

Mt. Vernon Airport Authority
Regular Meeting of the Board of Commissioners
Held March 6th, 2022, at 6:00 PM

Present: Marty Cox	Chairman
Mike Ancona	Vice Chairman
Carey Lipps	Secretary
Greg Martin	Treasurer
Gary Chesney	Commissioner

Staff: Chris Collins
Sheila Jolly-Scrivner
Matt Colvin

Guests: Steve Modert, Mike & Carla Payne. Dan Dare, and Ron Brushwitz

PUBLIC INPUT

Hearing none, Chairman Cox moved forward with the meeting.

REPORTS

Minutes

Minutes were presented for the February 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 except Commissioner Martin 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 the Agenda and Meeting Minutes for the upcoming Meeting of the Greater Egypt Regional Economic Commission.

OLD BUSINESS

Project/Grant Update: Below is a snapshot of all projects:

Rehabilitate Interior Perimeter Service Road Project – An employee of Delta/Southern Illinois Asphalt told me at a lunch encounter yesterday that a 16' width single "pull" is being planned. I am excited about the possibility of not having a center seam to maintain.

Innovation Park Utility Upgrade Project (Sewer Portion) – There has been much coverage of the County ARPA Committee in the local newspaper. The latest meeting mentioned several county office holders obtaining approval for projects and approximately \$1.2 Million (\$300,000 each) being reserved for the local volunteer fire districts. Administrative Assistant Brittany Hefner called ahead of the last meeting to confirm the amount of the airport project for her accounting. After informing her the amount was \$220,300, I asked if I should attend the meeting and she replied “not unless you really want to come. Your project is included.” Therefore, I have strong faith the County will cover the airport project as approved by the full Board on October 29, 2021. Hanson engineers were on site about two weeks ago and we looked over everything. We met with City Public Works Director Matt Fauss and viewed the existing force main inlet in the middle of Airport Road just east of MVFD Station #3. The project will now include a small closure of Airport Road and repaving of the construction area. While Hanson was here, I pressed them very hard about developing the plans and getting the project out for bid.

Innovation Park Utility Upgrade Project (Electrical Portion) – The project initiated about two weeks ago. See the photo pages in your booklet for progress up until Friday, March 4th. Warm, dry weather allowed KT Electric (digging by Ford’s Plumbing) to trench and install all conduits (new primary, existing maintenance building, IP Hangar #1 extension, Air Evac #172 extension/future Hangar #2, and future hangars #3 and #4 stubs). The new central meter pedestal and concrete transformer base are in place. Next up will be pulling of all wiring and the installation of the new transformer. Once hot, KT will begin disconnecting the feeds from the old transformer and energizing the buildings from the new service. So far the project has been completed without any difficulties. We will have a small project overrun to pay. You are already aware I had Air Evac #172 install electrical lines from their temporary modular structure to a point outside the fence. Currently, Air Evac’s supply comes from the old transformer (I never envisioned the meter base infrastructure they thought they needed). KT Electric had to trench, install conduit, and ready cabling to switch Air-Evac’s temporary structure from the old transformer to the new transformer. This extra line was not included in the original specification. I expect this addition to cost approximately \$6000. The good news is all utilities will already be in place for Hangar #2 once Air-Evac moves to their new permanent base.

KT Parking Lot Rehabilitation Project – No updates on this exciting project. I did hear through the rumor mill that IDOT, IDA has lost so many people that those remaining are overwhelmed and simply focusing on the State/Federal AIP Projects. Translation, look for this project to not occur until 2023 or later.

Innovation Park Turbine Center (IP Hangar #2) – No news on this project. I remain on the hunt for more tenants. We received a favorable review from the FAA regarding the entire Innovation Park Development Area. The FAA titles this a FAA 163 Review and they are simply wanting to ensure development is

aeronautical. Beginning in 2018 or 2019, all projects are supposed to be reviewed from an airspace (FAA 7460) and land use (FAA 163) standpoint. Our review covered the IP Utility Projects (Electricity and Sewer), IP Hangar #2, Hangar #2 Ramp, Air Evac #172 (Hangar #5), Air Evac #172 Ramp, and the proposed new Snow Removal Equipment (Maintenance) Building.

