

**CHICAGO EXECUTIVE AIRPORT
BOARD OF DIRECTORS
BUDGET WORKSHOP MINUTES
WEDNESDAY, FEBRUARY 15, 2023
1020 S. PLANT ROAD
WHEELING, IL 60090
7:30 PM**

I. Call to Order and Roll Call

- II.** Chairman Court Harris called the meeting to order at 7:37 p.m. Roll call confirmed the following present: Directors Berman, Hellyer, Kearns, Kiefer, Lang, and Saewert. Absent: None.

Also in Attendance: Jeff Miller – Executive Director
 George Sakas – Director of Economic Development
 Jason Griffith – Director of Finance
 Andrew Wolanik – Director of Operations and Maintenance
 Krista Coltrin – Administrative Manager
 Kim Mueller – Property Accountant

III. Pledge of Allegiance

Following roll call Chairman Harris led those in attendance in the Pledge of Allegiance.

IV. Changes to the Agenda

There were no changes to the agenda.

V. Public Comments

Jim Loerzel addressed the Board of Directors regarding increasing hangar rates. After mentioning a surplus of unallocated funds from 2021 and 2022, he requested that the board consider applying the surplus to help offset increasing lease rates for the upcoming year for everyone on the airfield.

VI. Discussion of the Five-Year Capital Improvement Plan and FY 2024 Budget for Chicago Executive Airport

Director of Finance Jason Griffith presented the FY24 Budget Workshop.

- A. Executive Summary – FY24 after transfers budgeted Net Income is \$40,517. Total budgeted revenues are up \$843,388 from FY23 to \$6,949,383. Total budgeted expenses are up \$292,015 from FY23 to \$5,461,465. Operating Income is budgeted to be \$1,487,919. Unrestricted operating funds are expected to be \$4,224,955 at the end of FY24. The Airport Business Plan requires a 3-month operating expense reserve in unrestricted funds. This amount would be \$1,365,366. Projected unrestricted operating funds are \$2,859,588 over the

required amounts. The Airport Debt Covenant requires budgeted operating expenses * 180 days / 365 days. This amount would be \$2,693,325 in FY24. The projected unrestricted operating funds are \$1,531,630 over the required amounts.

- B. Revenue Summary – FY24 budgeted revenues total \$6,949,383 increase of \$843,388 (13.81% increase over FY23). Budgeted revenues include Long-Term lease revenues of \$2,692,150, Fuel Flowage Fess of \$2,238,300, T-hangar revenues of \$497,231, Hangar 5 & 6 fees of \$505,000 and U.S. Customs User fee revenues of \$693,263 plus commercial operating permits, tiedown fees, sign fees and other various fees.
- C. Administration & Finance Budget – FY24 Personnel Services decreases \$9,773 which includes a new part-time Administrative Assistant position and 4.0% CPI cost of living adjustment for all employees. FY24 Total Services and Supplies will increase by \$80,343 to include an increase in consultant expenses and insurance costs. Other increases of \$61,255 include U.S. Customs expenses and public relations/marketing expense increases. Total Administration and Finance expenses increased \$131,825.
- D. Operations & Maintenance Budget Summary – FY24 Personnel expense to increase by \$170,220 with a 4.0% cost of living adjustment for all employees, a change to a 40-hour work week and a staff member changing from hourly to salaried. Services and Supplies increase \$114,633 for hangar maintenance, monthly security support, pavement remarking, travel expense, and vehicle maintenance.
- E. Capital Improvement Plan (CIP) – Jason explained that the CIP looks five years forward, is an overview of all known potential capital expenses. It allows for reserve fund planning and is a helpful budgeting tool.
 - 1. Sewer – FY24 budgeted revenues of \$43,610 in annual fees and \$25,000 in sewer repairs if necessary.
 - 2. Vehicles and Equipment – FY24 Proposed budgeted vehicles and equipment include a new snow broom, a new maintenance vehicle, and two administration vehicles.
 - 3. Building and Land – there are no FY24 proposed expenses and \$450,000 is proposed to be transferred. Although no property taxes are paid directly from this fund, the transfer amount is a decrease from FY23 in anticipation of additional Cook County property taxes. Once all assessments have been completed, staff will recommend increasing the transfer to this fund back to previous amounts.
 - 4. Capital Repair or Demolition Fund – FY24 \$129,886 proposed transfers to the fund with \$36,015 budgeted from this fund to demolish 206 Industrial Road.
 - 5. Self-funded – Jason outlined capital improvements to facilities, fencing, gates, landscaping, security improvements, and pavement repairs. He noted that sewer repairs will be expensed in the Sewer Fund. There are no budgeted expenses for capital construction. Capital outlays will include office equipment, vehicle rehabilitations, shop equipment, and other expenses.
- F. Capital “A” Projects in proposed FY24 Budget – Jason spoke about the following Capital “A” projects that will have a total cost of \$18,527,778. The local share will be \$1,172,083.
 - 1. Residential Soundproofing (RSIP) – Phase 2
 - 2. Rehabilitate Lighting Phase 1
 - 3. Update to Exhibit “A” Property Map
 - 4. Rehabilitate Northwest Quadrant Access Road
 - 5. Develop East Quad GA Apron

