

Mt. Vernon Airport Authority
Regular Meeting of the Board of Commissioners
Held January 11, 2011 at 6:00 PM

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

Staff: Chris Collins
Mary Barnett-Johnson

Guests: See Attached

PUBLIC COMMENTS

There being no public comments, Chairman Ancona moved forward with the meeting.

REPORTS

Minutes

Minutes were presented for the December 14, 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 concerns with the Treasurer's Reports, motion was made and seconded to approve the Treasurer's Reports as presented. Upon roll call vote, all were in favor of the motion.

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

Since there were no items of Correspondence, Chairman Ancona forward with the meeting.

OLD BUSINESS

New Hangar

Mr. Collins provided an update on the construction of the New Community Hangar. The sliding hangar doors have been installed and the steel erection crew is busy checking tolerances. The electricians are starting to install the lights on the interior of the building. Workmen from the plumbing and heating contracting company are installing the gas fired tube heaters. Mr. Collins anticipates project completion within approximately thirty

days. Mr. Collins asked the Commissioners about extending the sidewalk from the A-1100 Hangar to the entry doorway drive of the New Community Hangar. He explained that this sidewalk was eliminated from the bid specification due to cost savings. Mr. Collins noted that the airport has already gotten requests from the community for usage and he suspects there may be much walking between the hangar and the Koziara Terminal. Since the total project cost is below budget Mr. Collins wanted to know if the Commissioners would be interested in seeking estimates. If so, he will gather pricing. The Commissioners directed Mr. Collins to gather costs and report back at the February meeting.

Global Energy Services

Mr. Collins stated that after much research and meetings, he and Commissioner Chesney determined that the offer from Global Energy Services was the best option. At a meeting with Mr. Jim Mueller and Mr. Wayne Hicks on Tuesday, December 28, 2010, GES provided a contract between the MVAA and Ameren Energy Marketing. Mr. Collins forwarded the contract to Legal Counsel, and on Tuesday, January 4, 2011, he received a green light from Legal Counsel that the contract contained no surprises. In the meantime, he and Commissioner Chesney contacted some of the other companies and learned many lessons. All of the companies by power from the same place and at the same cost. The only parameter differentiating the companies is their contracts. The bottom line is that the MVAA is really too small (in terms of usage) to justify the extensive contract review needed by legal counsel to accurately compare and contrast the contracts offered by the competing companies. Any large amount of funds saved would be spent on Legal Counsel. The airport did receive one offer from Mid-American Energy that would lock in a guaranteed 8% savings from the airport's Ameren bill. But that deal was only until May, 2011 at which time the deal could fluctuate downward. In the end, the 20% plus savings quoted by Global Energy Services was clearly the best deal. Mr. Collins asked for approval of the Global Energy Contract. The three year contract will save approximately \$5137 or 22% annually. Motion was made by Commissioner Martin and seconded by Commissioner Pierce to accept the contract with Global Energy Services, LLC. Upon roll call vote, all were in favor.

NEW BUSINESS

Annual Audit

Chairman Ancona introduced Mr. Dave Kieffer, of David Kieffer CPA. Mr. Kieffer presented copies of the Annual Audit for the fiscal year May 1, 2009 to April 30, 2010 to each Commissioner. Mr. Kieffer began by comparing the Budget vs Actual numbers. Revenues were projected at \$406,018 and expenditures at \$443,000. Actual revenues were \$391,844. Actual expenditures came in at \$406,563 leading to a General Fund deficiency of \$14,619. Mr. Kieffer noted that there was a 9% (\$26,000) drop in Personal Property Replacement Taxes (PPRT) that contributed to the reduction of revenues. Some ground was gained by increasing rents, but it was not enough to offset the loss in PPRT. Mr. Kieffer compared the FY2008/2009 total expenditures to the FY2009/2010 total expenditures and noted that there was only a \$6500 increase. He noted that this is good when considering how all costs are rising. Cash on hand increased nearly \$20,000 over FY2009/2010. Mr. Kieffer then highlighted the airport's proprietary fund – Flightline

