

**DuPAGE AIRPORT AUTHORITY
FINANCE, BUDGET AND AUDIT COMMITTEE
WEDNESDAY, JANUARY 18, 2017**

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, January 18, 2017. Committee Chairman Huizenga called the meeting to order at 1:31 p.m. A quorum was present for the committee meeting.

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

Commissioners Absent: None

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 December 2016 Financial Statements and discussion followed:

Operating Revenues:

Airport Operations revenues are on budget for the year; *Flight Center Fuel Operations* decreased 14%; *Prairie Landing Golf Club* decreased 4%. *Total Operating Revenues* are down 9%; actual versus budget. The decrease in golf revenues is largely because of the lack of bookings for weddings, outings and banquets for 2016; seeing increased activity regarding weddings for 2017 and 2018. Discussion followed.

Operating Expenses:

Each business is doing well with keeping expenses down.
The average selling price for fuel was less than anticipated so flight center expenses are flat.
Total Operating Expenses decreased 12% actual versus budget.

Net Profit from Operations: Year-to-date actual net profit from operations versus the amount budgeted is significantly higher for this time period. A gross profit of \$180,000 was budgeted for the golf club and that figure was exceeded at the end of the year finishing at \$295,000.

Total Non-Operating Revenues: Showing no significant changes since the last report; \$7.2 million actual versus \$5.5 million budgeted.

Total Non-Operating Expenses: Decreased 24% which is being driven by Property Taxes at the Prairie Landing Golf Club.

Capital Development Program: Budgeted year-to-date spending was less than actual for Capital and Major Maintenance programs due to land acquisitions that have not yet occurred; over \$10 million for the purchases of the Oliver Hoffman property and the Pheasant Run property.

Construction is progressing with the new hangar which was originally expected to be completed and funds utilized in 2016. Completion date is now anticipated for early 2017 and the remaining funds have been carried over into the 2017 budget year.

Cash Ending Balance Ending: Actual Year-to-Date Ending Cash Balance through December 2016 is \$20,123.014.

NEW BUSINESS

Proposed Ordinance 2017-308; Adopting Budget and Appropriations Ordinance for the DuPage Airport Authority for Fiscal Year Beginning January 1, 2017 and Ending December 31, 2017.

Executive Director Bird reported the 2017 Tentative Budget and Appropriations was approved by the Board at the November 2016 meeting and was forwarded to DuPage County Board Chairman Cronin on December 1, 2016 for review; no comments were received from Chairman Cronin or his staff. All statutory requirements have been met for passage of the final 2017 budget. Discussion followed.

A **MOTION** was made by Commissioner Wagner to approve Proposed Ordinance 2017-308; Adopting Budget and Appropriations Ordinance for the DuPage Airport Authority for Fiscal Year beginning January 1, 2017 and Ending December 31, 2017. The **motion was seconded** by Commissioner Sharp and was unanimously passed by roll call vote (6-0).

Proposed Ordinance 2017-310; An Ordinance Rescinding the Abatement of the Levy of Tax Authorized by Ordinance 2016-293.

Executive Director Bird stated the Board originally approved Ordinance 2016-293 for abatement of \$500,000 in 2016. He continued that an error was made and the required filing date with DuPage County was missed and at that time it was determined the abatement would be allowed to roll into the 2017 budget year. Executive Director Bird continued that at the last Board meeting it was discussed and decided that due to the ongoing land acquisitions anticipated for the Oliver Hoffman Property and the Pheasant Run property, it would not be in the best interest of the Airport Authority to abate for the 2017 budget year. He explained that this proposed ordinance will allow the original ordinance for abatement, Ordinance 2016-293, to be rescinded. Board approval was recommended and discussion followed.

A **MOTION** was made by Commissioner Wagner to approve Proposed Ordinance 2017-310; An Ordinance Rescinding the Abatement of the Levy of Tax Authorized by Ordinance 2016-293. The **motion was seconded** by Commissioner Sharp and was unanimously passed by roll call vote (6-0).

Proposed Resolution 2017-2067; Authorizing the Execution of a Professional Services Agreement with Serafin & Associates Inc. for Marketing and Communication Services.

Approves an Agreement for providing marketing and communications support for the Flight Center, DuPage Business Center and Prairie Landing Golf Club at a total not-to-exceed cost of \$42,500.

Executive Director Bird stated the Airport Authority has had an agreement with Serafin & Associates for the last few years. He continued that Serafin's services have been valuable for marketing and public relations by providing marketing materials, press releases and coordination of events for the Airport Authority, Flight Center and Prairie Landing Golf Club. Discussion followed.

