

Mt. Vernon Airport Authority  
Regular Meeting of the Board of Commissioners  
Held April 12, 2016 at 6:00 PM

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

Staff: Chris Collins  
Sheila Jolly-Scrivner

Guests: Emily Roth, Tesa Glass, Rich Carney, Steve Willis,  
Ruth Anne Strawn, Don Lewis, Jay Grafton, & Da Yu

### **PUBLIC INPUT**

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

Chairman Ancona announced the retirement of Vice Chairman Greg Martin. Because of the airport's calendar year ending on April 30, this is Vice Chairman Martin's last meeting. Chairman Ancona read a listing of accomplishments (attached) that have occurred since Vice Chairman Martin accepted his appointment from Mayor Milt Sees in April, 2005. Vice Chairman Martin stated that the accomplishments were achieved by a strong team that he was honored to be a part of. Chairman Ancona stated "I'm really going to miss you!" Vice Chairman Martin was presented with an MVAA Chairman's Plaque thanking him for 11 years of service.

### **REPORTS**

#### **Minutes**

Minutes were presented for the March 8th, 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**

Mr. Collins presented an invitation to the Annual Illinois Aviation Conference scheduled for Thursday, May 5<sup>th</sup> at the SIU Technical Center at the Southern Illinois Airport.

## **OLD BUSINESS**

### **Koziara Terminal Door Project**

Mr. Collins presented a quotation from Record Door Company for a new single slider door in the baggage claim area. He stated Record is the same supplier of the front doors replaced two summers ago. Mr. Collins noted Vice Chairman Martin has worked very hard on this project and will supervise the maintenance crew with the demolition of the old door and wall – saving the airport money! The cost for the new Record door in the baggage claim area is \$6000. There will also be a small tile installation job to replace the step opener mat. Mr. Collins stated he does not see this exceeding \$800. He recommended moving forward with this project with an estimated budget of \$6800. Motion was made by Commissioner Chesney and seconded by Commissioner Lee to approve the door replacement budget of \$6800. Upon roll call vote, all were in favor.

## **NEW BUSINESS**

### **Sara's Walk**

Mr. Collins stated the Epilepsy Foundation of southern Illinois will be hosting its annual benefit for Epilepsy titled Sara's Walk at the airport on Saturday, May 21<sup>st</sup>. The benefit is named after the late Sara Stubblefield and returns to the airport after a few years in Carbondale, Murphysboro, and Belleville. Mr. Collins presented marketing materials for the event.

### **ATV**

Mr. Collins explained the Momentum 2020 Capital Development Plan included a budget of \$5000 for a used ATV. An ATV is badly needed for weed spraying and wildlife control. Currently, the airport uses Mr. Collins' personal ATV and have done so since the new fence was installed back in 2011. Mr. Collins presented an alternate upgrade to an ATV – a Japanese Mini Truck. Airport tenant and grass runway maintainer Steve Watts recommended a mini truck due to its capabilities. Mr. Collins presented photos and statistics for a mini truck available in the area. The 1993 model Suzuki Carry 660 is equipped with a 100 gallon spray tank and 7.25 gallon per minute pump for \$5500. Mr. Collins explained mini trucks are perfect for an airport due to their enclosed cab, speed, hauling ability, and other attributes such as four wheel drive. Although this vehicle is \$500 more than budgeted, Mr. Collins believes the airport is getting a good deal. As for age and mileage, Mr. Collins explained these vehicles are just like their larger counterparts (Toyota Camry, Nissan Maxima, etc.) – they will run to 200,000 plus miles. A parts importer is located in McLeansboro and he believes this is a great deal. Internet research on similar model year and mileage vehicles revealed sales in the \$5000 to \$6000 range. The current owner, living near Iuka, paid \$6000 for the truck in 2010. He is selling it because he does not use it much (he owns Duis Sales and has a barn full of ATV's). Discussion ensued. Motion was made by Commissioner Martin and seconded by Commissioner Lee to approve the purchase of a 1993 Suzuki Carry 660 for \$5500 from Leon Duis. Upon roll call vote, all were in favor.

