

## International Falls-Koochiching County Airport Commission

April 27, 2016 at 8:00am

### Koochiching County Boardroom

#### Call to order -

The regular monthly meeting of the International Falls-Koochiching County Airport Commission was called to order at 8:06 a.m. by Chairman Robert Anderson.

Members present: Bob Anderson, Paul Nevanen, Wade Pavleck, Brian McBride and Brian Briggs.

Members absent: None

Others present: Kyra Briggs, Thor Einarson, Mark Meester, Dan McCarthy, Carol Pavleck, Cynthia Jaksa, Steve Trudeau, Shawn McMahon, Benita Crow and Bob Cohrs.

**Public Comment** – None

**Approve regular meeting minutes of March 29, 2016 – McBride moved and B. Briggs seconded to approve the meeting minutes of March 29, 2016. Motion carried unanimously.**

**Financial statement for April 27, 2016** - The commission reviewed the list of payable claims and account summary documents as prepared by K. Briggs. Anderson explained there is a total accounts payable amount of \$107,808.90 and \$15,539.93 paid prior to the meeting. Anderson read through the Profit & Loss report, noting the total income and expenses for the month. Anderson explained the bill to MN Pollution Control for the annual permit for stormwater. He added there is a cash flow deficit currently however, there are two outstanding grants that funding will be coming soon and will bring the cash flow back up once received. **Nevanen moved and Pavleck seconded to approve the financial reports and claims as listed in the amounts of \$107,808.90 and \$15,539.93. Motion carried unanimously.**

#### Engineers' report

**Terminal Project Update** – Steve Trudeau of Kraus-Anderson passed out a Bid Recap packet and explained what packages have been bid so far, adding bid package #2 needs to be extended by one week to allow bidders additional time to put information together. Trudeau also explained they would like to move bid package #3 up two weeks to before Memorial Day. Bob Cohrs explained he met with FAA and MnDOT at the recent MCOA conference who gave the indication that checkbooks have been loaded with entitlement funds, adding with the current Federal agreement through July 15<sup>th</sup> and there are 79% of entitlement funds available. Cohrs mentioned they are starting to disburse discretionary funds now also and that is the reason for moving the third bid date up by two weeks. McBride questioned who will be responsible for managing all the bills when they start to come in for the terminal project. Cohrs responded K. Briggs will be responsible. Anderson added a meeting will be conducted today to discuss managing the cash flow of the project. Cohrs explained in further detail the process of funding and reimbursements. Anderson added MnDOT and FAA are aware of the cash flow stream, suggesting the Commission authorize additional hours for K. Briggs to spend on the terminal project when needed. Cohrs mentioned the grant will be coming soon and suggested the Commission authorize Anderson to sign the grant as soon as it is received, as there is short window of time to get the grant back to the FAA. **Pavleck moved and B. Briggs seconded to approve the Airport Commission Chairman Anderson to sign the grants from FAA and MnDOT as soon as they are received. Motion carried.** Crow reminded the Commission K. Briggs' time on the terminal project is expendable under the grant and suggested keeping track of the hours. Trudeau explained the billing process in more detail, stating all pay apps will go through Kraus-Anderson, then to SEH to review and ensure accuracy, and then they will be sent to K. Briggs to initiate approval of payment. Anderson stated there may be a need to hold a special meeting for paying bills. Cohrs mentioned change orders and having special meetings to approve the change orders or have some discretion to approve those orders when needed. McBride questioned if construction updates will be provided along the way as well as what percent is anticipated for change orders. Trudeau explained the hope to have a 7-8% for change orders. Cohrs explained FAA and MnDOT allow for 15%. Discussion on

