

**DuPAGE AIRPORT AUTHORITY
FINANCE, BUDGET AND AUDIT COMMITTEE
WEDNESDAY, SEPTEMBER 20, 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, September 20, 2017. Committee Chairman Huizenga called the meeting to order at 2:00 p.m. A quorum was present for the committee meeting.

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

Commissioners Absent: Ledonne

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, Operations and Capital Program Manager; Pamela Miller, Executive Assistant and Board Liaison.

Others: None

OLD BUSINESS

None

NEW BUSINESS

REVIEW OF FINANCIAL STATEMENTS

Patrick Hoard reviewed the August 2017 Financial Statements and discussion followed:

Operating Revenues:

A decrease in revenues exists due to the September 30, 2017 expiration of the CenterPoint Development and Lease Agreement. It is projected that the Airport Authority will end the year below our target revenue and staff is working to close this gap by significantly reducing expenditures for the remainder of 2017.

Airport Operations revenues are on budget for the year.

Flight Center Fuel Operations revenues are slightly above budget.

Prairie Landing Golf Club revenues decreased 7% from the amount budgeted mainly due to the loss of two large outings; one outing no longer being held by the company and the other organization needs a bigger facility.

Total Operating Revenues are down 1%; actual versus budget.

Operating Expenses:

Airport Operations are decreased 9% from budget.

Flight Center Operations are increased 2%.

Prairie Landing Golf Club decreased 11% from budget.

Total Operating Expenses decreased 4% actual versus budget.

Net Profit from Operations:

Total Profit from Operations is significantly better than budgeted.

Total Non-Operating Revenues have increased 28% actual versus budget.

Total Non-Operating Expenses have decreases 2% actual versus budget.

Capital Development Program:

Due to the anticipated land purchases, this line remains under the amount budgeted for the year.

Cash Ending Balance:

Actual Year-to-Date Ending Cash Balance is just over \$15 million and by the end of 2017 the cash balance is projected to be at \$8 million.

NEW BUSINESS

Proposed Resolution 2017-2106; Approving the Use of Outside Auditors for the Year 2018.

Appoints the firm of Sikich LLP as outside auditor for auditing the 2017 financial statements for an all-inclusive maximum fee of \$30,160.

Mr. Hoard explained that as specified in the Airport Authority By-Laws, the Board approves the use of outside auditors for the Airport Authority every year. He continued that four years ago the firm of Sikich was selected through a Request for Proposal (RFP) process and staff has now conducted an RFP process for the 2018 fiscal year. Mr. Hoard advised ten proposals were received; an evaluation panel was established for review and recommended Sikich be retained for 2018. Mr. Hoard reviewed the associated fees and discussion followed. Staff recommended approval.

A **MOTION** was made by Commissioner Sharp to recommend Board approval for Proposed Resolution 2017-2106. The **motion was seconded** by Commissioner Donnelly and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2017-2107; Authorizing an Extension to the Contract with Next Generation, LLC. for Lobbyist Services.

Authorizes the execution of an extension to the Agreement for lobbyist services. One year, subject to two (2) one (1) year extensions at the sole discretion of the Authority. Annual compensation of \$60,000 year 1, \$61,800 year 2, and \$63,654 year 3.

Dan Barna reviewed the agreement for lobbyist services and advised the firm of Next Generation, LLC. is recommended to continue to provide lobbyist services for the Airport Authority. Next Generation, LLC has provided these services for the Airport Authority during the past three years with annual Board approval. Mr. Barna reviewed the terms for this extension to the contract with Next Generation LLC. and discussion followed.

A **MOTION** was made by Commissioner Donnelly to recommend Board approval of Proposed Resolution 2017-2107; Authorizing an Extension to the Contract with Next Generation, LLC. for Lobbyist Services. The **motion was seconded** by Commissioner Wagner and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2017-2108; Award of Bid to Nachurs Alpine Solutions for the Procurement of Sodium Formate Runway Deicing Material.

Authorizes the procurement of up to 12 tons of Sodium Formate on an as-needed basis in an amount not-to-exceed \$19,845 for the 2017/2018 winter season.

Mr. Barna advised that the Airport Authority each year purchases runway deicing materials, sodium formate, for runway applications. He continued that initially only one bid was received and this product was rebid for the second time as required by Airport Authority Procurement Policies and Procedures. Nachurs Alpine Solutions remained the only bid received and is recommended for approval. Discussion followed.

A **MOTION** was made by Commissioner Wagner to recommend Board approval of Proposed Resolution 2017-2108; Award of Bid to Nachurs Alpine Solutions for the Procurement of Sodium Formate Runway Deicing Material. The **motion was seconded** by Commissioner Sharp and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2017-2109; Award of Contract to Ascent Aviation Group, Inc. for the Procurement of Potassium Acetate Runway Deicing Fluid.