### **Mowing Tractor**

Also included in the Momentum 2020 Capital Development Plan was a new mowing tractor for 2016. Mr. Collins explained there is \$70,000 in the budget for this item. The current tractor is a 2000 model year New Holland TS110 that has nearly 8000 hours. Mr. Collins noted he normally opts for maintaining the asset and stretching its life as long as possible. The problem is the mowing tractor is something that cannot be down and this has happened twice in the last four years. Each time resulted in a very expensive maintenance bill. It is time to upgrade. Mr. Collins presented prices from four area dealers and explained all quotes include large discounts for the National Joint Powers Alliance Membership. The NJPA offers competitively bid National contract prices. All tractors include a loader ready option:

John Deere, McLean Implements - \$63,517  
Kubota, F.B. McAfoos - \$66,899  
Case/IH, 4R Equipment - \$67,400  
New Holland, Diedrich Implements - \$69,500

Mr. Collins recommended the purchase of the John Deere at \$63,517. Motion was made by Commissioner Lee and seconded by Commissioner Chesney to purchase the John Deere Tractor. Upon roll call vote, all were in favor.

Mr. Collins stated he and the maintenance staff desire to keep the old New Holland TS110 for a backup mowing machine. It also plays a vital role during snow removal operations as it pushes a 10 foot plow.

### **OTHER BUSINESS**

Mr. Collins mentioned he would like to look for a second (and larger) De-Ice Truck through the Federal Surplus Program. He explained that he recently enrolled the airport in the program that allows participants to select, screen, and, if lucky, take delivery of surplus DOD assets. If selected as the winner of the chosen item, all the winner has to do is arrange and pay for shipping. Mr. Collins explained he would like to have a larger truck to help on larger aircraft such as the DC-9 and MD-80. The Commissioners approved his request.

A motion was made by Commissioner Lee and seconded by Commissioner Martin to extend contract(s) to AIRGO Incorporated for expansion of its current satellite operation as discussed in Executive Session. Upon roll call vote, all were in favor.

There being no additional Executive Session items, no additional Other Business items, 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**

April 12, 2016

Chairman Ancona asked Mr. Steve Willis, CFII/MEII & AOPA Airport Service Volunteer, and Mr. Rich Carney, President of KMVN Fixed Base Operator SRT Aviation, to remain in the room.

The following, titled AIRGO Operations, was drafted and distributed to the Commissioners by Mr. Collins to the prior to the meeting and provides background for the meeting:

Airgo, Inc., headquartered at Centralia Municipal Airport (KENL), has expressed serious interest in a major expansion in southern Illinois. Current Airgo operations at Mt. Vernon Outland Airport consist of a KMVN based High Performance Satellite, as well as transient SEL and MEL operations. The High Performance Satellite, currently housed in a small office in the A-1100 Hangar, provides 20 hours of pressurized gas turbine engine training. It is the final step before graduation and the student returning to China for the first duty assignment. Transient SEL and MEL operations are conducted by students progressing through the ratings. At each rating, most students visit Leland Widick's KMVN office for oral and practical examinations.

### **AIRGO BACKGROUND**

Airgo, Inc., founded and previously owned by local aviation legend Leslie Erb, has been in business since the early 1980's at KENL. The training of international flight students was the niche and Les worked hard to build relationships across the globe.

There was a coveted certification status offered to flight schools by the Chinese Government for training of Chinese airline pilots. Les Erb's Airgo was the 22<sup>nd</sup> and final training entity granted this extremely sought after certificate. In late 2015, Les Erb sold the operation.

Airgo, Inc., now owned by a Chinese corporation, specializes in flight training of airline pilots with direct placement in Chinese Airlines. China Southern Airlines is the major recipient of Airgo's graduates. There are currently 78 students in Centralia. Airgo's footprint in Centralia consists of the Centralia Municipal Airport, a converted nursing home (dormitory), and a recently acquired office building downtown (administrative offices, classrooms, & simulation).

Airgo wants to achieve 100 – 200 students in southern Illinois at any given time. Mt. Vernon is being considered for the largest footprint with a minimum of 100 students. Airgo's owners indicate that if the southern Illinois operation can maximize its full potential, graduates could be placed at other Chinese Airlines.

Airgo owners and operators expressed no interest in training anyone other than their Chinese students at Mt. Vernon Outland Airport. If an Airgo owned facility materializes, Airgo will not offer maintenance or fuel sales to any outside entity.

