

**DuPAGE AIRPORT AUTHORITY
FINANCE, BUDGET AND AUDIT COMMITTEE
WEDNESDAY, NOVEMBER 16, 2016**

A meeting of the Finance, Budget and Audit Committee of the DuPage Airport Authority Board of Commissioners was convened at the Daniel L. Goodwin Flight Center Building, First Floor Conference Room, 2700 International Drive, West Chicago, Illinois on Wednesday, November 16, 2016. Committee Chairman Huizenga called the meeting to order at 1:30 p.m. A quorum was present for the committee meeting.

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

Commissioners Absent: Sharp

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; Pamela Miller, Executive Assistant and Board Liaison.

Others: None

OLD BUSINESS

None

NEW BUSINESS

REVIEW OF FINANCIAL STATEMENTS

Patrick Hoard reviewed the October 2016 Financial Statements and discussion followed:

He reported that all is proceeding directly on track and the same as reported in previous meetings.

Margins

Operating Revenues:

Airport Operations revenues are on budget for the year; *Flight Center Fuel Operations* decreased 15%; *Total Operating Revenues* are down 9%; actual versus budget.

Operating Expenses:

Every business is doing well with keeping expenses down. *Total Operating Expenses* decreased 15% actual versus budget.

Net Profit from Operations: Year-to-Date actual net profit from operations is significantly higher for this time period actual vs. budget.

Total Non-Operating Revenues: Showing no significant changes since the last report; \$7.2 million actual versus \$5.4 million budgeted.

Total Non-Operating Expenses: Decreased 26% which is being driven by Property Taxes at the Prairie Landing Golf Club.

Capital Development Program: Projects are underway and this will be reflected in the budget as projects are completed.

Cash Ending Balance Ending: Actual Year-to-Date Ending Cash Balance through October 2016 is \$23,610,184. Cash balance is estimated to be approximately \$15 million at the end of Fiscal Year 2016.

NEW BUSINESS**Proposed Ordinance 2016-297; Adopting the Tentative Budget and Appropriations Ordinance for the DuPage Airport Authority for the Fiscal Year Beginning January 1, 2017 and Ending December 31, 2017.**

Patrick Hoard reported one change made in the budget document since the October Special Finance Committee Meeting; Non-Operating Revenue, Federal/State grants – zero dollars is now shown there. Executive Director Bird stated this budget contains a much less aggressive capital development program for 2017 due to the land acquisitions. Discussion followed.

A **MOTION** was made by Commissioner Ledonne to approve Proposed Ordinance 2016-297; Adopting the Tentative Budget and Appropriations Ordinance for the DuPage Airport Authority for the Fiscal Year beginning January 1, 2017 and Ending December 31, 2017. The **motion was seconded** by Commissioner Posch and was unanimously passed by roll call vote (5-0).

Proposed Ordinance 2016-298; An Ordinance of the DuPage Airport Authority Levying Taxes for the Fiscal Year Beginning January 1, 2016 and Ending December 31, 2016.

Mr. Hoard stated that the Airport Authority Board is required by statute to pass this Ordinance each year in order to levy taxes. He continued that the same amount as in the previous four years; \$5,976,024 will be levied. Mr. Hoard reviewed the history for the Airport Authority regarding the property tax levy and discussion followed.

A **MOTION** was made by Commissioner Posch to approve Proposed Ordinance 2016-298; An Ordinance of the DuPage Airport Authority Levying Taxes for the Fiscal Year Beginning January 1, 2016 and Ending December 31, 2016. The **motion was seconded** by Commissioner Donnelly and was unanimously passed by roll call vote (5-0).

Proposed Ordinance 2016-300; Authorizing the Acquisition of a Certain Property Commonly Known as the Oliver-Hoffman Property for Airport Purposes by the DuPage Airport Authority.

Settlement of eminent domain litigation wherein the Authority, for airport purposes, acquires approximately 14 acres of property located at the corner of Smith and Powis Roads for \$3,100,000.

Executive Director Bird asked Attorney Luetkehans to review the acquisition of this property and discussion followed.

A **MOTION** was made by Commissioner Ledonne to approve Proposed Ordinance 2016-300; Authorizing the Acquisition of a Certain Property Commonly Known as the Oliver-Hoffman Property for Airport Purposes by the DuPage Airport Authority. The **motion was seconded** by Commissioner Posch and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2016-2056; Approving the Use of Outside Auditors for the Year 2017.

Authorizes the Authority to appoint Sikich LLP as its outside auditor for auditing the Authority's 2016 financial statements for an all-inclusive maximum fee of \$38,000.

