

Mt. Vernon Airport Authority  
Regular Meeting of the Board of Commissioners  
Held February 14th, 2017 at 6:00 PM

Present: Michael Ancona                      Chairman  
          Eddie Lee                                Vice Chairman  
          Joe Bob Pierce                        Secretary  
          Gary Chesney                         Treasurer

Absent: Ryan Wellmaker                      Commissioner

Staff:    Chris Collins  
          Sheila Jolly-Scrivner

Guests: David Kieffer, Steve Willis, Travis Morse, Greg Petersen, Mike Payne, Carla Payne, Don Lewis & Ruth Anne Strawn.

**PUBLIC INPUT**

Hearing none, Chairman Ancona moved forward with the meeting.

**REPORTS**

**Minutes**

Minutes were presented for the January 10th, 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 Ancona moved forward with the meeting.

**OLD BUSINESS**

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

**NEW BUSINESS**

**Boy Scouts of America Events**

Mr. Nick Schubert, Boy Scouts of America Area Coordinator, was unable to be in attendance. This line item was tabled.

### **Annual Audit**

Mr. David Kiefer of Richard David Kiefer, CPA, presented the Annual Audit for the fiscal year that began on May 1, 2015 and ended April 30, 2016. Mr. Kieffer directed the Commissioners to the Financial Highlights section and read the Authority's total assets exceeded its liabilities by \$7,466,650 for the fiscal year as compared to \$7,941,929 reported in the prior fiscal year. The Authority's total net assets decreased by \$475,279 or 5.98% over the course of the year's operations as compared to a decrease of \$378,935 in the prior fiscal year. Mr. Kieffer stated depreciation continues to be the factor attributable to the decreases. Revenues in the airport's General Operating Fund totaled \$490,410 and expenses totaled \$470,675, leaving a profit of \$19,735. A loss of \$6620 was reported in the Flightline Aero Services fund as revenues totaled \$300,330 compared to expenses at \$315,949. Mr. Kieffer mentioned fuel sales revenues (and expenses) were down considerably when compared to the previous fiscal years. Mr. Collins noted there was a considerable drop in aircraft operations during the same period and he would be discussing this in detail during his Aviation Report. Mr. Kieffer stated there were many capital expenditures (line service equipment, deicing machinery, etc) during the fiscal year and the equipment will be in inventory for many years bolstering the capabilities of the business. Motion was made by Commissioner Pierce and seconded by Commissioner Lee to approve the Annual Audit. Upon roll call vote, all were in favor.

### **Annual Aviation Report**

Mr. Collins presented his Annual Aviation Report for calendar year 2016. He noted total operations decreased a whopping 22.6% over the previous year (21,102 in 2016 as compared to 27,270 in 2015). Mr. Collins explained the decrease is a direct reflection of reduced corporate flying activity by based tenants, aircraft being sold, and the poor image of the State of Illinois. Jet operations, a measure Mr. Collins has used since he started his career at KMVN, is down 18.9% (188 in 2016 as compared to 232 in 2015). A majority of developers, location scouts, retention visitors, etc., utilize jet equipment. Mr. Collins noted that in talking to his counterparts in neighboring states, their operations and fuel sales are up. He stated: "all we can do is hang on and hope for better perception." On the based inventory side things remain stable. With Airgo's six based aircraft, the airport did not take a step backwards. Total based inventory is 51 (41 Single Engine Land, 7 Multi-Engine Land, and 3 Helo). There was a small decrease in the number of based Multi-Engine Aircraft and the airport lost its only jet in 2016. As Airgo adds instructors and students, more aircraft will be based at Mt. Vernon Outland Airport. Chairman Ancona stated, "thank goodness Airgo is here. We made the right decision!"