## AVIATION IN CHINA

Chinese airspace is limited to the Chinese Military and the airlines. Tiny pockets of airspace are being considered for general aviation use but are not guaranteed. Flight training simply does not exist in country.

Although the Chinese economy is currently in a slowdown, it had been on exponential growth for many years. Infrastructure is being developed rapidly – including aviation. Airgo's owners indicate 1000 – 2000 professionally trained pilots will be needed for each of the next twenty years!

## STUDENTS

Airgo's students are the best of the best. The students are graduates of Beijing Aeronautical University – the Chinese equivalent to our Embry Riddle. They are vetted by Airgo employees such as American Airlines Captain, DPE, and former KENL Airport Manager Rodney Resch and CFII Jay Grafton.

Each student is an official employee of China Southern Airlines and it is up to the student to come back to China ready for on the job training in the B737 or Airbus A319/320 or return to find a new career in something other than aviation after failure.

It is interesting to note that most students are the product of single child homes. They are determined to succeed.

## MT. VERNON OPERATION

I have been working with Airgo's Rodney Resch since early 2015 on the high performance satellite operation. The KMVN satellite has been operational since December, 2015. Discussions regarding expansion of the existing KENL based SEL/MEL training curriculum were ongoing during this period.

On February 19, 2016, a proposal was extended to Airgo for expansion at KMVN. The proposal included various options for office, hangar, training, and administrative space.

A meeting was held on Monday, March 14<sup>th</sup>, 2016 between the operators of Airgo, owners of Airgo, and the MVAA. The meeting included a tour of the KMVN facilities and a glimpse of the available build sites.

Immediate accommodations for classroom, simulation, and office space included in the proposal are the former salon and board room inside the Koziara Terminal. Aircraft storage (C172, PA44) would be inside the Community Hangar. It is estimated that 20 to 25 students and five aircraft could be immediately accommodated using this plan. Airgo owners and Operators appeared very

cautious of not impacting any existing business at the airport (Wilkey's, SRT, etc). Constant supervision of the students would be required by Airgo Staff. Students would be bused to and from KMVN from the Centralia dormitory.

Officials were shown the Innovation Park initiative on the southwest side of the airport. All agree an Airgo constructed Hangar #2 would be advantageous for separation from the other Team MVN Members. Building and ramp costs as well as construction timelines were discussed. Fuel concessions became a focal point with the airport willing to negotiate a fuel agreement traded for building investment and the operational count such a venture would provide. Any fuel agreement would come with a yet to be determined fuel flowage fee for further capitalization of the airport infrastructure.

The meeting was capped off with Airgo owners directing the Airgo Operators (Resch and Grafton) to work with Mt. Vernon Outland Airport to develop a plan to house, train, and deliver 100 candidates at any given time. Such an operation would require a hangar/training facility upwards of 20,000 square feet with the capability of housing ten to 15 aircraft. Airgo owners also asked about building incentives. The owners were told about the existing Mt. Vernon Enterprise Zone which has a maximum property tax abatement of 1.5 years. Airgo owners requested the City and Economic Development officials be contacted for any additional benefits. A suitable reply would have been - *"the facility's infrastructure, its unobstructed airspace, and its 24/7 availability are the incentives!"*

One important component of large Airgo owned operation that is still uncertain is housing. I have forwarded a few available four unit apartment buildings to the Airgo Operators. A large, multi-unit structure that could be created into a Mt. Vernon dormitory close to downtown would be beneficial.

## IMPACTS

A committee was formed to study the present and future impacts of such an operation on Mt. Vernon Outland Airport and the City of Mt. Vernon. It is the desire of the Mt. Vernon Airport Authority to involve this committee and gather feedback so the best decisions can be made moving forward.

