

VERMILION REGIONAL AIRPORT AUTHORITY - BOARD OF COMMISSIONERS

MINUTES OF AUGUST 15, 2017 BOARD MEETING

Agenda Item 1 – Call to Order

Chairman Foster called the August 15, 2017, meeting to order.

Agenda Item 2 – Pledge of Allegiance and Moment of Silence

The Pledge of Allegiance recited and a moment of silence observed.

Agenda Item 3 – Roll Call

Upon roll call, the following commissioners were present: Tom Day, Steve Foster, Bill Ingram, David Kietzmann and Jonathan. Airport Manager Mike Potter, Office manager Suzie Salonen, and FBO manager Mike Vadeboncoeur were present.

Agenda Item 4 – Audience Comments

None

Agenda Item 5 – Adoption or Amendment of Agenda

Motion by Mr. Myers to adopt the agenda, seconded by Mr. Day. All answered in favor, motion passed by acclamation.

Agenda Item 6 - Approval of Minutes, July 18, 2017

Motion by Mr. Kietzmann to approve the minutes as written, seconded by Mr. Foster. All answered in favor, motion passed by acclamation.

Agenda Item 7 – Chairman’s Comments

None

Agenda Item 8 – Approve 2016 Audit – Karen Crowder/Crowder CPA’s

Mrs. Crowder reviewed the audit with the commissioners, highlighting certain pages that showed the airports financial position as of 12/31/2016. She noted government funds are good, in the black. Mrs. Crowder stated we had a good audit with no real issues. The challenges lay in the auditing of the state projects and the IMRF fund that now have to be booked with the new changes in the government accounting system.

Mrs. Crowder discussed the IDOT state projects as it relates to our engineers, CM&T (Crawford, Murphy, & Tilly) and the billing procedures followed, as stipulated by IDOT. She said the challenge is in the bills/invoice at year end to determine a correct balance for the audit. CM&T routinely take several months to invoice for work done on any given project they do here. The state’s reimbursement process is also a slow process. She explained a few years ago the state changed its mandate for recipients of grant dollars, noting that now we actually “touch” the money by writing the checks to CM&T after the state reimburses us for the projects; meaning we receive the bills from CM&T, then those

bills are electronically sent to the state for payment, we receive the reimbursement and then cut a check to CM&T. Discussion ensued regarding the procedures everyone has to follow. Mrs. Crowder noted that perhaps a monthly or even quarterly statement from CM&T would help with the state projects portion of the audit.

Discussion ensued with Mr. Myers regarding state pensions and his concerns with the IMRF fund. He offered a copy of an article from the Wall Street Journal on the topic and a discussion on the employers' percentage rate of contributions for employees ensued. Mr. Myers and Mrs. Crowder discussed the airports net pension costs with IMRF and he asked about the possibility of sending extra money to IMRF. Mrs. Crowder thought that would be possible but he should contact our IMRF representative to discuss it. Mr. Myers would like to look into the funding of the pension over several years. Discussion ensued.

Discussion ensued regarding the Combining Balance Sheets-Non-Major Gov't Funds, meaning the insurance and compensation fund and municipal retirement fund. Mrs. Crowder stated that the insurance fund used to be a huge negative, but is now in the black. She said replacement tax money is used to help with the fund balances.

Discussion ensued with Mr. Myers regarding the airports overall budget, referred to Administrative & Operating Expenditures/Budget & Actual in the general fund, and the year-end variances were noted. He discussed ways to have a more accurate budget using our Quick Books software, creating reports depicting budget vs actual for past budget years to get an average. Mrs. Crowder stated that the biggest expenditure are utilities and noted budgets are hard to control when done in advance each year. She stated the board could do budget amendments during the year. Discussion on budgets used as a guideline continued.

Mr. Myers stated he will contact our IMRF representative. Mr. Myers will also work on the narratives that need updated and the audit will be redistributed once that is done.

Motion by Mr. Myers to approve the 2016 audit, seconded by Mr. Kietzmann. Upon voice vote, 5 yes, motion carried.

#### Agenda Item 9 – Retain Crowder CPA's for 2017 Audit

Discussion ensued regarding the cost of the audit and the possibility of putting it out for bid. Mrs. Crowder stated that we do not have to bid out for professional services. The audit cost is \$11,000 as a whole. The hourly rate for her assistant is \$75, and the partner rate is \$100 per hour. She stated that her firm has been auditing the airport for many years and feels she maintains a good relationship with all of her clients. Discussion continued. Motion by Mr. Myers to retain Crowder CPA to perform the 2017 audit, seconded by Mr. Kietzmann. Upon voice vote, 5 yes, motion carried.