### **Insurance**

Mr. Collins explained three key policies renew every February. The new Public Officials Liability Policy premium is \$2353 – the same as expiring. Mr. Collins stated this policy is held locally with Dimond Brothers Insurance. Mr. Collins added the current Work Compensation Policy premium with the incumbent provider QBE is \$14,395. Arthur Gallagher Agent John Grob was able to obtain a quote of \$9684 from another provider, Global Aerospace. On the General Liability side, Mr. Collins noted the renewal premium with QBE is \$2999. This is the same as the expiring premium. This policy has been with Arthur Gallagher Agent John Grob for many years now. Mr. Collins said he was thrilled

to see a savings of nearly \$5000! He recommended approval of all three policy renewals. Motion was made by Commissioner Chesney and seconded by Commissioner Lee to approve the insurance renewals as presented. Upon roll call vote, all were in favor.

### **Ordinance 2017-1, B&I Levy Abatement**

Mr. Collins displayed an Ordinance outlining the abatement of \$18,322.50 from the 2016 Tax Levy. Mr. Collins read a summary written and utilized for last year's abatement:

“The best way to explain this in a short amount of words is that I made an incorrect assumption on the mechanics of the Momentum 2020 Capital Development Plan with regard to the Bond and Interest Levy. I understood we had a new Debt Service Extension Base (DSEB) of \$230,000 and assumed it was a function of the increased Equalized Assessed Valuation (EAV). Not only was the new DSEB not a function of the EAV, the EAV did not increase since the last bond issuance. Our total EAV was \$195 million in 2008/2009 and is \$195 million in 2014/2015. The bottom line is if we submit a Bond & Interest Levy of \$220,000 instead of \$205,900 (based on a flatline EAV of \$195 million); our taxpayers will realize a noticeable tax increase. The easiest way out of this is to order the County Clerk to alter the Bond & Interest Levy to the desired amount each year (subtract \$18,322.50 this year). This act requires an Ordinance. I recommend the Ordinance be approved Tuesday night so that our promise of little to no tax increase is intact. I apologize for making this incorrect assumption and I would like the responsibility for correcting it. It should be noted the DSEB increase was statutory and is up to the individual taxing districts to impose the tax necessary to capture the additional funds.”

Motion was made by Commissioner Chesney and seconded by Commissioner Lee to approve Ordinance 2017-1, Bond & Interest Levy Abatement. Upon roll call vote, all were in favor.

Mr. Collins noted last year's abatement was \$15,000. So, with this middle program abatement of \$18,322.50, the 2018 (the last year) abatement should be approximately \$9000. This three year abatement program takes the airport back to a \$617,700 issuance instead of a \$660,000 issuance.

### **EXECUTIVE SESSION**

Motion was made by Commissioner Lee and seconded by Commissioner Pierce to approve a pay increase of approximately 10% for Maintenance Assistant Larry Hughes as discussed in Executive Session. Upon roll call vote, all were in favor.

### **OTHER BUSINESS**

Mr. Collins mentioned the 2017 Jefferson County Home Show was a huge success. Warm temperatures and the new Friday Night, all day Saturday format helped. Mr. Collins heard rumors of strong sales from several vendors.

With no additional Executive Session items, no Other Business, and no further items for discussion on the Agenda, motion was made and seconded to adjourn the meeting. Upon roll call vote, all were in favor and the meeting was adjourned.

## **EXECUTIVE SESSION**

February 14, 2017

Mr. Collins noted that he believes Maintenance Assistant Larry Hughes is in line for an immediate salary increase. Mr. Collins explained that he normally waits until the fiscal year has ended to recommend any such increases, but with Larry's stepping in over on the flightline, he believes the time is now. Mr. Hughes' dedication to the overall team and his efforts to help have curbed the losses on the flightline. Mr. Hughes has given the airport a friendly knowledgeable face in an important front line position. Mr. Collins recommended a \$1.10 increase in Mr. Hughes' wage taking him up to \$12 per hour. Discussion ensued with all of the Commissioners praising Mr. Hughes for his dedication to the airport and his work ethic. Most have worked with Mr. Hughes on various projects and events. The Commissioners agreed to the increase and will vote on the proposal upon returning to Open Session.