

**CHICAGO EXECUTIVE AIRPORT
BOARD OF DIRECTORS
BUDGET WORKSHOP MEETING
WEDNESDAY, FEBRUARY 21, 2024
1020 S PLANT RD, WHEELING, IL 60090
7:30 PM OR FOLLOWING THE REGULAR BOARD OF DIRECTORS MEETING**

I. Call to Order and Roll Call

Chairman D. Court Harris called the meeting to order at 6:36 p.m. Roll call confirmed the following present: Directors Berman, Hellyer, Kearns, Kiefer, Lang, Saewert.

Also in Attendance: Jeff Miller - Executive Director
 George Sakas – Director of Economic Development
 Jason Griffith – Director of Finance
 Andrew Wolanik – Director of Operations & Maintenance
 Kim Mueller – Property Accountant

II. Pledge of Allegiance

Chairman Harris led those in attendance in the Pledge of Allegiance.

III. Changes to the Agenda

No Changes to the Agenda

IV. Public Comments

Jim Loerzel commented that by the Airport policy it is acceptable to take any surplus from the previous fiscal year and apply it to the rate increases for the following year. Mr. Loerzel stated the Airport has plenty of surplus and the budget is healthy. Mr. Loerzel further said any needs the Airport has should be budgeted. Mr. Loerzel stated no fee increases should be considered for fiscal year 2025.

V. Discussion of the Five-Year Capital Improvement Plan and the FY 2025 Budget for Chicago Executive Airport

A) Director of Finance Report

Jason Griffith reported on the following:

Executive Summary:

- ➔ FY25 after transfers budgeted Net Income is \$42,697
- ➔ FY25 Total budgeted revenues up \$506,599 from FY24 to \$7,466,048 (13.81% increase)
- ➔ FY25 Total budgeted expenses up \$179,553 from FY24 to \$5,630,617 (5.65% increase)
- ➔ FY25 Operating Income budgeted to be \$1,835,431
- ➔ Projected FY25 Operating and Reserve Fund Balances, Page 36
- ➔ Unrestricted operating funds are expected to be \$5,822,245 at the end of FY25

- ➔ The Airport Business Plan requires a 3-month operating expense reserve in unrestricted funds. This amount would be \$1,407,654 in FY25
- ➔ FY25 projected unrestricted operating funds are \$4,414,591 over the required amounts
- ➔ The Airport Debt Covenant requires budgeted operating expenses * 180 days / 365 days. This amount would be \$2,776,743 in FY25
- ➔ FY25 projected unrestricted operating funds are \$3,045,503 over the required amounts

Revenue Summary:

- ➔ FY25 budgeted revenues total \$7,466,048 increase of \$506,599 (7.28% increase)
- ➔ Long Term Lease revenues \$2,795,256. Budgeted increase of \$93,040 (3.44% increase)
 - 37.44% of budgeted revenues
 - Long term leases use an estimated 2.0% CPI increase
 - Each long-term lease's CPI increase is based upon that lease's anniversary date
- ➔ Total Fuel Flowage Fees \$2,390,200. Budgeted increase of \$151,900 (6.79% increase)
 - 32.01% of budgeted revenues
 - JetA at \$0.28 on airport for 6,800,000 gallons. \$0.56 off airport for 400,500 gallons
 - \$0.01 increase on airport & \$0.02 increase off airport
 - 100LL at \$0.19 on airport for 180,000 gallons. No off airport 100LL tanks
 - No increase from FY24
- ➔ Total T-hangar revenues \$512,358. Budgeted increase of \$15,127 (3.04% increase)
 - 3.04% of budgeted revenues
 - 2.53% CPI was used for the square foot rate increase
 - All T-hangars \$0.568 per square foot up from \$0.554 per square foot
 - An average t-hangar increase of \$19.25 per month
- ➔ Total U.S. Custom User Fee revenues \$861,175. Budgeted increase of \$167,913 (24.22% increase)
 - 11.53% of budgeted revenues
 - FY25 Budget uses 490 total operations 230 overtime operations
 - FY24 Budget used 475 total operations 223 overtime operations
 - Current 12-month run has been is 522 operations. Have averaged 43 clearances a month since January 2022
 - U.S. Customs user fee amounts increase from FY25