#### Agenda Item 10 – Commissioner Reports

- a) Finance – Mr. Kietzmann reviewed the payables and financial report for the month. Motion by Mr. Kietzmann to approve the financials and pay the bills, seconded by Mr. Myers. Upon voice vote, 5 yes, motion carried. Mr. Myers would like to see a month to date Quick Books report included in the report, the board concurred.
- b) Building & Contents – Mr. Day stated that a couple of the hanger tenants commented to him that the airport looks good and is under good management. He said radio program done on Saturday to promote the Air Expo went well. Brief discussion ensued on airport signage on Bowman. No action taken
- c) Grounds & Equipment – Mr. Ingram gave a brief update on the tower, working on electricity, water access, flooring, painting exterior. Potter noted he hasn't approached anyone to repaint it yet. Mr. Ingram noted repairs to hanger 7 doors (Camarata) for lower costs than previously paid, the black top work on the property is moving along and paint on fuel tanks are half way completed. Mr. Ingram stated he feels strongly about opening the meeting with prayer and suggested rotating each month to address different denominations. Discussion ensued. No action taken.
- d) Industrial Development – Mr. Foster discussed our website and the links now available, Vermilion Advantage on it with economic development information and maps; the Enterprise Zone, Cloud 9 are on it. Discussion ensued with Mr. Foster regarding the TIF and he noted that it's important to promote the incentives with development. He the City's progress with their engineers, Hanson, on the beltline. Discussion ensued. No action taken.
- e) Special Events – Tracey Potter updated the board on the Air Expo stating things are moving along. Website is set up and tickets are available on line; Mayor will let her know if they will provide buses for the shuttle-if the city does not the cost could be \$8,000 to the airport; Toyota of Tilton providing \$1,000 worth of cars; 4x8 vinyl banners ordered for advertisement; one venue canceled but replaced with the Red Knight flown by the first woman pilot but here for fuel only; Mike Potter on the radio several times, at county fairs and on WDAN to promote the event; quotes on insurance is \$5082 for 3million and \$5745 for 5million and includes courtesy vehicles and volunteers. Insurance varies for weather insurance running anywhere from \$2,800 to \$20,000 and can wait up to 10 days out before deciding. Shelly Larson with the City of Danville is helping with vendors and hoping to have 20 to 25. Aarons Rental providing TV's and furniture for the pilots hospitality area at Cloud 9. The board inquired if there was going to be a tent for the board members/family. Discussion ensued regarding the acts for the event and keeping the website updated with tiers of sponsors etc, with Beamsco.

Tracey reviewed the spread sheet, noting acts booked with deposits paid to date along with sponsor money. She stated that we are negative \$76,000. Discussion ensued.

The board discussed the insurance option and concurred the 5million coverage for \$5,745 should be implemented.

Agenda Item 11– Manager's Report, possible action items

Mr. Potter reviewed his report for the month. Highlighted items included –

Reviewed small punch list items for Pole Barn project; repaired R/W and taxi lights; typical maintenance duties; old septic tank filled and covered up; water line projected complete and looking into adding lines; state pavement project underway. Mr. Potter stated that he had an estimate from Open Road to continue paving the parking lots and driveway while the equipment is still on the property. He said this project could be done fairly quickly, paving Cloud 9 and south lots and driveway. Mr. Potter was asked to get a few more estimates from companies that do this type of work and call the board for a final decision in the next few days. Mr. Potter noted that Open Road and Cross Construction are very familiar with state guidelines. Brief discussion ensued on the project and the process. No action taken.

Mr. Potter stated he had received approval from the state on the self-serve fuel system and most recently received approval from the State Fire Marshal with a go-ahead for construction. Mr. Potter addressed the thank-you note he received from the Danville Jaycee's on our help at their summer event. It was noted that his issue will be revisited every year and it was suggested we see if they meet the airport's requirements as to security, etc before making a commitment. Brief discussion ensued.

On August 25, 2017, a phone vote was conducted by Ms. Salonen on the estimates for the pavement work. Open Road Construction was the lowest and the motion was made by Mr. Ingram to approve their estimate, seconded by Mr. Myers, all voted in favor, motion passed. See attached notes.

Agenda Item 12 – Office Manager's Report

No changes from last month. Tenant in arrears continues to make reduced monthly payments.

Agenda Item 13 – FBO Status Report

Note: this item taken earlier in the meeting, after item 10e.

Mr. Vadeboncoeur gave a brief report of fuel sales, fuel farm and equipment. He stated that all is well with the fuel farm, trucks and business at the FBO. He stated that they passed the yearly independent inspection of quality control procedures and fueling operations. Brief discussion ensued.

Agenda Item 14 – VRA Legal Counsel – Possible Action Item

Mr. Foster asked if executive session was needed to move forward. Mr. Kietzmann said that the candidates are well known and the board may not want to make specific comments in an open meeting.

Agenda Item 15 – item left blank

Agenda Item 16 – Executive Session (if needed)

- a) Pursuant to Open Meetings Act 5ILCS 120/2 (c) (6): The setting of a price for sale or lease of property owned by the public body.....

- b) Pursuant to Open Meetings Act 5ILCS 120/2 (c) (11): Litigation.....
- c) Pursuant to Open Meetings Act 5ILCS 120/2 (c) (1): Appointment, employment, compensation, discipline, performance or dismissal of specific employees of the public body or legal counsel for the public body.....

Motion by Mr. Kietzmann to go into executive session as to item 16c, motion seconded by Mr. Myers. Upon voice vote, 4 yes, 1 no, motion carried.

Motion by Mr. Myers to go out of executive session as to item 16c, motion seconded by Mr. Ingram. All in favor, motion passed by acclamation.

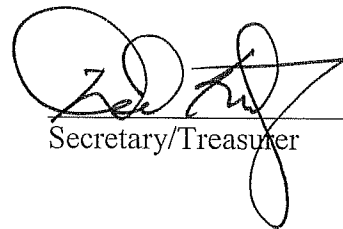
Motion by Mr. Kietzmann to retain Jerry Davis as VRAA legal counsel, motion seconded by Mr. Myers. Discussion ensued regarding the hourly rate of the prior three attorneys the board looked at and Mr. Foster noted that Mr. Davis was the highest rate of the three. It was noted that all are qualified but the majority of the board had issue with a potential conflict of interest with Mr. Wesner. Mr. Ingram stated that the board has the option to changes legal counsel at any time. Brief discussion ensued.

Upon voice vote to retain Mr. Davis, 4 yes, 1 no, motion carried.

Agenda Item 17 – Comments and/or Concerns of Commissioners

None.

Agenda Item 18 - Adjournment There being no further business to discuss, the meeting adjourned. All answered in favor, motion passed by acclamation.

  
Secretary/Treasurer