Mr. Hoard advised that in 2015, the Airport Authority conducted a Request for Proposal (RFP) process and the firm Sikich was selected as the Authority's outside auditing firm. He continued that this will be the fourth year in agreement with Sikich and they have submitted a proposal for an all-inclusive maximum fee of \$38,000. In 2017 the Airport Authority will again conduct an RFP process for a new auditing firm. Staff recommended approval of this resolution.

A **MOTION** was made by Commissioner Ledonne to approve Proposed Resolution 2016-2056; Approving the Use of Outside Auditors for the Year 2017. The **motion was seconded** by Commissioner Donnelly and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2016-2057; Award of Master Agreement to C. Armbrust Plumbing & Heating, Inc. for On-Call Plumbing Repair and Maintenance Services.

Approves a two (2) year time and material Master Agreement for as-needed plumbing repair services. Not-to-exceed \$25,000 annually or \$5,000 per project.

Dan Barna explained this Master Agreement is utilized for various plumbing repairs as needed throughout the Airport and Prairie Landing Golf Club. Three bids were received and C. Armbrust Plumbing & Heating, Inc. was determined to be low, responsive and responsible bidder. Staff recommended approval. Discussion continued.

A **MOTION** was made by Commissioner Posch to approve Proposed Resolution 2016-2057; Award of Master Agreement to C. Armbrust Plumbing & Heating, Inc. for On-Call Plumbing Repair and Maintenance Services. The **motion was seconded** by Commissioner Donnelly and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2016-2058; Award of Contract to Advent Systems, Inc. for Access Control System Repair and Maintenance Services.

Approves a one (1) year time and material contract subject to two (2) one (1) year extensions at the sole discretion of the Authority for as-needed access control system repair services.

Mr. Barna stated that the Airport Authority utilizes a qualified access control contractor to repair, replace and program access control system components; two bids were received and Advent Systems, Inc. was determined to be the low, responsive and responsible bidder. He discussed the terms of this agreement and costs associated. Discussion followed and staff recommended approval.

A **MOTION** was made by Commissioner Wagner to approve Proposed Resolution 2016-2058; Award of Contract to Advent Systems, Inc. for Access Control System Repair and Maintenance Services. The **motion was seconded** by Commissioner Ledonne and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2016-2059; Award of Contract to Urban Elevator Service, LLC for Elevator Maintenance Services.

Approves a one (1) year contract subject to two (2) one (1) year extensions at the sole discretion of the Authority for elevator maintenance services. Annual cost of \$27,924.

Dan Barna explained that the Airport Authority utilizes an elevator maintenance contractor servicing eight elevators located at the Flight Center, Control Tower, Government Center and Prairie Landing Clubhouse. He continued that Otis Elevator Service is the current provider however staff felt Otis did not provide quality service or the required preventative maintenance as mandated by the contract. He continued that the current contract will expire on January 1, 2017 and with Otis Elevators performance issues, staff elected not to extend their contract. Bids were solicited for a new one-year contract with two one-year extensions and four bids were received. Urban Elevator Service, LLC was the low, responsive and responsible bidder. Discussion followed and staff recommended approval.

A **MOTION** was made by Commissioner Ledonne to approve Proposed Resolution 2016-2059; Award of Contract to Urban Elevator Service, LLC for Elevator Maintenance Services. The **motion was seconded** by Commissioner Donnelly and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2016-2060; Delegation of Authority to the Executive Director to Accept and Enter into Electric Power and Natural Gas Supplier Agreements.

Delegates authority to the Executive Director to enter into lowest bid electric energy and natural gas supplier contracts from pre-qualified firms through a Request for Proposal process.

Mr. Barna advised that for the past few years the Airport Authority has purchased deregulated electric energy and recently natural gas from retail energy suppliers. The Authority's current contract for energy expires in December 2016 and the natural gas contract expires April 2017. Mr. Barna continued that a Request for Proposal (RFP) for an electric energy and natural gas supplier was issued with proposals due on November 14, 2016. He explained the process for approval and the terms of the contract. Mr. Barna advised this resolution allows the Board to delegate authority to the Executive Director to enter into a contract with two bidders under the unique circumstances for obtaining best and final pricing quotes from bidders and executing a contract the same day. Discussion followed and staff recommended approval.

A **MOTION** was made by Commissioner Wagner to approve Proposed Resolution 2016-2060; Delegation of Authority to the Executive Director to Accept and Enter into Electric Power and Natural Gas Supplier Agreements. The **motion was seconded** by Commissioner Ledonne and was unanimously passed by roll call vote (5-0).

OTHER BUSINESS

None

A **MOTION** was made by Commissioner Wagner to adjourn the Finance, Budget and Audit Committee; the **motion was seconded** by Commissioner Posch and was passed unanimously by voice vote. The meeting adjourned at 2:15 p.m.

Approved at the January, 18, 2017 Board Meeting

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