

International Falls-Koochiching County Airport Commission

August 31, 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 8:07 a.m. by Chairman Robert Anderson.

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

Members absent:

Others present: Kyra Briggs, Thor Einarson, Mark Meester, Matt Ridlon (Kraus-Anderson), Steve Trudeau, Byron Fielder, James Asleson, Crystal Clance, Thor Einarson, Laura Manka, Bonita Crow, Bob Cohrs, Shawn McMahon, Cynthia Jaksa and Gary Kaunonen (KCC-TV).

Public Comment – Jaksa introduced the new KCC-TV representative, Gary Kaunonen, and gave a brief overview of his background.

Approve regular meeting minutes of July 27, 2016 – B. Briggs moved and Nevanen seconded to approve the meeting minutes of July 27, 2016. Motion carried unanimously.

Financial statement for August 31, 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 \$82,592.18 and two additional bills received today in the amount of \$159.99. Anderson also noted the bills for the Terminal Project totaling \$27,845. Nevanen questioned the MacQueen bill, if it was for the fire truck motor rebuild. Einarson responded that was correct, the truck is all fixed and running again. McBride questioned the bill for Bill Antinodes. Einarson responded it is the bill for the Wildlife Hazard Assessment which is now complete, adding he is working on the final paperwork. Anderson questioned the bill for insurance. K. Briggs explained it is the quarterly payment for casualty insurance and a portion is for the terminal project builders risk policy, adding she will adjust the system to accurately reflect the terminal project portion. **Pavleck moved and McBride seconded to approve the financial reports and claims as listed in the amounts of \$82,592.18, \$159.99 and \$27,845 for the Terminal. Motion carried unanimously.**

Engineers' report

Terminal Project Update – Matt Ridlon gave a brief update on the project and explained the schedule handout he provided the Commission with, noting the existing building has been torn down and they will be starting the concrete and asphalt removal next week. Ridlon stated they will begin the footings next week, adding the temporary baggage building is up and functioning. B. Briggs noted Kraus-Anderson has been very accommodating to the airline and they have been great to work with. Einarson concurred. Trudeau stated the initial schedule that was issued is right on track, adding the precast walls are scheduled to be here late September. Short discussion on the project. Cohrs stated the Federal grant is ready and the MnDOT grant should be here today also, adding he is working with MMB on the bonding funds as there are still some issues, noting all other funds needed to be in hand before bond funds could be accessed and now that they have been received, things can move forward. Trudeau recommended the Commission begin thinking about the next round of bids to be approved. Anderson questioned when the first contractor invoices will start to come in. Trudeau explained construction started in July and will have invoices through mid-August soon which he will then put together a pay application and it will go before the Commission for approval at the next meeting. Short discussion on 2017 session and bonding.

Pavement Rehabilitation Project Update – McMahon gave a brief update on the Pavement Project, noting the contractor is anticipating a September 13th date of completion and explained the project should take about a week. McMahon stated the contracts are here and will need signatures today. Anderson questioned if the project is at 95% for reimbursement. Crow responded that was correct, adding the pavement has been added into the grant with the terminal project. McMahon explained the sign project is nearing completion and hopes to have it wrapped up by the end of the month. Crow explained the sign replacement project and the new requirements.

Old Business

None

Manager's report

Einarson expressed his appreciation to Ridlon and crew for their hard work and communication, noting some paint striping was completed last week and there was some additional striping done due to new regulations. Einarson stated the Part 139 Inspection will be coming up on September 21st -23rd, noting a meeting today at 1pm regarding the new braking standards for reporting to the FAA, adding he believes is a step back in safety and explained the new report standard in more detail. Discussion on the changes and challenges. Einarson updated the Commission on the spraying and mowing that has been completed this summer.

FAA and MnDOT officials joined the meeting. In attendance were Tracy Schmidt, Lindsey Butler, Gina Mitchell, John Fahrendorf, Matt Lebens and Don Berre.

