

Mt. Vernon Airport Authority  
Regular Meeting of the Board of Commissioners  
Held August 9, 2016 at 6:00 PM

Present: Michael Ancona                      Chairman  
          Eddie Lee                                Vice Chairman  
          Joe Bob Pierce                        Secretary  
          Ryan Wellmaker                      Commissioner

Absent: Gary Chesney                      Treasurer

Staff: Chris Collins  
          Sheila Jolly-Scrivner

Guests: Emily Shapiro, Shawn Singleton, Mike & Carla Payne, Don Lewis, & Ruth Anne Strawn.

**PUBLIC INPUT**

Don Lewis stated he was excited about the upcoming aviation events.

**REPORTS**

**Minutes**

Minutes were presented for the July 12th, 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**

**Events**

Mr. Collins provided an overview of the various events scheduled in the next thirty days:

The first event is a first ever Regional Ercoupe Fly-In over the weekend of August 27<sup>th</sup> and 28<sup>th</sup>. Mr. Collins expects somewhere between five and 15 aircraft. The organizers want to establish an annual event separate from the Ercoupe Owners Club National Fly-In, hosted at a convenient place for Midwest owners.

Next up is the Midwest LSA Expo – September 8 – 10th. There are some small changes for this national aviation event for 2016. Aviators Hotline is the official media partner and in addition to more promotion, Aviators Hotline will be hosting a Used Aircraft Sales Lot. KMVN’s own Eric Evans is the point man for the sales lot as he acted in this capacity at Sebring and Sun-n-Fun.

The last event is the Annual KR Gathering, September 16<sup>th</sup> and 17<sup>th</sup>. After a two year break, KMVN’s innovative friends return “home” from the west coast. Mr. Collins understands the KR guys want to meet at KMVN in the even years and visit a new location in the odd years. He mentioned “we will welcome them back no matter what schedule they desire.”

## **NEW BUSINESS**

### **Annual Tax Levy Ordinance 2016-06**

Mr. Collins presented the Annual Tax Levy Ordinance 2016-06 for approval. Mr. Collins mentioned that after doing much math during the Momentum 2020 campaign back in the winter, he discovered it takes nearly a \$2 million dollar increase in EAV to net the additional annual 4.99% increase most (probably all) local tax districts are taking on their Corporate Levy. Since he does not want to raise taxes and does not see much of an EAV increase in the taxing district this year, he proposed to “cap” or “freeze” the 2016/2017 tax levy at \$123,128 – the 2015/2016 levy amount. Motion was made by Commissioner Pierce and seconded by Commissioner Lee to approve the Annual Tax Levy Ordinance #2016-06. Upon roll call vote, all were in favor.

### **KT Suite #110**

Mr. Collins noted Steven Yandell, dba N-Sight Training & Security Systems, desires to join “Team MVN” on a daily basis. Steven has been teaching concealed carry courses at the airport for over two years – helping Wilkey with additional business. He presented a fact sheet about N-Sight to the Commissioners and media. Mr. Collins noted Steven is an excellent addition to the airport family and recommended a Lease Agreement be extended for MVAA Suite #110. Motion was made by Commissioner Lee and seconded by Commissioner Wellmaker to approve a Lease Agreement between the MVAA and N-Sight Training & Security Systems. Upon roll call vote, all were in favor.

### **KT Suite A**

Mr. Collins noted that with the execution of the AIRGO KT Package Lease Agreement, KT Suite “A” will need framed in. Mr. Collins presented drawings by Architect Brian Edmison showing two styles of transparent (glass) walls. One idea is to use a series of sliding glass panels and one fixed doorway. The other idea uses a fixed wall of glass panels and a double door. Discussion ensued about the two styles, the costs, and the timeline. Although the Commissioners preferred the less costly idea using the fixed wall and double door, the project was tabled for the short term. Airgo, Inc. is not ready to occupy the Suite until January, 2017 and there is time to contact them to gage their preference.

