vote (3-0).

Other Business

None

A **MOTION** was made by Commissioner Posch to adjourn the Finance, Budget and Audit Committee; the **motion was seconded** by Commissioner Donnelly and was passed unanimously by voice vote. The meeting adjourned at 1:58 p.m.

Adopted at the September 24, 2014 Board Meeting

Peter H. Huizenga, Chairman

Finance, Budget and Audit Committee