Air Evac #172 Base (Temporary) – Air Evac #172 has been flying multiple times per day and to places all across southern Illinois, St. Louis, and Evansville. Did you know that existing Air Evac #11 is the busiest base in the Midwest? I asked how we rate nationwide. I was told “out of 160 bases, Air Evac #11 is in the top three in the nation!”

Air-Evac #172 Base (Permanent) – I have been talking to Bean Capital Banking Center (BCBC) and everything seems to be in motion. BCBC is offering the Building Lease/Purchase Partnership as done with Innovation Park Hangar #1. The Partnership will include two seven year terms, plus one year (15 years). There will be a \$1 buyout at the end of the 15th year. The rate will be 3.65% for the first term, adjustable on the second term, and 15th year. The maximum increase would be 2%. I have been working with Legal Counsel Scott Quinn and Brian Edmison on the Design/Build/Finance/Lease Agreement and present the final draft for your approval. If you are in approval of the BCBC Partnership and Design/Build/Finance/Lease Agreement, I plan on submitting the to Air Evac after the meeting. I expect much back and forth over the next few weeks. Note: The Commissioners were in approval of the BCBC Partnership and the Design/Build/Finance/Lease Agreement as presented.

Replace High Intensity Runway Lights on Primary Runway, Replace Medium Intensity Runway Lights on Crosswind Runway, and Replace Medium Intensity Taxiway Lights on all Taxiways. - No news on this project. Preliminary design plans are still underway at Hanson.

Momentum 2026:

Mr. Collins introduced Mr. Brent Flota of Kings Financial. Kings Financial is the incumbent Bond Sales Agent having led the MVAA through the process for the Momentum 2023 campaign. Mr. Flota presented current financial statistics and several options for the next Momentum campaign. Armed with a locked in interest rate from the current owner of the Momentum 2023 bonds, Fairfield National Bank, Kings Financial's options were absolute. Mr. Flota presented the following options: locked DSEB of \$205,900 for a three year campaign, annual 2% DSEB increase for three years, a three year program at the each year's legislatively created DSEB (>\$250,000 per year), and a campaign option for capturing the full \$1,428,052 Remaining Debt Capacity. After presenting the options, Mr. Flota strongly recommended the MVAA move quickly as the bank has provided a great interest rate for the MVAA. In fact, the 1.9% rate is almost 0.8% less than the Momentum 2023 Campaign rate. Local pilot/Oil & Gas Industry Engineer Mike Payne asked if he could comment. After being approved, Mr. Payne noted that the Federal Reserve plans to raise interest rates at least 0.25% by the end of the

month. Interest rates could rise another 0.75%-1.5% by late Spring. Hearing Mr. Payne's comments and considering the presentation by Mr. Flota, the Commissioners agreed to discuss the situation in Executive Session. Chairman Cox thanked Mr. Flota for his work with Fairfield National Bank.

NEW BUSINESS

Annual Audit:

Since auditor David Kieffer was not in attendance, this item was tabled until next month.

Insurance

Non Owned Aircraft Policy - Mr. Collins provided correspondence from insurance broker Arthur Gallagher regarding a new Airport Liability Policy. As noted at last month's meeting, the underwriter is not comfortable with an airport employee conducting flight instruction. Since Aviation Programs Director Jay Grafton is on the airport payroll and the airport collects the fees, the underwriter sees this as the airport operating the flight school. Two choices were offered – Mr. Grafton becomes an employee of SRT Aviation or a new policy be created to cover Mr. Grafton and the airport. Since the SRT option is not possible, the new policy is the only path forward. The premium is \$4860 for the non-owned aircraft policy. Motion was made by Commissioner Martin and seconded by Commissioner Ancona to approve the \$4860 premium as presented. Upon roll call vote, all were in favor.