Some pros and cons determined by the Committee:

### *Pros*

- Increased aircraft operational count
- Justification of the Instrument Landing System
- Increased revenue (office suite/hangar storage then ground lease FFF)
- Increased based aircraft inventory
- Identification as a "training destination"

- Increase revenues to local tax base and hospitality industry
- Further capitalization of the airport (new building(s), ramps, SS fuel)

*Cons*

- Congested patterns – especially during VFR conditions
- Possible noise complaints – especially at night
- Possible impacts to existing team members – SRT Aviation flight students
- Identification as a “training destination”
- Community perception

It is the consensus of the Committee that this is fantastic opportunity for the Mt. Vernon Outland Airport, the City of Mt. Vernon, Jefferson County, and southern Illinois. Some quotes:

*“Airports are here to be used.” “More operations lead to more justification (infrastructure, airport improvement funding).”* Larry Hicks

*“Perhaps the increase in activity could lead to a non-Federal control tower. ADS-B is on the horizon so, that may never come to fruition but one never knows.”* Leland Widick

*“We all will have to become comfortable with the MVN being labeled a training hub.”* Leland Widick

*“If a training hub gets established, others will follow (ancillary and related).”* Steve Willis

*“This should be presented as a partnership with Centralia.”* Larry Hicks

The Committee members are: Leland Widick, FAA DPE; Steve Willis CFII/MEII; Larry Hicks, International Businessman/Pilot; Jon Hallberg, JCDC Executive Director, & Chris Collins, Airport Director

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Mr. Collins introduced Mr. Jay Grafton and Mr. Da Yu from AIRGO Incorporated, located at the Centralia Municipal Airport. Mr. Grafton stated there are currently 70 students in Centralia – too many to handle at the Centralia Airport. Mr. Yu noted that Chinese Airline Pilots are being trained in Perth, Australia, Toronto, CANADA, Denton, Texas, Florida, and Centralia. Centralia’s AIRGO, founded and operated by Mt. Vernon raised Les Erb, was purchased by China based Changseng Yu, Da Yu’s father late last year. AIRGO was the last international flight training entity to be approved by the CAC – China Aviation Commission as an approved Flight Training Center.

Mr. Grafton and Mr. Yu explained the students are heavily vetted by AIRGO, the TSA, and the U.S. State Department before being accepted here in the states. They are essentially employees of China Southern Airlines. Failure is not an option to them. The AIRGO program takes the student from zero time to Commercial Multi-Engine in 14 months. There are currently 10 Certified Flight Instructors at AIRGO and approximately 10 aircraft ranging from Cessna 152's to Piper Seminoles.

Mr. Grafton noted the High Performance Mt. Vernon Satellite is running smoothly. Due to the demand in China, AIRGO desires to expand the Mt. Vernon Satellite as soon as possible. Two hundred students in southern Illinois is the goal of AIRGO. To do this, a large footprint will be needed at Mt. Vernon Outland Airport.

Mr. Grafton noted that AIRGO would like to get started inside the Koziara Terminal with 20 students. He noted that with good communication and the great working relationship already present, an AIRGO owned structure in Innovation Park could become a reality in as little as two years. Mr. Grafton stated *“like the MVAA, this is a big step for AIRGO. We want to take things slowly and try not to impact anything already existing here at KMVN. We plan to develop flight procedures and work around the various events you have such as the LSA Expo and Balloons Over Mt. Vernon.”*

Discussion ensued. The Commissioners asked Mr. Grafton about housing, transportation, and any additional services AIRGO would offer at KMVN. Mr. Grafton noted that AIRGO is only interested in training its Chinese students. He noted that AIRGO is turning away domestic students at Centralia as there just is not enough instructors or aircraft. Mr. Grafton also mentioned that AIRGO will not offer aircraft maintenance to outside aircraft owners. He noted that KMVN based SRT Aviation should see additional avionics and overflow work from the operation. Mr. Grafton mentioned AIRGO is currently looking for living space for its students inside Mt. Vernon. Mr. Grafton and Mr. Yu thanked the Commissioners for their time and noted they look forward to working with Mr. Collins and the Commissioners. The Commissioners thanked the pair and Chairman Ancona stated that he feels comfortable working with AIRGO with Mt. Vernon resident Mr. Grafton at the helm.

Chairman Ancona asked Mr. Steve Willis, KMVN based CFII/MEII if he saw any conflicts with traffic patterns, noise, or any other issues. He stated that he saw no problems that could not be dealt with. Chairman Ancona asked Mr. Rich Carney if he had any objections to the addition to the family. Mr. Carney noted he had none. The Commissioners expressed cautious optimism about moving forward since this project may take the airport down a different path. Chairman Ancona stated *“Let's give this a shot. I want to point out – if we don't do this, someone else will.”* The Commissioners approved moving forward upon returning to Open Session.