A **MOTION** was made by Commissioner Ledonne to approve Proposed Resolution 2017-2067; Authorizing the Execution of a Professional Services Agreement with Serafin & Associates Inc. for Marketing and Communication Services. The **motion was seconded** by Commissioner Donnelly and was unanimously passed by roll call vote (6-0).

Proposed Resolution 2017-2068; Disposal/Destruction of Surplus Personal Property.

Approves the disposition of One (1) 1993 Emergency Firefighting Rapid Intervention Vehicle through sale by a public internet auction.

Dan Barna explained staff is seeking Board approval to dispose of the 1993 ARFF Truck that has been replaced with the purchase of the new 2017 Rosenbauer ARFF Vehicle. This resolution will authorize the disposition and sale of this truck through a public auction. Discussion continued.

A **MOTION** was made by Commissioner Sharp to approve Proposed Resolution 2017-2068; Disposal/Destruction of Surplus Personal Property. The **motion was seconded** by Commissioner Ledonne and was unanimously passed by roll call vote (6-0).

Proposed Resolution 2017-2069; Award of a Uniform and Mat Rental Contract to Cintas Corporation.

Approves a three (3) year Uniform and Mat Rental contract. Three (3) year cost of \$42,000.

Mr. Barna explained this contract provides for the rental and weekly cleaning of uniforms for employees of the Maintenance Department and Flight Center Line Service, and also for floor mats at various locations at the Airport. Mr. Barna continued that currently there is a 3-year contract with Aramark Uniform Service and that contract expires January 31. Two bids were received and Cintas corporation was determined to be the low, responsive, responsible bidder. He reviewed the terms of this three-year contract with Cintas and Board approval was recommended.

A **MOTION** was made by Commissioner Wagner to approve Proposed Resolution 2017-2069; Award of a Uniform and Mat Rental contract to Cintas Corporation. The **motion was seconded** by Commissioner Posch and was unanimously passed by roll call vote (6-0).

Proposed Resolution 2017-2070; Award of a Janitorial Services Contract to Emerald Restoration & Cleaning Service, Ltd.

Approves a one (1) year Janitorial Contract, subject to two (2) one (1) year extensions at the sole discretion of the Authority. \$98,446 (year 1), \$100,817 (year 2), and \$103,126 (year 3).

Mr. Barna stated that the previous contract for janitorial services was with another provider and that contract was terminated in the fall of 2016 due to the company going out of business. He added that since that time a temporary service has been utilized until a new contract could be established. Mr. Barna explained this was not a sealed bid process but a Request for Proposal (RFP) process was conducted to secure a new one-year contract with two one-year extensions; seven proposals were received. An evaluation panel was established and after review of these proposals Emerald Restoration and Cleaning Service was determined to be the highest ranking company. Mr. Barna discussed the scope of work included with this contract and the costs associated. Staff recommended approval.

A **MOTION** was made by Commissioner Ledonne to approve Proposed Resolution 2017-2070; Award of a Janitorial Services Contract to Emerald Restoration & Cleaning Service, Ltd. The **motion was seconded** by Commissioner Sharp and was unanimously passed by roll call vote (6-0).

Proposed Resolution 2017-2071; Ratification of a Change Order to the Purchase Order Contract with Rosenbauer Minnesota, LLC for the Procurement of one (1) 4X4 Aircraft Rescue and Firefighting Vehicle.

Ratifies the Executive Director's execution of a \$12,305 Change Order for the addition of critical options required during the fabrication of the 4X4 Aircraft Rescue and Firefighting Vehicle.

Mr. Barna explained that when staff reviewed the newly purchased ARFF truck at the pre delivery inspection, three signification options were discovered to be missing on the new truck that had not been included in the original specifications. He reviewed these crucial components and the costs associated. He continued to explain that due to time constraints, the Executive Director executed this change order with Rosenbauer Minnesota and staff is seeking the Board's ratification. Discussion followed.

A **MOTION** was made by Commissioner Ledonne to approve Proposed Resolution 2017-2071; Ratification of a Change Order to the Purchase Order Contract with Rosenbauer Minnesota, LLC for the Procurement of one (1) 4X4 Aircraft Rescue and Firefighting Vehicle. The **motion was seconded** by Commissioner Posch and was unanimously passed by roll call vote (6-0).

OTHER BUSINESS

None

A **MOTION** was made by Commissioner Sharp 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 2:04 p.m.

Approved at the March 8, 2017 Regular Board Meeting

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