

Airport votes on bonds for development

First Midstate Investment Bankers will serve as the Mt. Vernon Outland Airport's bond agent

BY EMILY ROTH
SENTINEL NEWS STAFF

MT VERNON — In looking forward to their next year of capital development projects, the Mt. Vernon Outland Airport voted on Tuesday night for First Midstate Investment Bankers to serve as the airport's bond agent.

In an unanimous decision, the board voted First Midstate over Kings Financial Consulting Inc. Representatives from both companies performed presentations for those gathered before the board went into executive session to discuss the issue.

Airport Director Chris Collins indicated that in order to make their decision, the airport had to assess the two companies in relation to each other.

The board seeks to place \$600,000 worth of bonds into a banking institution for a period of three years.

"Originally it kind of looked like it was an apples to oranges comparison between this municipal advisor versus an underwriter," he said. "Because First Midstate is really an underwriting firm, when we got their proposal, the very first

Please see **Airport**, Page 6A

Airport:

Continued From Page 1A

thing we started noticing was ... they mentioned the word 'placement agent.' Of course [Commissioner] Greg Martin and I were sitting there and we picked up on that right at the start. When we saw that word 'placement agent' it pretty much made things apples to apples then."

Once the board could compare bond agents more evenly, what swayed the vote was Kevin Willis of First Midstate

saying that he would perform financial negotiations with banks while Tim King of Kings Financial informed the board that they would need to be the ones to negotiate.

Collins explained, "I turned around and I asked Kevin [Willis], 'are you going to be the one to contact the local banks and do the correspondence and that sort of thing?' and he said 'Yes, I'll do the negotiating for bidding. Tim [King] said that we were going to have to do that, and that's what swayed it. Because it's an extra \$600 to have First Midstate do that for us, that's a lot of administrative time that now I don't

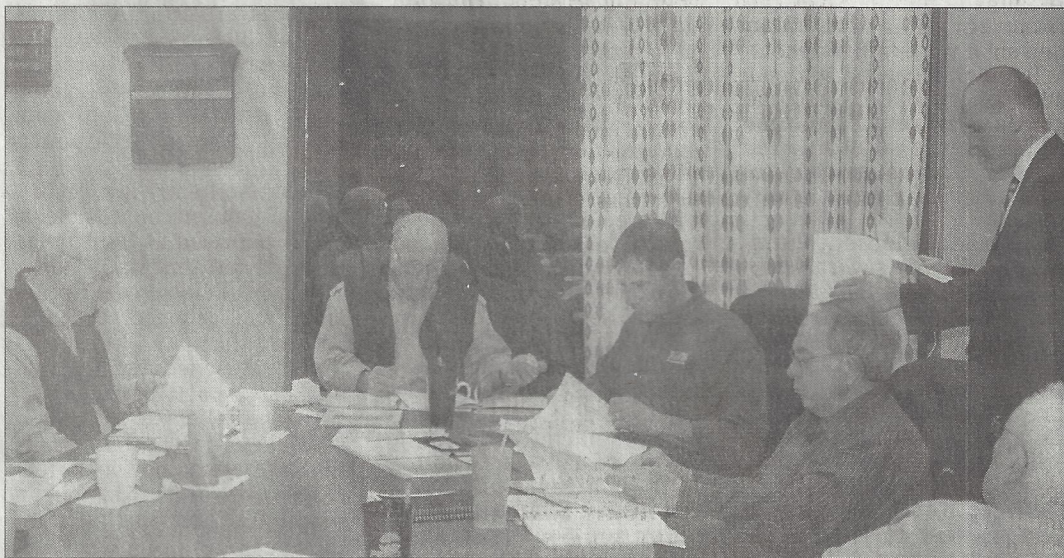
have to do. That's not my expertise to call banks and try to negotiate interest rates."

Wills and his agency have previous experience with the airport, as First Midstate assisted the Mt. Vernon Outland Airport with their bonds in the winter of 2009.

"I'm not a financial guy," said Collins, "and for Kevin, who is our incumbent agent to begin with is willing to do that, it's worth \$600."

Estimated costs per year for the airport hiring First Midstate as a placement agent is \$8,100 and \$10,800 as an underwriter.

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Sentinel Photo/EMILY ROTH

BONDS PRESENTATION — Kevin Wills, a bond agent with First Midstate Investment Bankers, discussed bond options with the Mt. Vernon Outland Airport Authority on Tuesday night. The board voted First Midstate to handle their bonds over Kings Financial Consulting.

1-15-10