

**DuPAGE AIRPORT AUTHORITY
FINANCE, BUDGET AND AUDIT COMMITTEE
WEDNESDAY, NOVEMBER 11, 2015**

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, November 11, 2015. Committee Chairman Huizenga called the meeting to order at 1:03 p.m. and a quorum was present.

Commissioners Present: Donnelly, Huizenga, Ledonne, Posch, Sharp

Commissioners Absent: Wagner

DuPage Airport Authority Staff Present:

Executive Director David Bird; Mark Doles, Director of Aviation Facilities and Properties; Patrick Hoard, Director of Finance and Prairie Landing Golf Club; Dan Barna, Procurement Manager; John Schlaman, Prairie Landing Golf Club; Pamela Miller, Executive Assistant and Board Liaison.

Others:

Johnny Jackson, CH2M.

OLD BUSINESS

None

NEW BUSINESS

REVIEW OF FINANCIAL STATEMENTS

Patrick Hoard proceeded to review the September Financial Statements.

Operating Revenues:

Airport Operations revenues decreased 4%; due to leases that expired.

Flight Center Fuel Operations decreased 8% from the budgeted amount. Average selling price for fuel is less than anticipated in the budget.

Prairie Landing Golf Club revenues remained flat. Golf is strong on the revenue side since June with more rounds played.

Total Operating Revenues are slightly down at 6%; actual versus budget.

Operating Expenses:

Total Operating Expenses decreased 16%; actual versus budget. Each of the Airport businesses are down.

Net Profit from Operations: The amount budgeted for this time period was \$649,843 through September; Year-to-Date actual net profit from operations is \$2,164,302.

Total Non-Operating Revenues: Increase of 35% which is a reflection of reimbursement received for previous Federal/State grant funded projects. These projects were budgeted up front by the Airport Authority and reimbursement received in later years.

Total Non-Operating Expenses: decreased 22% actual versus budget which is driven by property taxes and the timing for receiving payments.

Net Profit Excluding Depreciation: Actual Year-to-Date just over \$9.77 million versus the budgeted year-to-date amount of \$6,054,843.

Capital Development Program: 82% decreased in actual versus budgeted amount. This is the result of the transient hangar construction project being deferred to 2016.

Cash Ending Balance Ending: Year-to Date the amount budgeted was \$7,272,299; Actual Year-to-Date Cash Balance through September is \$22,211,754.

Discussion followed.

PROPOSED ORDINANCE 2015-286; AN ORDINANCE OF THE DUPAGE AIRPORT AUTHORITY LEVYING TAXES FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015.

Patrick Hoard stated this is statutorily required for passage each year in order for the Airport Authority to levy taxes. The Airport will levy the same amount as in the previous two years. Discussion occurred.

A **MOTION** was made by Commissioner Ledonne to recommend Board approval of Proposed Ordinance 2015-286; An Ordinance of the DuPage Airport Authority Levying Taxes for the Fiscal Year Beginning January 1, 2015 and Ending December 31, 2015. The **motion was seconded** by Commissioner Sharp and was passed unanimously by roll call vote (5-0).

PROPOSED ORDINANCE 2015-287; ADOPTING THE TENTATIVE BUDGET AND APPROPRIATIONS ORDINANCE FOR THE DUPAGE AIRPORT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2016 AND ENDING DECEMBER 31, 2016.

Mr. Hoard continued that each year the Airport Authority Board is also required by statute to pass a Tentative Budget and Appropriations Ordinance. He continued that this Tentative Budget document is identical to the Ordinance reviewed by the Finance Committee at their Special Committee Meeting held in October 2015 with one exception. He explained that a 2016 abatement was not included initially and now has been added to this final document; it is then the Board's discretion to abate for 2016 which will be addressed by Ordinance at the March 2016 Board Meeting. With the Board's approval the 2016 Tentative Budget and Appropriations will be submitted to the DuPage County Board Chairman for a 30-day review. The Airport Authority Board will approve the final 2016 Budget and Appropriations at the January 13, 2016 Annual Meeting. Discussion followed briefly.

A **MOTION** was made by Commissioner Ledonne to recommend Board approval of Proposed Ordinance 2015-286; An Ordinance of the DuPage Airport Authority Levying Taxes for the Fiscal Year Beginning January 1, 2015 and Ending December 31, 2015. The **motion was seconded** by Commissioner Posch and was passed unanimously by roll call vote (5-0).

PROPOSED RESOLUTION 2015-1971; APPROVING THE USE OF OUTSIDE AUDITORS FOR THE YEAR 2016.