Airport Liability Policy - Mr. Collins presented a new Airport Liability Policy from Arthur Gallagher. The renewal premium is \$7287, a \$3389 increase over last year. New company Starr now insures the airport's liability, the non-owned aircraft policy, and SRT Aviation's flight training program. Both airport policies and premiums are necessary to protect everyone's best interest. Motion was made by Commissioner Chesney and seconded by Commissioner Ancona to approve the Airport Liability premium as presented. Upon roll call vote, all were in favor.

Flight School:

Mr. Collins noted that local aircraft broker Eric Evans has a hand shake deal on a great Cessna 172! He mentioned the key points: the aircraft is on the field, it is a known quantity, has a very low time airframe, and it has a nearly new engine. The aircraft is slightly outside the airport's budget at \$115,000 but Mr. Collins reasoned the airport would be buying "an asset". Mr. Collins presented a VREF Evaluation of the aircraft listing an appraised value of \$127,927. He also presented an open market comparison of a similar year, similar time, model at approximately \$150,000. To make the purchase, Mr. Collins noted he needs an additional \$15,000 approved on Tuesday Night (\$100,000 was approved at the February Meeting). He would also like approval of an additional \$15,000 for an immediate avionics upgrade. The aircraft has old radios and no GPS equipment. SRT Aviation's C172 and Mr. Collins' personal C182 both have Garmin GNC 355 NAV/COM units and corresponding GPS Indicator Instruments. The installation of this equipment cost Mr. Collins \$12,000 in the spring of 2021. Mr. Collins stated that installing this equipment solves the radio issue and equates the avionics in the existing flight school aircraft – meaning the students can easily use both aircraft. The GNC355 also turns the airplane into a great instrument training aircraft. As for the

financial ramifications, Mr. Collins mentioned Bean Capital Banking Center is expecting to finance the purchase price of the aircraft with the airport placing a 20% down payment. The interest rate will be 4% for seven years with a ten year amortization. Paying additional principle payments is acceptable with BCBC. Mr. Collins stated that Ms. Jolly-Sriviner is working on additional grant funding due the airport from the Federal Government. That funding is in excess of \$50,000. Mr. Collins mentioned he would like to use these funds for the airplane purchase. Mr. Collins asked for approval of an additional \$30,000 to be used for the new airplane. Motion was made by Commissioner Lipps and seconded by Commissioner Chesney to approve the additional \$30,000 as presented. Upon roll call vote, all were in favor.

Maintenance Equipment:

New Rotary Mower – Mr. Collins explained that with mowing season just around the corner, he and Maintenance Superintendent Matt Colvin moved the purchase of the new Bush Hog (\$20,000 listed in Momentum 2026) forward. Upon contacting the local dealers, Mr. Colvin discovered two important factors – there are very few units available and it will most likely be after the mowing season before new units are manufactured. Local equipment vendor FB McAfoos located only two units across the country. One was in Princeton, Indiana. With the airport's current 2009 unit likely not able to withstand daily use any longer – time was of the essence. Mr. Collins signed a purchase order for the unit in Princeton, Indiana last week. The unit is \$22,500 delivered. This is the State Contract Program price. Mr. Collins asked for official approval. Motion was made by Commissioner Martin and seconded by Commissioner Lipps to approve the \$22,500 Bush Hog Rotary Mower. Upon roll call vote, all were in favor.

Quick Attach Device – Mr. Collins highlighted another potential equipment purchase. He asked for approval of approximately \$8000 for a quick attachment device for the airport's John Deere Backhoe. The quick attachment device will allow for the airport's Sweepster Broom to be attached and used on the airport's backhoe. The airport's Sweepster Broom is currently a pull behind unit. Along with massive connecting infrastructure, it has a large diesel engine, axles, wheels/tires, and the pivoting broom head. Because of its size and complexity, it often is in a state of disrepair. And, the maintenance staff have no space to work on it so it gets overlooked. Mr. Collins stated airports use brooms for two purposes – sweeping debris and moving dry snow. KMVN's broom is used more for the former but if easily equipped on a dependable piece of machinery, it could be used for the latter. Mr. Collins explained he sent Matt Colvin over to Huntingburg, Indiana (KHNB) early last week to look at that airport's broom/backhoe setup. Huntingburg utilizes a very similar Sweepster Broom. Mr. Colvin returned with a plan and obtained a quote from Erb Equipment for the quick attach device. Mr. Collins asked for immediate approval of this purchase for one HUGE reason. The porous friction course asphalt on the parallel taxiway for Runway 5/23, and Runway 15/33 itself, is beginning to separate. Small asphalt chips are a grave danger for turbojet aircraft (when pilots deploy reverse thrusters). Suddenly the airport's Sweepster Broom is a much needed asset and will probably be so until the next series of asphalt overlays (ten years or so in the future). Much work remains to mount the Sweepster Broom to the backhoe but it begins with the quick attach device. Mr. Collins presented photo pages showing the airport's existing Sweepster Broom in its current condition as well as the broom/backhoe combination at

