

Mt. Vernon Airport Authority
Regular Meeting of the Board of Commissioners
Held November 13, 2012 at 6:00 PM

Present: Greg Martin	Chairman
Michael Ancona	Vice Chairman
Galen Monk	Secretary
Gary Chesney	Treasurer
Joe Bob Pierce	Commissioner

Staff: Chris Collins
Mary Barnett-Johnson

Guests: See Attached

PUBLIC COMMENTS

The Insurance Store's Mike Beard, the airport's insurance broker for Property & Equipment Insurance, addressed the Commissioners regarding the request for proposals for a three year policy. Mr. Beard expressed concern over why the Commissioners were asking for such a proposal since his firm had just bound coverage for the next year. Mr. Beard also stated that his firm was unable to find a three year policy during the previous request and it was his belief that there is no such thing as a three year policy. Chairman Martin informed Mr. Beard that the new request was simply a cost saving measure. Since only one bid was received during the previous request and that lone bid did not include pricing for a three year policy, the Commissioners felt they had nothing to lose by asking for proposals a second time. Mr. Beard asked the Commissioners if proposals come back without the requested three year price, but include an annual cost lower than the premium his firm supplied (and the MVAA accepted last month), would his firm lose the business. The Commissioners responded with an emphatic "no". Mr. Beard asked if a three year policy is submitted by another broker and its annualized cost is more expensive, would his firm lose the airport's business. Again, the Commissioners responded with an emphatic "no". Mr. Beard thanked the Commissioners for their time and noted that he has enjoyed working with the MVAA.

REPORTS

Minutes

Minutes were presented for the October 9, Meeting for approval. There being no changes to the minutes, motion was made and seconded to approve the minutes as presented. Upon roll call vote, all were in favor.

Treasurers' Reports

There being no questions or concerns with the Treasurer's Reports, motion was made and seconded to approve the Treasurer's Report as presented. Upon roll call vote, all were in favor.

Bills for Approval

There being no questions or concerns with the Bills for Approval, motion was made and seconded to approve the bills as presented. Upon roll call vote, all were in favor.

CORRESPONDENCE

Mr. Collins presented an invitation to the Hanson Professional Services Annual Open House scheduled for Thursday, November 15th at 5:00 p.m. at the Hanson office in Springfield, Illinois.

Mr. Collins presented an invitation to the Blessing and Dedication Ceremony for the new St. Mary's Good Samaritan Hospital. The event is scheduled for Monday, January 7, 2013 at 11:00 a.m.

OLD BUSINESS

Innovation Park

Mr. Collins provided an update on the project. ENGINEERING/IDOT: Other than staking out the hangar footprint, Mr. Collins indicated that not much has been done since last month.

FINANCING: Mr. Collins stated that he and Rich Talbert from Bean Capital Banking Center have discussed the loan several times since the last MVAA Board Meeting. Each discussion centered on how to secure the loan via the traditional mortgage route. After exploring the various options, Mr. Talbert asked if the MVAA would be interested in a long term Lease arrangement. BCBC has a history of leasing heavy equipment, and one occasion, a municipal fire station. Mr. Collins noted that a long term Lease arrangement would eliminate the security of a mortgage and the legalities/expense that go with it. BCBC would own the building until the MVAA makes its final payment. Upon the final payment, Bean Capital Banking Center would sell the building to the MVAA for a small fee such as \$1. Mr. Collins noted that he asked that two conditions be met on the MVAA's side. First, the MVAA and its team must have complete control over the construction; otherwise the plan to build the hangar and office extension would not materialize due to others being in control. Second, the contract language must include the flexibility for the MVAA to make additional principal payments as well as an option for the MVAA to make a lump sum payoff (if it so desires) at any point in the term. Mr. Collins and Mr. Talbert met on Thursday, November 8, 2012 and Mr. Talbert presented the following offer - a 25 year Lease, fixed at 4%, with a \$1 end of term buyout, and the MVAA's two conditions. Mr. Collins noted that BCBC increased the interest rate due to the specialized Lease arrangement and the lack of security.

Mr. Collins presented amortization schedules for \$400,000 and \$380,000 at 4% and directed the Commissioners attention to the monthly payments for both. He noted that to keep the payment at \$2000 per month, the principle amount will be \$380,000. Mr. Collins mentioned that at the October meeting, the Commissioners agreed that any shortage would be covered with Capital Project Funds. At a principle of \$380,000, the amount needed from Capital Projects may be as much as \$45,000 - \$50,000 to complete the vision for the entire structure. Mr. Collins stated that although this plan was not desirable, it is certainly doable. Mr. Collins recommended approval of the \$380,000 Long Term Lease offer (that includes the MVAA's conditions) fixed at 4%. Discussion ensued. Commissioner Ancona and seconded by Commissioner Chesney to approve the finance agreement with Bean Capital Banking Center. Upon roll call vote, all were in favor.

With a financing agreement in place, Mr. Collins presented the Architectural/Engineering Agreement between Brian Edmison & Associates and the Mt. Vernon Airport Authority. Approval of this \$23,500 Agreement was tabled at a previous meeting due to lack of funding for the project. Mr. Collins recommended approval of the Architectural/Engineering Agreement as this would start the project in motion. Motion was made by Commissioner Chesney and seconded by Commissioner Monk to approve the Architecture/Engineering Agreement with Brian Edmison & Associates in the amount of \$23,500. Upon roll call vote, all were in favor.

Narrowbanding Project

Mr. Collins noted that bids were due at 1:00 p.m. prior to the meeting. No bids were received. Mr. Collins contacted representatives from both communications companies that had indicated that they would be submitting bids. Both companies noted that they did not have enough time to secure the required Bid Bonds. Mr. Collins stated that he asked if another two weeks would suffice, and both indicated that it would. Therefore, Mr. Collins informed the Commissioners that the new deadline is 1:00 p.m. on November 27, 2012. Since time is of the essence, Mr. Collins asked if he could have the Commissioner's prior approval to award to the low bidder. Commissioner Monk asked Mr. Collins what was the estimated total cost of the project. Mr. Collins noted that the project should have a total cost in the \$8000 - \$8500 range. Motion was made by Commissioner Chesney and seconded by Commissioner Monk to allow Mr. Collins to award the project to the lowest bidder contingent of the low bid not exceeding \$10,000. Upon roll call vote, all were in favor.

NEW BUSINESS

Sidewalk Easement

Mr. Collins presented Easements to the City of Mt. Vernon. As part of the new City Trails Initiative, the City of Mt. Vernon is beginning Phase II of the Summersville Fitness Trail. Phase II extends eastward from Summersville Grade School. Mr. Collins noted the MVAA owns the corner lots adjacent to the school (corner of Stinson and Old Fairfield Road). The school uses these lots for Physical Education Classes, recess, and sports practices. Mr. Collins noted the sidewalk extending through the airport's lots is narrow and located too close to the ditch. Years of water flow have eroded the ditch. The City of Mt. Vernon desires to remove the existing narrow sidewalk and install a new sidewalk farther into the properties. Mr. Collins recommended approval of the easements-especially since an existing sidewalk is already in place. Motion was made by Commissioner Chesney and seconded by Commissioner Ancona to approve the Easements. Upon roll call vote, all were in favor.

OTHER BUSINESS

There being none, Chairman moved forward with the meeting.

EXECUTIVE SESSION

There being no items to discuss in Executive Session, Chairman Martin moved forward with the meeting. There being no further business to discuss under Other Business, no further items for discussion on the Agenda, and no items to be taken from Executive Session, motion was made and seconded to adjourn the meeting. Upon roll call vote, all were in favor and the meeting was adjourned.