	FY24 Base Fee	FY25 Base Fee	FY25 Fee Increase	FY25 % Fee Increase
Single Engine Piston \$	150.00	\$ 200.00	\$ 50.00	33.33%
Twin Engine Piston, Turboprops/Jets 8,000 lbs or less \$	350.00	\$ 450.00	\$ 100.00	28.57%
Twin Engine Piston, Turboprops/Jets 8,000-30,000 lbs \$	1,000.00	\$ 1,200.00	\$ 200.00	20.00%
Twin Engine Piston, Turboprops/Jets 30,000 lbs or more \$	1,500.00	\$ 1,750.00	\$ 250.00	16.67%
	FY24 Overtime Fee	FY25 Overtime Fee		
Overtime Rate \$	350.00	\$ 500.00	\$ 150.00	42.86%
	FY24 Base Fee & Overtime Fee	FY25 Base Fee & Overtime Fee	FY25 Fee Increase	FY25 % Fee Increase
Single Engine Piston \$	500.00	\$ 700.00	\$ 200.00	40.00%
Twin Engine Piston, Turboprops/Jets 8,000 lbs or less \$	700.00	\$ 950.00	\$ 250.00	35.71%
Twin Engine Piston, Turboprops/Jets 8,000-30,000 lbs \$	1,350.00	\$ 1,700.00	\$ 350.00	25.93%
Twin Engine Piston, Turboprops/Jets 30,000 lbs or more \$	1,850.00	\$ 2,250.00	\$ 400.00	21.62%

Administration & Finance Budget Summary:

- ➔ FY25 Personnel Services increases \$28,560
 - Total \$976,640 28.27% of budget 3.0% increase
 - 2.53% living wage adjustment for all non-Director salaries
 - Health insurance was the largest increase with not knowing what plan the Administrative Coordinator will select
- ➔ FY25 Total Services and Supplies decreases \$15,066
 - Total \$1,034,963 29.95% of budget -1.43% decrease
 - Consultant expense decreases with the Rates & Fees study finished in FY24
- ➔ FY25 Other increases \$110,622
 - Total \$1,443,607 41.78% of budget 8.3% increase
 - U.S. Customs expenses increases
 - Public relations/marketing expense increases
- ➔ FY25 Total Administration and Finance expenses increase \$124,116
 - Total \$3,455,210 3.73% increase from FY24

Operations & Maintenance Budget Summary:

- ➔ FY25 Personnel expense increase \$37,458
 - Total \$1,245,254 57.24% of budget 3.1% increase
 - 2.53% living wage adjustment for all non-Director salaries
 - Health insurance increases
- ➔ FY25 Services and Supplies decreases \$12,021
 - Total \$870,152 40.0% of budget -1.36% decrease
 - Budgeted decrease to equipment maintenance with EMAS strength test done in FY24
 - Pavement remarking's decrease
 - Wildlife control decreases with vendor contract expiring

- Increases to outsourcing lots to vendor, tree trimming, hangar repairs, and vehicle maintenance
- ➔ FY25 Other is increased from FY24
 - Total \$60,000 2.76% of budget 100.00% increase
- ➔ FY25 Total Operations and Maintenance budget increases \$55,437
 - Total \$2,175,407 2.61% increase

Capital Improvement Plan (CIP):

- ➔ Purpose
 - Continued use of our CIP looking 5 years out
 - Overview of all known potential Capital expenses
 - Allows for systematic reserve fund planning
 - Helpful Budgeting tool
- ➔ Five Project Categories
 - Sewer
 - Capital Equipment and Vehicles
 - Buildings and Land
 - Grant Projects
 - Self Funded
- ➔ Sewer-
 - FY25 budgeted revenues of \$44,209
 - \$44,209 in annual fees
 - \$0.00 in one-time connection fees
 - Budgeted for \$25,000 in sewer repairs if necessary
 - Projected Sewer Reserve Fund starting balance of \$567,115
 - Projected Sewer Reserve Fund ending balance of \$596,324

SEWER RESERVE FUND PROJECTION SUMMARY						
Fiscal Year	2024	2025	2026	2027	2028	2029
Calendar	May 2023 - April 2024	May 2024 - April 2025	May 2025 - April 2026	May 2026 - April 2027	May 2027 - April 2028	May 2028 - April 2029
Federal Fiscal Year	October 2023 - September 2024	October 2024 - September 2025	October 2025 - September 2026	October 2026 - September 2027	October 2027 - September 2028	October 2028 - September 2029
Sewer	FY24	FY25	FY26	FY27	FY28	FY29
Projected FY Starting Balances	511,630	567,115	596,324	616,454	686,228	707,210
Projected Revenues	43,385	44,209	44,630	94,274	45,483	46,349
Projected Interest	12,099	10,000	500	500	500	500
Projected Expense	-	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Projected FY Ending Balances	567,115	596,324	616,454	686,228	707,210	729,059

→ Vehicles and Equipment-

- FY25 Proposed Budgeted Vehicles and Equipment
 - A9 carries over from FY24 due to extended lead times Resolution 23-031
 - New A12- \$450,000 Large Plow with liquid deicer attachment
 - New Gator 4x4 vehicle- \$31,000
- \$500,000 budgeted transfer amount into VERF
 - Increase of \$200,000 from FY24 (66.67% increase)
- All Vehicles and Equipment sales proceeds will be put back into the VERF
- Projected VERF starting balance of \$803,803
- Projected VERF ending balance of \$829,203