Appointing the firm of Sikich LLP for auditing the Authority's 2015 finance statements for an all-inclusive maximum fee of \$37,500.

Mr. Hoard explained that Airport Authority By-Laws require outside auditors to be retained to perform the annual audit of financial statements. He continued this is the third year of the agreement with Sikich and this Resolution will authorize Sikich to perform the 2015 audit of the Airport Authority's financial statements. Mr. Hoard explained this will be the last year for this current agreement with Sikich and another RFP process will be conducted for a new auditing firm going forward. He advised that Sikich has requested a \$500 increase in their fee for 2015; the

cost for the 2015 audit is \$37,500 and the previous year it was \$37,000. He continued that Sikich has been very efficient and this increase seems justified. Executive Director Bird added that the audit results and reporting is received much earlier now with Sikich than in years passed; staff recommends approval.

A **MOTION** was made by Commissioner Donnelly to recommend Board approval of Proposed Resolution 2015-1971; approving the Use of outside Auditors for the Year 2016. The **motion was seconded** by Commissioner Posch and was passed unanimously by roll call vote (5-0).

PROPOSED RESOLUTION 2015-1972; DISPOSAL/DESTRUCTION OF SURPLUS PERSONAL PROPERTY.

Approves the disposition of surplus property by internet auction. Items include (2) golf carts, (12) outdoor dining tables, (42) outdoor dining chairs, (36) irrigation satellite controllers, and (1) bedknife grinder.

Mr. Barna reviewed the items of surplus property to be disposed; pictures were provided. Discussion followed briefly.

A **MOTION** was made by Commissioner Ledonne to recommend Board approval of Proposed Resolution 2015-1972; Disposal/Destruction of Surplus Personal Property. The **motion was seconded** by Commissioner Sharp and was passed unanimously by roll call vote (5-0).

PROPOSED RESOLUTION 2015-1973; AWARD OF AN ELEVATOR MAINTENANCE CONTRACT TO OTIS ELEVATOR COMPANY.

Approves a one (1) year contract, subject to two (2) one (1) year extensions for servicing eight (8) elevators. Contract commences January 1, 2016 for an annual cost of \$23,940 subject to annual adjustment not-to-exceed 3%.

Dan Barna advised the Airport Authority currently utilized a service contract for maintenance of eight elevators located in the Flight Center, Government Center and at Prairie Landing Golf Club. He continued that the existing five-year contract will expire on January 1, 2016. The term will be a one-year agreement subject to two one-year extensions. Mr. Barna explained that four bids were received and upon evaluation Otis Elevator was determined to be the apparent low, responsive and responsible bidder. Discussion continued regarding costs associated with this proposed master agreement and staff recommended approval.

A **MOTION** was made by Commissioner Sharp to recommend Board approval of Proposed Resolution 2015-1973; Award of an Elevator Maintenance Contract to Otis Elevator Company. The **motion was seconded** by Commissioner Ledonne and was passed unanimously by roll call vote (5-0).

PROPOSED RESOLUTION 2015-1974; AWARD OF MASTER AGREEMENT TO AQUA DESIGNS, INC. FOR ON-CALL IRRIGATION SYSTEM REPAIR AND MAINTENANCE SERVICES.

Approves a two (2) year time and material Master Agreement for as-needed irrigation system repair and maintenance. Contract commences January 1, 2016, costs not-to-exceed \$25,000 annually or \$5,000 per project.

Mr. Barna explained that this proposed master agreement will authorize on-call maintenance and repair services for the irrigation system located on International Drive for the areas around the Flight Center and the two high tail hangars. He continued that two bids were received and upon evaluation Aqua Designs, Inc. is recommended for award of this master agreement. Discussion followed regarding the scope of this Master Agreement and time and materials rates.

A **MOTION** was made by Commissioner Ledonne to recommend Board approval of Proposed Resolution 2015-1974; Award of Master Agreement to Aqua Designs, Inc. for On-Call Irrigation System Repair and Maintenance Services. The **motion was seconded** by Commissioner Posch and was passed unanimously by roll call vote (5-0).

OTHER BUSINESS

None

A **MOTION** was made by Commissioner Donnelly to adjourn the Finance, Budget and Audit Committee; the **motion was seconded** by Commissioner Ledonne and was passed unanimously by voice vote. The meeting adjourned at 2:24 p.m.

Approved at the January 13, 2016 Board Meeting

**Peter H. Huizenga, Chairman
Finance, Budget and Audit Committee**