change orders and percentages. Trudeau explained the bids from the recent bid opening, noting the total bids came in under estimates, recommending the approval of \$30,000 to help maintain the schedule and so three items can begin the designing process. Cohrs added the \$30,000 would be a portion of the allowable funds available to be spent ahead of the grant, adding two grants will be received, one for entitlement funds and one for discretionary funds. **B. Briggs moved and Pavleck seconded to authorize the expenditure of \$30,000 for shop drawings of structural concrete and steel to move the project forward and keep on schedule. Motion carried.** Cohrs noted the funds will come out of the local share to start with and then will be paid back with entitlement funds once the grant is executed. Discussion on the bidders and funding. Pavleck stated someone needs to be authorized for signing off on change orders and contingencies, recommending the Chairman. **Pavleck moved and B. Briggs seconded to authorize the Airport Commission Chairman Anderson to approve change orders using discretion and calling special meeting if needed. Motion carried.** Anderson thanked Pavleck for testifying on behalf of the Commission to the Bonding Committee for Phase II of the airport terminal project. Cohrs mentioned the outcome of bonding funds should be known sometime mid-May and explained the results if funding is received or not. Pavleck thanked Anderson for the Fact Sheet he created to hand out to the Bonding Committee, adding it was very well put together with great information. Discussion on testifying, and the different projects before the Bonding Committee. Trudeau reaffirmed the upcoming bid dates of May 4<sup>th</sup> - pre-bid meeting for Bid Pack #3, May 11<sup>th</sup> – bid opening for Bid Pack #2 and May 25<sup>th</sup> – bid opening for Bid Pack #3. Cohrs touched on the wetland delineation that is being conducted today by Rebecca from SEH and explained the process as well as possible impact. Trudeau referred to a Site Plan map in the packets and explained it's detail, noting construction is slotted to begin July 18<sup>th</sup>. Short discussion on the site plan, the wetlands, Phase I and Phase II.

***Pavement Rehabilitation Project Update*** – Crow reported the bid opening for the pavement rehab project took place yesterday and explained the repair that is going to be completed. McMahon explained the two bids that were received, noting the lowest bid was from Fahrner Asphalt Sealers, LLC at a bid amount of \$134,850 adding the bid was under the Engineer's Estimate of \$181,250 and recommended awarding Fahrner the contract contingent upon receiving the grant. **McBride moved and Nevanen seconded to accept the bid from Fahrner Asphalt Sealers, LLC in the amount of \$134,850 for the 2016 Pavement Rehabilitation. Motion carried.** McMahon noted the pavement rehab will most likely take place sometime between July and September, adding there will be no impact to the commercial air traffic or airport operations and explained the Construction Administration Contract that consists of observation of the crack repair, pre-construction work, etc. **Pavleck moved and B. Briggs seconded to approve the Construction Administration Contract with SEH for the Pavement Rehabilitation Project in the amount of \$18,400. Motion carried.** McMahon explained to the Commission that this is most likely the last year to see a 2.5% Local/State share for grant reimbursement, noting the demand has been much higher than before and the State has now reached their limit, adding next year it will go back to a 5% State share. McMahon explained a change order to add the regulator to the Sign Replacement Project and having it added to the grant. McMahon recapped the project and the issue with the regulator of which a new one was put in. **Pavleck moved and Nevanen seconded the approval of a change order adding a regulator to the Sign Replacement Project in the amount of \$16,400. Motion carried.** McMahon read a letter to FAA to go with the change order. **B. Briggs moved and McBride seconded the approval of Chairman Anderson to sign a letter to the FAA for the change order of the Sign Replacement Project. Motion carried.**

## **Old Business**

None

## **New Business**

### ***Contract Lease Renewals:***

***KEDA Cold Weather Land and Building Lease*** - Anderson explained the contracts and K. Briggs distributed a copy of the contract to the Commission to review if wanted. K. Briggs noted both contracts are for a period of 5-years. **McBride moved and B. Briggs seconded to approve the Land and Cold Box**

**Building Leases with the Koochiching Economic Development Authority for 5 years. Nevanen abstained. Motion carried.**

***KEDA Administrative Agreement*** – Anderson explained the Administrative Contract with KEDA. K. Briggs noted the agreement is for a period of 1-year. **Pavleck moved and McBride seconded to approve the Administrative Agreement with the Koochiching Economic Development Authority for 1 year with a rate of \$28.10 per hour and a rental space rate of \$43.33 per month. Nevanen and B. Briggs abstained. Motion carried.** Anderson recommended a motion to allow additional hours for the Administrative Secretary to spend on the Terminal Project. **Pavleck moved and McBride seconded to approve additional hours as needed for the Secretary, with an overtime rate of time and a half over 40 hours for work completed on the Terminal Project. Nevanen and B. Briggs abstained. Motion carried.**