RESERVE FUND PROJECTION SUMMARY						
Fiscal Year	2024	2025	2026	2027	2028	2029
Calendar	May 2023 - April 2024	May 2024 - April 2025	May 2025 - April 2026	May 2026 - April 2027	May 2027 - April 2028	May 2028 - April 2029
Federal Fiscal Year	October 2023 - September 2024	October 2024 - September 2025	October 2025 - September 2026	October 2026 - September 2027	October 2027 - September 2028	October 2028 - September 2029
VERF	FY24	FY25	FY26	FY27	FY28	FY29
Projected FY Starting Balances	1,185,252	803,803	829,203	617,203	222,466	517,169
Projected Transfer	300,000	500,000	400,000	350,000	350,000	350,000
Projected Interest	29,730	25,000	2,000	2,000	2,000	2,000
Projected Expense	(711,178)	(555,600)	(630,000)	(746,737)	(61,297)	(60,000)
Projected Sales of Replaced Vehicles	-	56,000	16,000	-	4,000	4,000
Projected FY Ending Balances	803,803	829,203	617,203	222,466	517,169	813,169

→ Building and Land-

- FY25 \$0.00 in proposed expense
- FY25 \$600,000 in proposed transfers to the fund
 - Increase of \$150,000 from FY24 (33.33% increase)
- Projected Building-Land Reserve Fund starting balance of \$1,160,691
- Projected Building-Land Reserve Fund ending balance of \$1,775,691
- Growing this fund to construct a new Administration Building
- Buildings are not typically grant eligible
- Land Acquisition can be eligible for future reimbursement if FAA guidelines are followed

RESERVE FUND PROJECTION SUMMARY						
Fiscal Year	2024	2025	2026	2027	2028	2029
Calendar	May 2023 - April 2024	May 2024 - April 2025	May 2025 - April 2026	May 2026 - April 2027	May 2027 - April 2028	May 2028 - April 2029
Federal Fiscal Year	October 2023 - September 2024	October 2024 - September 2025	October 2025 - September 2026	October 2026 - September 2027	October 2027 - September 2028	October 2028 - September 2029
Land	FY24	FY25	FY26	FY27	FY28	FY29
Projected FY Starting Balances	690,546	1,160,691	1,775,691	2,283,191	2,790,691	3,298,191
Projected Transfer In	450,000	600,000	500,000	500,000	500,000	500,000
Projected Interest	20,146	15,000	7,500	7,500	7,500	7,500
Projected Expense	-	-	-	-	-	-
Projected Sales	-	-	-	-	-	-
Projected FY Ending Balances	1,160,691	1,775,691	2,283,191	2,790,691	3,298,191	3,805,691

- ➔ **Capital Repair or Demolition Fund-**
- ➔ FY25 \$169,763 in proposed transfers to the fund
 - 5% of long-term lease revenues and H5&H6 fee revenues
 - Increase of \$33,011 from FY24 (40.03% increase)
- ➔ Budgeted to use \$36,015 from this fund to demolish 206 Industrial Road
- ➔ Projected Capital Repair or Demolition Reserve Fund starting balance of \$511,774
- ➔ Projected Capital Repair or Demolition Reserve Fund ending balance of \$654,522

RESERVE FUND PROJECTION SUMMARY						
Fiscal Year	2024	2025	2026	2027	2028	2029
Calendar	May 2023 - April 2024	May 2024 - April 2025	May 2025 - April 2026	May 2026 - April 2027	May 2027 - April 2028	May 2028 - April 2029
Federal Fiscal Year	October 2023 - September 2024	October 2024 - September 2025	October 2025 - September 2026	October 2026 - September 2027	October 2027 - September 2028	October 2028 - September 2029
Capital Repair and Demo Fund	FY24	FY25	FY26	FY27	FY28	FY29
Projected FY Starting Balances	365,470	511,774	654,522	830,680	1,009,302	1,191,455
Transfer In	136,752	169,763	173,158	176,621	180,154	183,757
Interest	9,552	9,000	3,000	2,000	2,000	2,000
Expense	-	(36,015)	-	-	-	-
Projected FY Ending Balances	511,774	654,522	830,680	1,009,302	1,191,455	1,377,212

Self Funded Capital Projects:

- ➔ Capital Improvements
 - Facilities- \$133,000
 - Fencing, Gates, Landscaping- \$15,000
 - Security Improvements- \$150,000
 - Pavement Repairs- \$300,000
- ➔ Capital Construction- No budgeted expenses
- ➔ Capital Outlay
 - Office Equipment- \$20,000
 - Vehicle Rehabilitations- \$36,000 in case they are needed
 - Shop Equipment- \$45,000
 - Other Capital Outlay- \$169,751