Aero Services. The audit covered the first full year of fuel sales handled by the airport since 1999. Total operating revenues were \$270,359 and total operating expenses were \$243,200 leading to an operating income of \$27,159. Total sales were \$166,391. Mr. Kieffer concluded with another mention of the General Fund situation. He noted that it is difficult to forecast when the State payments are not consistent year to year. Mr. Collins presented PPRT tables for the Mt. Vernon Airport Authority published by the Illinois Department of Revenue. Total PPRT payments for 2009 was \$160,981. Total PPRT for 2010 was \$133,136. Total 2011 PPRT payments will be \$162,375. Mr. Collins stated that the PPRT estimate tables are not available from the Illinois Department of Revenue until after September 30 of each year. When the airport budget is constructed in June of each year, he noted that he must estimate the PPRT amount based on previous years. Mr. Collins stated that when the 2010 table was available (several months into the fiscal year), the significant decrease in PPRT was realized. At the November, 2009 meeting, the Commissioners agreed to adopt measures to counter the decrease in funds. Increases in hangar rents coupled with moving 33% of the fuel sales profits from the Proprietary Fund to the General Operating Fund were the measures. Mr. Collins noted that he did not move the portion of the fuel sales profits from the Proprietary Fund to the General Operating Fund due to the volatility of wholesale fuel prices. A majority of the airport's fuel flowage fees were also left in the Proprietary Fund. Had the funds been transferred as originally intended, the General Operating Fund would not have finished the fiscal year with a deficit. Mr. Collins stated that the money was there, it was just in another fund. He also noted that with the PPRT back at normal levels for the fiscal year ending April 30, 2011, a deficit should not occur. Chairman Ancona asked for a motion to accept the Annual Audit for the Fiscal Year 2009/2010. Motion was made by Commissioner Chesney and seconded by Commissioner Pierce to approve the Annual Audit. Upon Roll Call Vote all were in favor.

FAA Reimbursable Agreement

Mr. Collins presented a "rough draft" of the Reimbursable Agreement between the MVAA and the FAA for the Engineering Study of the Runway 05/23 RSA Correction Project. The Reimbursable Agreement provides funding for the FAA to conduct preliminary engineering, technical consultations, site visits, feasibility studies, project planning, etc. The agreement is for \$30,000 face value. The FAA will return all funds minus their 26.5% overhead fee upon completion of the project. Mr. Collins noted that he has some issues with the language in the Agreement and sought clarification from the FAA. As expected, the FAA responded by stating that the language included in the rough draft is their "standard language" approved by government leaders to expedite projects. Failure to approve and enact the agreement would jeopardize project timelines. Mr. Collins asked the Commissioners to approve the agreement so that the project timelines will not be compromised. Motion was made by Commissioner Martin and seconded by Commissioner Pierce to approve the FAA Reimbursable Agreement as presented. Upon roll call vote, all present were in favor.

Surface Painted Hold Short Markings

Mr. Collins asked the Commissioners for tentative approval of an Engineering Agreement between the MVAA and Hanson Professional Services for the Surface Painted Hold Short Markings Project. He noted that The Engineering Agreement should arrive via U.S. Mail in the days following the meeting. The project consists of installing surface painted hold markings near the hold short lines at all taxiway/runway intersections. Installation of the markings was mandatory at all 14 CFR Part 139 airports by December 31, 2010. Since the airport has been planning for the project since last Summer, and weather and contractor availability permitted progress, the FAA is waiting diligently for the completion of the project. The local share for the \$29,447 project will be \$1472. Mr. Collins asked the Commissioners for tentative approval in order to expedite the project. Motion was made by Commissioner Dickerson and seconded by Commissioner Chesney to approve the Engineering Agreement between the MVAA and Hanson Professional Services for the upcoming Surface Painted Hold Short Markings Project. Upon roll call vote, all were in favor.

OTHER BUSINESS

Mr. Collins noted that the Midwest LSA Expo and the airport were highlighted in two national publications recently. Copies of the magazines were displayed for the Commissioners.

EXECUTIVE SESSION

There being no items to discuss in Executive Session, Chairman Ancona 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.