6. Master Drainage Study
7. Hot Spot – Reconfigure Taxiways Phase 1
8. NE Quadrant Apron and Taxiway Access
9. South Parallel Taxiway Runway 12/30 Phase 1

G. Comments:

1. Director Kearns asked whether the availability of pre-clearance at general aviation airports in Canada would hurt revenue at general aviation airports in the U.S. Executive Director Miller responded that it is doubtful that this option would be expanded to Part 135 & Part 91 operators in Canada due to lack of necessary staffing to accommodate the change.
2. Director Saewert questioned how much revenue comes from Hangar 5 & 6 after taxes are paid. After taxes and utilities, Mr. Sakas responded \$165,000 net, conservatively.
3. Executive Director Miller responded to Director Lang's question, confirming that no property taxes are paid out of the Building & Land Fund. He added that staff are working with the airport attorney on determining actual appraisal values and filing for exempt status on appropriate parcels, noting that this process typically takes about one year.
4. Mr. Griffith responded to Director Kearns' question by stating that the balloon payment on the U.S. Customs building is due eight years from December 2022 and is currently at 3.75% interest.
5. Director Kearns asked if there were other areas where funds could be redirected to keep the Building and Land Fund at full funding for this fiscal year. Mr. Griffith replied that the intent is to recommend an increase to the funded amount once the final property tax payments are fully addressed.
6. Director Kiefer questioned whether Hangar 5 & 6 is self-funded. Mr. Griffith responded that, operationally, the building is profitable; capital is budgeted separately. Anything over \$5,000 is amortized over the useful life of the item purchased, adding value to the facility. Director Kiefer responded that he wants to definitively understand the profitability of Hangar 5 & 6, to which Mr. Griffith responded that he plans to establish a separate file for the building, with revenue and expenditures detailing net profitability.
7. Executive Director Miller responded to Director Kearns' question regarding qualification of reimbursement from the Master Plan for *Hot Spot – Reconfiguration of Taxiways Phase I*. Yes, it qualifies, and the state of Illinois may reimburse 95% of the project, with the Airport responsible for 5%.
8. Chairman Harris asked for clarification on the reserve funds at the end of FY23, to which Mr. Griffith responded \$2.7 million. Chairman Harris noted that interest rates were projected "low" and asked staff to look at high-yield accounts going forward.
9. Director Kiefer noted that the reserves seem low. Mr. Griffith indicated that staff should watch for trends and not wait for a "crisis" before adjusting expenditures.
10. General discussion ensued regarding the need to continue funding the Sewer Fund, siting future development on the airfield and Metropolitan Water Reclamation District requirement to update the Master Drainage Study.
11. Director Lang noted that municipalities had a good year and were looking to reward residents with very low or no taxing levies. Similarly, he encouraged staff to consider how the Airport might keep lease increases to a minimum and can the Airport afford it. Executive Director Miller reminded the Board that staying fiscally conservative will

guarantee that the Airport can provide the services that are needed, and that the Airport will not receive outside help to do so. Finding additional revenue streams and airport development will be necessary to meet long-term goals.

12. Chairman Harris thanked Mr. Griffith for the shift from March to February to review the budget.

VII. Adjournment

A motion was made by Director Kearns and seconded by Director Berman to adjourn the meeting. The motion was approved by a roll call. Ayes: Directors Berman, Hellyer, Kearns, Kiefer, Lang and Saewert. Nays: None. Absent: None. The meeting was adjourned at 8:39 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bill Hellyer".

Bill Hellyer
Secretary