Capital Improvement Plan (CIP) Capital “A” Projects in proposed FY25 Budget:

- ➔ Capital “A” projects total costs \$21,002,137
 - Local Share: \$1,378,107
- ➔ Residential Soundproofing- Phase 2 as a result of Part 150 study Project Underway
 - Local Share- \$250,000
 - Total Phase 2 Project Cost- \$2,500,000
- ➔ Residential Soundproofing- Phase 3 as a result of Part 150 study Project Requested

- Local Share- \$200,000
- Total Phase 3 Project Cost- \$2,000,000
- ➔ Update to Exhibit “A” Property Map- Project Underway
 - Local Share- \$8,333
 - Total Project Cost- \$166,667
- ➔ Master Drainage Study- Project Underway
 - Local Share- \$225,000
 - Total Project Cost- \$450,000
- ➔ Part 150 Noise Exposure Map- Project Underway
 - Local Share- \$15,774
 - Total Project Cost- \$315,470
- ➔ Expand East Quad GA Apron- Project Underway State/Local project
 - Local Share- \$104,000
 - Total Project Cost- \$1,040,000
- ➔ Hot Spot- Reconfigure Taxiways Phase 1
 - Local Share- \$278,500
 - Total Project Cost- \$5,570,000
- ➔ NE Quadrant Apron and Taxiway Access
 - Local Share- \$130,000
 - Total Project Cost- \$2,600,000
- ➔ South Parallel Taxiway Runway 12/30 Phase 1
 - Local Share- \$165,500
 - Total Project Cost- \$3,330,000

B) Board Member Comments

- Director Keifer asked if we can rate our buildings to create a plan for demolition. Director of Finance Griffith stated that yes, we can do this. We also believe that some private developers would pay for demolition as well.
- Director Keifer asked about the profit made off hangar 5/6. Director of Economic Development George Sakas stated the Airport nets about \$200,000 in profit from Hangar 5/6.
- Director Lang inquired about the potential demoing of building 206 and wanted to verify the location of building 206. Director of Finance Jason Griffin confirmed the location. Director Lang referenced to be aware of soil contamination.

- Director Keifer inquired about the vehicle list and wanted to verify ages of vehicles. Director Keifer further asked about paying off vehicles and where we see the paying off of vehicles. Director of Finance Griffith stated in the Resolution and the Cash Report.
- Director Saewert asked about replacing 20 and how much it would cost. Executive Director Miller stated that the cost is unknown as we are trying to work on a deal with MB.
- Director Kearns verified that the new broom planned for purchasing in FY25 is on top of potentially trading in vehicle 20. Executive Director Miller confirmed it would be two separate expenditures.
- Director Kiefer asked about generator repairs and where we budget for that. Director of Finance Griffith stated it is under the facilities budget line.
- Director Saewert inquired about 5%-10% local share for RSIP. Director of Finance Griffith stated part of RSIP is already underway, so we have expended funds in RSIP and that is represented in the budget.
- Director Keifer stated the overall amount for net income is \$45,000 in a 7.5-million-dollar budget and it seems tight. Director of Finance Griffith explained that this is after transfers to reserve funds.
- Director Lang inquired under revenues could we push for an Aircraft Rescue Fire Fighting enhancements. Executive Director Miller stated we can take this into consideration.
- Director Kearns inquired about RSIP and the amount of funding programed for phase 3 and there was \$2,000,000 showing and also \$2,500,000. Director of Finance Griffith confirmed the summary was incorrect and it should show \$2,500,000.
- Director Kearns inquired about the amount of money programmed for hot spots removal and the cost of removing runway 6/24. Doug Klonowski with CMT confirmed the costs are separated as they are viewed as separate projects.
- Director Hellyer asked if we could look at presenting the budget in a more user-friendly fashion to the public. Executive Director Miller responded he will reach out to the Village of Wheeling and review how they are displaying their budget materials.
- Director Saewert mentioned that the Cash Flow Statement developed last year is a good tool for people to understand the budget.

C) Correspondence and Chairman's Comments

- Chairman Harris requested how much a new administration building would cost. Executive Director Miller stated a new admin building would cost \$10,000,000 - \$11,000,000.
- Chairman Harris reiterated the cost to demo Hangar 4 was expensive, and demoing in general comes at a large cost. The Chairman further inquired with the Executive Director if the Airport would be responsible to pay for the demoing of the current Administration Offices. Executive Director Miller responded he believed the Airport would be responsible.

VI. Adjournment

At 7:45 p.m. a motion was made by Director Hellyer and seconded by Director Saewert to adjourn the meeting. The motion was approved by voice vote. Ayes: Directors Berman, Hellyer, Kearns, Kiefer, Lang, and Saewert. Nays: None.

Respectfully Submitted:

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

Bill Hellyer
Secretary