New Business

FAA-CIP Discussion – Butler explained an email copy of the Federal grant was sent out and she has the original copies in her hand of \$5.9 million dollars, noting there are four copies that will require signatures, adding there was a lot of behind the scenes work that was done to get the grant completed and credited SEH on their terrific job. Nevanen expressed his thanks to FAA, MnDOT, SEH and the team for helping to understand the sequence of events. Butler handed out several documents to the Commission for the meeting and explained the CIP Agenda. Anderson gave a brief update on the miscellaneous projects and updates at the airport that can be marked off of the CIP list. Schmidt explained the open grants and the close out process noting the last payment of each grant is held until the closeout is complete. Mitchell explained a new standard operating procedure and more formalized process that has taken effect for land purchases. Schmidt explained the Pavement Condition Index (PCI), noting an inspection on the pavement is done every three years. Schmidt referenced the airport runway and the conditions of each runway, noting a complete runway rehabilitation is slated for the year 2020. Crow added, the PIC only references the surface of the pavement not what is happening underneath the pavement. Schmidt explained in further detail. Schmidt then explained the Federal Project Timeline and stated the need to start looking at the CATEX early and explained the pre-application. Anderson questioned if the runway rehabilitation would need an environmental assessment. Schmidt responded she assumes just a CATEX would be required. Butler noted the timeline helps to plan ahead and when the funds are available they can ask for them and distribute, there isn't a waiting period, adding all projects were funded this year and are very grateful for all the consultants and sponsors help. Mitchell explained the planning helps to better understand the project detail, noting the new change has been a learning curve, but will benefit in the long run for all involved. Schmidt explained the Strategic Planning Considerations document of requirements. Mitchell added some of them do not apply and is a generic list but gives the general idea. Anderson stated the runway rebuild would be over a 3-year period. Mitchell stated the importance to begin conversations to better understand the magnitude of the project. Crow explained the project is slated for 2019 and explained the detail of the rehabbing project and the steps that would be completed each year. Short discussion on the runway rehab project. Butler questioned if the design component could be completed within a year. Crow responded it would be possible. Short discussion on local funds availability and when the project could potentially begin. Butler stated bond funds would be helpful for the project and recommended attempting the request. Cohrs stated the request could go in the next bonding session. Anderson questioned a new application with Phase II of the Terminal Project and adding the Runway Rehabilitation project. Short discussion on bond funding. Crow explained they could start on the engineer design and cost estimates. Mitchell explained the planning part is critical and figuring out the magnitude of the project and then the funding, as she explained the full process. Butler explained they are looking at an estimated cost of \$20 million for the runway rehabilitation project, noting that number is high and will have a better estimated once the engineer's report is completed. Further discussion on the runway rehab project. Schmidt noted a consultant review is coming due as the last one was completed around 2010. Discussion on the CIP, Phase II and the Commercial Apron extension. Mitchell explained the ranking of projects and allocating funding, noting typically there are annual CIP meetings but they are willing to meet more often to better understand projects and be in a

better position when funding is needed. Berre questioned when the sponsor feels it is a good time to start thinking about the CIP and if the meetings are being held too late. Mitchell explained her history and thoughts on planning/budgeting, noting she feels November timing is late and explained the different fiscal years. Discussion on CIP, the process and planning. Berre stated to not overlook bonding for the pavement rehabilitation project, noting the Commission could also look towards DEED for grant funding. Butler notified the Commission of a one day workshop on November 30th in the MALS Building which will cover a number of requirements such as AIP, Modification Standards, Environment Assessments, Exhibit A, etc., adding there is no cost for the workshop. Anderson thanked FAA and MnDOT officials for coming to the Airport Commission meeting and for their time commitment. The Commission took a brief 15 minute recess.

Secretary's report

K. Briggs referenced the enplanements record in the packets and referred to the grant tracking list, noting at total of \$90,627 was received this month for the Federal grant. K. Briggs noted she completed the Airservice Marketing Grant application and sent it in last week. K. Briggs stated she has been contacted by Nikki at The Journal to see if the Commission is interested in extending their advertisement Leader board on line, noting there is an increase this year over last year's \$230 per month and is now \$250 per month. Pavleck questioned if the advertisement is in the budget. K. Briggs responded it is in the budget at the \$230 and will need to change to the \$250 if approved. **Pavleck moved and Nevanen seconded to approve the leader board online advertisement with The Journal for \$250 per month. Motion carried unanimously.** K. Briggs explained a motion that was approved via email for the Yellow Pages advertisement listing print and digital for \$181.10 per month, noting she wanted it to be on record. **B. Briggs moved and McBride seconded to approve the Yellow Pages advertisement for \$181.10 per month. Motion carried unanimously.**

Reports from Members

Pavleck noted the FAA folks are outstanding to work with right now and expressed his appreciation toward them. McBride referenced over the next 1-2 years between the Airport and the Island View Sewer project there is a total of roughly \$30 million investment in the community, adding it is great to see. B. Briggs stated they have seen a change in client base at the airline since the new schedule change noting there has been less fishing rods and more baby seats, adding the air fares have been lowered also. Pavleck expressed the need to make a larger effort to get the schedule changed back, noting the conversations he has had with tourists who are complaining, adding he has asked them to for their help in writing letters to the airline. Anderson referenced a Request for Proposals for the airlines, noting his hope SkyWest will bid and continue service, adding it may be an opportunity to sit with them and discuss the schedule and enplanements. Nevanen stated SkyWest is driven by data, and would be great to see the numbers and how they are reflected with the change. Short discussion on flights and the cost of airfares. Nevanen reported on attending the Unmanned Aerial Systems Conference in Grand Forks, North Dakota recently and explained the history of UAS, noting the FAA reports there are currently 20,000 commercial UAS and is expecting an increase to 600,000 by next year and they are struggling to get their arms around the increase. Short discussion on drones and the amount of money they are putting into the economy along with FAA guidelines. Short discussion on helicopters verses drones. Nevanen referenced the audit report from last month's discussion and his frustration with some rumors that have been heard surrounding the audit report less than 24 hours after the Commission meeting and there being an investigation into the Airport for \$180,000 being owed to the City, noting the auditors complemented the Commission on the tremendous job they have done on correcting deficiencies with grants and reporting. Anderson stated there has been nothing but good that has come out of K. Briggs and Betty Bergstrom's hard work. Short discussion on the rumor. Anderson stated he has been talking with Shawn Germolus in Hibbing regarding SunCountry's interest in flying to Reno, NV for charters in addition to the Laughlin, NV flights, adding he will have more information at the next meeting.

Adjourn, next meetings

Meeting was adjourned by the chair at 10:30am. The next regular monthly meeting of the commission will be Monday, September 19, 2016 at 1:00p.m in the Koochiching Count Boardroom.