KHNB. Motion was made by Commissioner Chesney and seconded by Commissioner Martin for approximately \$8000 at Erb Equipment for a Quick Attachment Device. Upon roll call vote, all were in favor.

Salute to Freedom:

Mr. Collins presented the annual Salute to Freedom request letter from City Tourism Director Angela Schrum. This will be year 36! Motion was made by Commissioner Lipps and seconded by Commissioner Chesney to approve the Salute to Freedom celebration. Upon roll call vote, all were in favor.

OTHER BUSINESS.

Mr. Collins presented a photo page showing a new elevated platform at the airport fuel farm. The platform was designed, fabricated, painted, and placed by Airport Maintenance. The platform will allow Line Service staff safe access to the top of the tanks for their manual tank gauging checks. Previously, staff had to climb fabricated ladder rungs and either stand on the top rung or the round tank top. Either was dangerous in wet, windy, or winter conditions. Very soon, staff will simply climb a central ladder and work above the tank. With the exception of the grated floor panels and donated stairway, all materials were on already on site.

Ms. Scrivner presented a summary of the Flight Instruction Program. Aviation Programs Director Jay Grafton billed 53.2 hours in January (77%), 40.2 hours in February (58%), and has billed 14.5 hours over the first ten days of March.

Motion was made by Commissioner Ancona and seconded by Commissioner Lipps to approve an annual project bonus payment in the amount of \$6796.25 to Maintenance Superintendent Matt Colvin as outlined in Executive Session. Upon roll call vote, all were in favor

There being no further items from Executive Session, no additional Other Business items, and no extra 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

March 8, 2022

Regarding the Momentum 2026 Bond Sales, Mr. Collins noted that in the past, other bond agents were allowed to address the Board prior to selecting an Agent. Each one was given five to ten minutes to present. Since Kings Financial was the incumbent agent, that firm was invited to an earlier meeting. Mr. Collins noted there is at least one additional firm interested in working with the MVAA. He stated that he wants to ensure there are no statutory requirements mandating a selection process. Discussion ensued about the fantastic opportunity at Fairfield National Bank and that the low interest rate needed to be captured. All agreed that the best course forward was to check for any statutory selection process ASAP. If none exists, then Kings Financial will continue as Bond Agent for the Momentum 2026 campaign.

Mr. Collins explained Maintenance Superintendent Matt Colvin recently celebrated his two year Anniversary. Mr. Collins noted the hiring agreement with Matt was to provide an annual project related bonus. Any capital project overseen/operated/competed by Matt that saves the airport money due to the lack of outside contracting would be itemized. The savings would be shared 50/50 with Matt. Mr. Collins presented a spreadsheet detailing the 2021 projects. The projects are:

- Reworked/Brush Removal on Track #33 with leased skid steer
- Fixed SE washout area along perimeter fence with leased track hoe
- Track #33 Pond Dam Removal and reshape with leased track hoe
- Leveling of former pond area in Tract #33 with leased dozer

The suggested bonus is calculated from a simple savings point of view (just as negotiated in December, 2019). Actual costs paid by the airport by project (equipment rental, fuel, etc.) are deducted from costs the airport would have paid to an outside vendors. The total is multiplied by 50%. Mr. Collins recommended an \$6796.25 payment to Mr. Colvin for the 2021 year projects. Discussion ensued. The Commissioners agreed with Mr. Collins on the plan and the payment as presented.