### **Corporate Hangar**

Mr. Collins noted that for many years, the Quonset panel/concrete foundation joints have been deteriorating. In several locations, the actual steel has corroded away and is allowing water inside the building. He introduced a repair project that, using one experienced outside contractor teamed with the airport's maintenance staff, can shore up these joints in the most cost effective way. Mr. Collins believes the project can be completed for approximately \$3000. Motion was made by Commissioner Lee and seconded by Commissioner Wellmaker to allow Mr. Collins, airport maintenance, and one local contracting tradesman to make repairs to the Corporate Hangar. Upon roll call vote, all were in favor.

### **OTHER BUSINESS**

Mr. Collins mentioned a possible tenant has surfaced for another office inside the Koziara Terminal. Since there are no offices left to lease, Mr. Collins expressed an idea of framing in the old Departure Gate. The square footage is similar to the MVAA Suite Offices. He mentioned that if a Lease Agreement could be negotiated, he would like to remove the non-functioning automatic doors and replace them with a wall on the exterior and a single door/sidelight unit on the lobby side. He stated he would bring a formal recommendation and budget should things begin moving forward.

### **EXECUTIVE SESSION**

Motion was made by Commissioner Lee and seconded by Commissioner Pierce to allow Mr. Collins and Commissioner Wellmaker to establish a new sliding scale profit calculation for the fuel partnership program between Flightline Aero Services and SRT Aviation. Upon roll call vote, all were in favor.

With no further Executive Session items, no additional 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

August 9, 2016

Mr. Collins directed the Commissioners to an e-mail in their booklets from SRT's Shawn Sayle regarding the fuel partnership between Flightline Aero Services and SRT Aviation. SRT Line Service lost (difference between what the airport paid SRT in fuel profits and what their labor actually cost their company) a small amount in fiscal year 2014/2015 and a considerable amount in fiscal year 2015/2016. SRT is on track for another considerable loss in 2016/2017. SRT is asking for a solution to stop the losses. Mr. Collins mentioned that since SRT does not want to manage the program in its entirety (as before), there are only three choices - sell more fuel, increase the profit split more in their favor or the airport take over the fuel sales 100%.

Mr. Collins mentioned the problem is directly attributable to one issue – the loss of Carl Heinrich and his daily corporate activity. The airport went from three corporate aircraft with at least one in the air nearly every day to one corporate aircraft that only flies once every six weeks. Gross sales and total gallons sold decreased over the three year period while SRT's Line Service cost remained nearly fixed.

Mr. Collins presented several pages showing his calculations to solve the issue. He calculated the average margin for the last three years and multiplied this number by 70,000, 80,000, and 90,000 gallons sold. Once the airport's fuel flowage fees, and fixed costs such as QA/QC, weights and measures inspections, and equipment replacement charges are removed, he calculated a share arrangement that helps SRT survive while still providing an income string for the airport. Mr. Collins proposed new split percentages for the following ranges: 70,000 – 80,000 gallons, 80,000 – 90,000 gallons, and 90,000 gallons.

Mr. Collins briefed the Commissioners about taking over the fuel sales program. He stated that unless the airport does not hire the two SRT line guys that already know the airport, are trained, and are serving well, labor costs will not be any less. In addition to labor, the airport will have a \$1044 insurance premium (to service aircraft), have to pay or abate some rent of the FBO building, and will have to pay a portion of the FBO utility bill. Work comp insurance is a few hundred dollars more per year as well. The arrangement would be awkward but could work. Mr. Collins and Mrs. Jolly-Scriver will have many more daily responsibilities.

Discussion ensued. Summer, Winter, and sliding scales were mentioned. Commissioner Wellmaker expressed ideas about calculating a percentage above a break-even point to use in any split arrangement moving forward. The Commissioners were in favor of Commissioner Wellmaker working with Mr. Collins on a new plan and agreed to proceed in this direction upon returning to open session.