

Mt. Vernon Airport Authority  
Regular Meeting of the Board of Commissioners  
Held February 14, 2012 at 6:00 PM

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

Absent: Paul Dickerson                      Secretary

Staff: Chris Collins  
Mary Barnett-Johnson

Guests: See Attached

### **PUBLIC COMMENTS**

There being none, Chairman Martin moved forward with the meeting.

### **REPORTS**

#### **Minutes**

Minutes were presented for the January 10, 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**

There being none, Chairman Martin moved forward with the meeting.

### **OLD BUSINESS**

#### **Perimeter Fence Project**

Mr. Collins provided an update on the Perimeter Fence Project. All new fencing is in place. The only remaining items are the installation of Gates #1, #2, and #5. The gates should be installed by the end of the week. The electrical contractor is still working on the installation of new electro/mechanical gate operators and will most likely not be

completed with these tasks for at least two weeks. Mr. Collins noted the fence contractor will have to return to the airport in the Spring to repair all areas damaged during construction.

### **Runway Project**

Mr. Collins presented copies of the final report from Applied Research Associates (ARA). The report recommends the airport's weight bearing capacities can be increased from 50,000 lbs. to 80,000 lbs. for Single Wheel, 90,000 lbs. to 108,000 lbs. for Dual Wheel, 95,000 lbs. to 155,000 lbs. for Single Tandem, and 110,000 lbs. to 190,000 lbs. for Dual Tandem. When the PCN standard replaces these numbers, the published PCN will be 33. This number is adequate for existing and future traffic mix. Mr. Collins pointed to Table #4 on Page #5 of the report that includes the analyzed fleet mix. The finite operational mix includes the following: 25,000 annual departures of aircraft less than 25,000 lbs. (Citations, King Airs, Lears, etc.), 250 annual departures of the "Critical Aircraft" (DC9, Global Express), 300 annual departures of the C130 at the Proposed Operating Weight of 120,000 lbs., 50 annual departures of the C130 at the Maximum Take Off Weight of 155,000 lbs., and 10 annual departures of the Boeing 757 (preferred aircraft used for political campaign stops and college football teams) at 225,000 lbs.

Also included in Table #4 is the FAA's FAARFIELD's Estimated Structural Life Report based on the aircraft weights and departures listed. At the levels analyzed, Runway 5/23 is shown to have an estimated life of 21.6 years. Mr. Collins stated that IDOT, IDA's runway revitalization cycle is 20 to 25 years, so this number is better than "in the ballpark". Once heavier aircraft start operations, Mr. Collins noted that he will be tasked to monitor the annual departures (for given weights).

Mr. Collins noted the next step in this process is to submit ARA's report to IDOT, IDA for consideration. Once IDOT, IDA's Engineering staff concurs with the results, IDOT, IDA will change the information on the airport's FAA Form 5010 (Master Record). After 58 days, the information will appear in the Airport Facilities Directory and ultimately, the DOD's IFR Supplement.

## **NEW BUSINESS**

### **Insurance Renewals**

Mr. Collins presented quotations from Aviation Insurance Services of Nevada (AIS) for renewal of the airport's General Liability and Workmen's Compensation Policies. The 2012 General Liability Premium was \$3400, a 15.3% decrease from the 2011 premium of \$4015. The 2012 Workmen's Compensation Premium was \$9809, a 6.4% decrease from the 2011 premium of \$10,478. Mr. Collins recommended approval of these quotations, saving the airport \$1284 over the previous year. Motion was made by Commissioner Pierce and seconded by Commissioner Ancona to approve the two renewals with Aviation Insurance Services of Nevada. Upon roll call vote, all were in favor. Mr. Collins praised Aviation Insurance Services of Nevada. The specialty market firm is in fact "the middle man" dealing directly with aviation insurance underwriters. AIS continues to find the airport better coverage at cheaper rates than ever before.

Mr. Collins noted that he wanted to open a discussion on the airport's insurance renewal process. He described his frustration with the "Broker of Record" situation plaguing the airport's ability to bid the policies. At the January Meeting, the Commissioners approved bidding the General Liability and Workmen's Compensation Insurance renewals. Mr. Collins indicated that when trying to construct a Bid Specification, he discovered that the existing agent from AIS already had all markets secured through the insurance industry's "Broker of Record" process. This means that no additional agent is able to obtain quotations from the limited number of aviation insurance underwriters. Mr. Collins stated he believes municipalities are unfairly unable to bid competitively because non-incumbent agents are kept out of the bidding. If and when the municipality signs a "Broker of Record" form, a new agent can obtain a quote. At that point, the new agent locks out everyone else. Mr. Collins asked the Commissioners to consider the following three options for the next renewal:

Option #1 would be to consider the situation as a professional service (engineers, architects, legal etc.). The airport is free to choose the most qualified and experienced provider, not based solely on costs or bidding. Option #2 would be to divide the policies, award some to AIS, award the others to whichever local agent secures the quotations first. If possible, Mr. Collins would have to release all companies prior to the quote solicitation and whichever agent secures quotes first will then be the new "Broker of Record". Mr. Collins favored this approach as it allows AIS to continue serving the airport on General Liability and Workmen's Compensation, which are AIS's strong points. Local agents could compete (at least for the first instance) for the Property & Equipment, Automotive, and Employee Dishonesty Bond Policies. Mr. Collins noted the craziest, but fairest Option is Option #3. Option #3 would be to contact all 12 or 13 insurance markets and relieve AIS from the Broker of Record. The names of all 12 or 13 companies could be placed in a hat; all interested agents would draw out a company name from the hat and go to that company for a quote. This would work as long as there are fewer agents than insurance companies. The math would have to be tweaked and there would have to be a line position drawing for the agents as well. Mr. Collins noted the insurance companies would have to allow him to speak directly to them also. Regardless of the fairness, Option #3 would look silly and include lots of additional administrative work for Mr. Collins. Mr. Collins stated there needs to be serious reform in the Commercial Lines Insurance Market.

Mr. Collins asked the Commissioners to consider all options for future insurance renewals. The Commissioners stated the situation would be studied and a decision as to how to proceed will be rendered prior to the next renewal in September/October.

Mr. Collins directed the Commissioners to Page #4 of the General Liability Policy Renewal Report. Only five of thirteen aviation underwriters returned quotations to specialty market company AIS. Mr. Collins questioned whether other agents, not necessarily aviation oriented, could do better at obtaining quotations from the aviation underwriters?

### **Ordinance 2012-01 Emergency Condition Purchases**

Mr. Collins stated that according to the airport's soon to be NIMS (National Incident Management System) compliant Airport Emergency Plan (AEP), the Airport Director, or his designee, needs immediate approval to purchase goods or services without the standard Board of Commissioner Approval process. The mandate for the Ordinance comes directly from the Federal Aviation Administration. The following language contained in the Ordinance was read by Mr. Collins: *"Since time is of the essence in an emergency, the standard 30 day cycle and/or bidding procedures have to be altered. Mr. Collins noted that he drafted Ordinance 2012-01 based on examples he found on the internet. Mr. Collins read the In the case of an emergency at Mt. Vernon Outland Airport, it is not practical or advantageous for the airport to follow standard competitive bidding methods. It is not advantageous or practical to wait for and seek approval at a regularly scheduled meeting nor telephone all Commissioners individually to seek their approval during an emergency. Therefore, the Airport Director or his designee may waive the standard protocol previously mentioned and approve emergency purchases of goods and services. The Airport Director, or his designee will draft a written finding, supported by reasons that an emergency exists prior to any emergency purchase. The Airport Director, or his designee, shall strive to seek the best prices during the emergency. Purchases awarded on an emergency basis shall be submitted to the Mt. Vernon Airport Authority Board of Commissioners for approval at the next regularly scheduled meeting."* Motion was made by Commissioner Pierce and seconded by Commissioner Ancona to approve the Ordinance 2012-01. Upon roll call vote, all were in favor.

### **Water Line Easement**

Mr. Collins noted that he was contacted by Round Table Design regarding the possibility of the airport granting an easement to the Bluford Water Company. The proposed easement is for the installation of a new water line along the south side of Old Highway 15 from Country Club Lane to just west of Seven Mile Creek. Total linear feet of water line will be approximately 2500 feet. Round Table Design would like to place the new line along "flat" airport property adjacent to the new fence. Their existing line is along the topographically challenged Highway Department right of way and also includes power line pole obstacles. When the airport constructed the new fence, the poles were set back so as to take advantage of more level ground. Mr. Collins noted that he contacted IDOT, IDA regarding the project and provided Round Table Design contact information to Kathy Comrie in the Land Acquisition Department. All that would be required on the airport's end is to officially approve the request at the Board of Commissioners level. Mr. Collins would have to draft a letter to IDOT, IDA stating the benefits of the project to neighbors as well as release of the land through a Change in Land Use declaration. Round Table Design will have to contract with Hanson Professional Services to update the Airport Layout Plan, Exhibit A (Property Line Map), and possibly construct an Environmental Categorical Exclusion (CATEX). There are many other requirements that Round Table Design will have to meet and they have been forwarded. Mr. Collins recommended approval of the request, with the condition that Bluford Water Company/Round Table Design pay all costs associated with the easement. Round Table Design indicates that if all is approved and the easement is in hand, the Bluford Water

Company desires to construct the new water line in April/May, 2012. Motion was made by Commissioner Pierce and seconded by Commissioner Ancona to approve the Easement. Upon roll call vote, all were in favor.

#### **OTHER BUSINESS**

There being no items to discuss in Other Business, Chairman Martin 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.