### **Manager's report**

Einarson referred to the Terminal Project and offered any help that may be needed of K. Briggs once the project gets started. McBride mentioned the need to also have hours added to the Airport Manager for the terminal project. Einarson responded the project will be 24/7 the first month and anticipates it to be just fine. Einarson referenced the sign replacement project as well as the MCOA Conference. Einarson noted the SkyWest schedule that is changing from a 1pm flight departure to a 5:50pm flight departure, adding several folks are concerned including Holly Petroske and Todd Salmela from SkyWest. Einarson stated a conference call was set up with SkyWest who used data to back up their decision to change the flight time, noting the flight bank is much larger with the later flight, and added they saw a similar effect on reservations last summer of being low then flights were booked last minute which brought enplanements back up. Einarson noted several factors could be effecting enplanements, such as the Canadian dollar, fuel prices, etc, adding resorts have been used to the consistent flight times. Anderson noted he was contact by the local Cab Company as they have lost a contract with a Canadian resort due to the new flight schedule and change in departure time, adding he also reached out to another Canadian Resort who informed him of some customers flying into Winnipeg and driving the distance instead of flying into International Falls. Einarson noted the flight schedule at this time is locked in through the end of July for the 5pm departure. Discussion on the Hibbing connection flight, flying to Winnipeg and the flight bank out of Minneapolis.

### **Secretary's report**

K. Briggs referred to the grant tracking in the packets and explained the M&O grant of which she has sent in credit apps for 1<sup>st</sup> and 2<sup>nd</sup> quarters, noting all funds have now been claimed but will continue to submit 3<sup>rd</sup> and 4<sup>th</sup> quarter as they are reevaluating the maintenance and operation amounts each airports uses a year. K. Briggs also noted she was contacted by Rylan Juran at MnDOT who stated there is a 2013 Marketing grant open without any claims being made on the grant, adding she has pulled all the invoices and will be submitting a credit app for the grant which is approximately \$7,000. K. Briggs informed the Commission of a call from a TSA representative who stated there may be some unclaimed funds available to INL, adding she is doing some additional research to verify. K. Briggs referenced the enplanements list in the packets and there being one for SkyWest and one for Sun Country with the numbers broken out for each to have better representation.

### **Reports from Members**

Anderson thanked Pavleck for testifying to the Bonding Committee on behalf of the Airport Commission. Pavleck referenced the transportation project and diverting Highway 53 in Virginia, as well as explained several other large projects in the state that are asking for bonding funds. McBride questioned TSA and seeing if they will start reimbursing the Commission again for security and asked if it is something to look into again, adding the local TSA office was recently tested and passed inspection. Nevanen echoed Anderson's thanks to Pavleck for testifying on such short notice and commended the team for working all angles and leveraging all possible dollars available, adding he recently met with a businessman in town who expressed the importance of having the airport here and what a great asset it is to the community. Anderson echoed Einarson's great comments on the MCOA Conference and thanked Cohrs for setting up

the meeting with Andy Peek and Tracy Schmidt of the FAA. Short discussion on the meeting with Andy Peek and Tracy Schmidt. Pavleck referenced the article in the packets titled “Klobuchar-Backed Provisions in FAA Reauthorization Bill Pass Senate” and stated a letter of appreciation should be sent to Senator Amy Klobuchar. Anderson stated he will create a letter and send one on behalf of the Commission. Nevanen questioned the recognition of SkyWest and the award that was won for “Station of the Year”. Einarson noted the event was catered by Lenard’s in Einarson’s conference room. B. Briggs gave a brief explanation of the award. Anderson questioned putting in a press release regard the award. B. Briggs recommended contacting Holly or Todd at SkyWest. Anderson recommended doing a marketing radio ad pertaining to the award. Anderson noted he was asked by the Commissioner of Transportation, Charles Zelle to sit on an Advisory board which he will be attending the meeting tomorrow. Short discussion on Sun Country charter flights and the Jet Bridge being compatible with all aircrafts.

**Public Comment**

None

**Adjourn, next meetings**

Meeting was adjourned by the chair at 9:57am. The next regular monthly meeting of the commission will be Wednesday, May 25, 2016 at 8a.m in the Koochiching Count Boardroom.