Authorizes the procurement of up to 8,000 gallons of Potassium Acetate on an as-needed basis in an amount not-to-exceed \$35,120 for the 2017/2018 winter season.

Mr. Barna advised the Airport Authority also purchases liquid deicing materials, potassium acetate, for runway applications. He continued that two bids were received and Ascent Aviation Group, Inc. was the low, responsive and responsible bidder. Staff recommended approval. Discussion occurred.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2017-2109; Award of Contract to Ascent Aviation Group, Inc. for the Procurement of Potassium Acetate Runway Deicing Fluid. The **motion was seconded** by Commissioner Wagner and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2017-2110; Award of Master Agreement to Overhead Door Solutions Inc. for On-Call Hangar Door Repair Services.

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

Mr. Barna discussed this On-Call Master Agreement for repair and maintenance of various hangar doors located throughout the Airport. He advised three bids were received for this Master Agreement and Overhead Door Solutions was determined to be the low, responsive and responsible bidder. Staff recommended approval. Discussion followed.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2017-2110; Award of Master Agreement to Overhead Door Solutions Inc. for On-Call Hangar Door Repair Services. The **motion was seconded** by Commissioner Donnelly and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2017-2111; Award of Contract to Fox Valley Fire & Safety Company for Sprinkler and Fire Alarm System Testing and Maintenance Services.

Approves a one (1) year sprinkler and Fire Alarm System Testing and Maintenance Contract subject to four (4) one (1) year extensions at the sole discretion of the Authority. Testing fees of \$14,800 year 1, \$21,250 year 2, \$15,000 each year for years 3, 4 and 5.

Mr. Barna explained the Airport Authority is required to conduct periodic inspections, testing and maintenance of its sprinkler systems, fire alarms and fire pumps. He continued that Kluber Architects & Engineers assisted staff in developing the specifications for this new contract to insure compliance with these regulations. Seven bids were received and after evaluation, Fox Valley Fire and Safety Company is recommended for Board approval. He reviewed the scope of this contract and costs associated. Discussion followed.

A **MOTION** was made by Commissioner Donnelly to recommend Board approval of Proposed Resolution 2017-2111; Award of Contract to Fox Valley Fire & Safety company for Sprinkler and Fire Alarm System Testing and Maintenance Services. The **motion was seconded** by Commissioner Posch and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2017-2112; Award of Contract to Netrix LLC. for Managed IT and Internet Services.

Approves a three (3) year Contract for Managed IT Services. Annual fees of \$61,410 for managed services, a \$111,632.21 equipment and software purchase, and annual internet services of \$12,588.

Mr. Barna explained the Airport Authority conducted a Request for Proposal (RFP) process for managed IT and Internet Services; 11 proposals were received from different IT providers in the area. He continued to explain the Airport Authority's need to upgrade existing computer network infrastructure and how an outside provider could best support this effort. The Executive Director appointed an evaluation panel and after review, four firms were shortlisted; Netrix LLC was recommended for award of this contract. Mr. Barna reviewed the terms of this contract. Discussion followed.

A **MOTION** was made by Commissioner Sharp to recommend Board approval of Proposed Resolution 2017-2112; Award of Contract to Netrix LLC. for Managed IT and Internet Services. The **motion was seconded** by Commissioner Wagner and was unanimously passed by roll call vote (5-0).

Proposed Resolution 2017-2113; Authorizing the Execution of a Non-Federal Reimbursable Agreement Between Department of Transportation Federal Aviation Administration and the DuPage Airport Authority to Provide Airport Traffic Control Services at the DuPage Airport Traffic Control Tower.

Approves an Agreement between the Federal Aviation Administration ("FAA") and the DuPage Airport Authority whereby the FAA will provide staffing of the DuPage Air Traffic Control tower from 10:00 PM to 6:00 AM for the period of October 1, 2017 through September 30, 2018. Total authorized cost of \$594,818.00.

Mark Doles explained the FAA has had an agreement with the Airport Authority for manning the Aircraft Control Tower between the hours of 10 p.m. and 6 a.m. In past years the Board and staff have maintained the importance of retaining these services with the Tower. Discussion

followed. Mr. Doles advised the terms of this federal government agreement are identical to the previous years with an increase of 13.9% included for 2018. He continued to explain that this is a large increase but is non-negotiable with the federal government. Staff is recommending approval of this agreement for 2018 but a thorough review is necessary to determine if the Airport Authority can continue to support these service in the future. Discussion followed.

A **MOTION** was made by Commissioner Wagner to recommend Board approval of Proposed Resolution 2017-2113; Authorizing the Execution of a Non-Federal Reimbursable Agreement Between Department of Transportation Federal Aviation Administration and the DuPage Airport Authority to Provide Airport Traffic Control Services at the DuPage Airport Traffic Control Tower. The **motion was seconded** by Commissioner Sharp and was unanimously passed by roll call vote (5-0).

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 1:55 p.m.



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