

International Falls-Koochiching County Airport Commission

January 25, 2017 at 2:00pm

Koochiching County Boardroom

Call to order -

The regular monthly meeting of the International Falls-Koochiching County Airport Commission was called to order at 2:04 p.m. by Chairman Robert Anderson.

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

Members absent:

Others present: Kyra Hasbargen, Thor Einarson, Rick Oster & Steve Trudeau (Kraus-Anderson), Crystal Clance, Dan McCarthy, Rod & Delaine McLeod, Bill Mio, Destin Nygard, Shawn McMahon, Bob Cohrs, and Bonita Crow via conference call

Manager's report

Anderson explained there is an International flight coming in which Einarson needs to be back to the airport for, so the Manager's Report will be moved to the beginning of the meeting. Einarson reported there have not been any major issues, adding things seem to be going good for operations. Einarson noted there was a scheduled power outage last night and he had called the Airline and Weather Service to make them aware, however there has been an ongoing glitch in the weather service system with the auto-start and when the power went out, the auto-start did not work causing this morning's flight to be grounded due to being unable to get the proper readings needed for takeoff. Einarson stated he has had conversations with them and the importance of this not happening again, adding they have sent a tech up from Duluth to put in new parts to fix the issue. Short Discussion on the flight delay and FAA regulations.

Public Comment – Anderson referenced several emails that were received from airline customers regarding their concern of the new flight schedule and taking away the early morning and late evening flight, as well as a response from Mike Ostler, Network Planning/Market Development Manager for SkyWest, explaining the reason behind the new flight schedule. Pavleck introduced Rod & Delaine McLeod who are frequent users of INL. R. McLeod stated the flight schedule keeps getting worse, adding the airport is fundamental to the region and having constant changes in flights is a concern for connecting flights. Anderson responded the Commission is concerned with the loss of the morning and evening flight and have tried to explain the importance to SkyWest, however they have set the schedule until July 2017 when they will reevaluate the schedule. Anderson noted INL is guaranteed to have 12 flights per week from SkyWest, which means 2 days have 1 flight per day and the other 5 days have 2 flights per day, adding one advantage is all flights will now be direct and there will no longer be a connecting flight in Hibbing. Discussion on the flights and the advantage of the direct flights. Anderson referenced the enplanements, noting ever since SkyWest changed the schedule last summer, enplanements have increased. Briggs stated he recently booked a flight to Aruba in March and there was a significant cost difference by changing the days for departure and arrival, adding it was cheaper to fly out of INL verses MSP. McBride stated his concern for locals having shortened vacations, as they will lose a whole day of vacation due to flight times. Anderson stated the Commission will continue to advise SkyWest on the concerns and hope to get the morning and evening flights back in the future.

Election of Officers - Pavleck nominated Anderson to continue as Chairman. **Motion by Pavleck, a second by Briggs to approve Anderson as the Airport Commission Chairman. Anderson abstained. Motion carried.** Anderson nominated Pavleck to continue as Vice Chairman. **Motion by Briggs, a second by Nevanen to approve Pavleck as the Airport Commission Vice Chairman. Pavleck abstained. Motion carried.**

Approve regular meeting minutes of December 23, 2016 – McBride moved and Nevanen seconded to approve the meeting minutes of December 23, 2016. Motion carried unanimously.

Financial statement for January 25, 2017 - The commission reviewed the list of payable claims and account summary documents as prepared by Hasbargen. Anderson explained the bills for the Terminal

Project totaling \$603,049.10 and regular monthly bills in the amount of \$92,485.82 with \$14,254.24 paid in advance before the meeting. Nevanen noted there were some questions surrounding the financial reporting and asked if questions had been satisfied. Hasbargen explained and stated at this time she believes all questions have been answered. **Pavleck moved and McBride seconded to approve the financial reports and claims as listed in the amounts of \$92,485.82, \$14,254.24 and \$603,049.10 for the Terminal. Motion carried unanimously.**

Engineers' report

Terminal Project Update – Rick Oster of Kraus-Anderson gave a brief update on the terminal project, noting the roof panels are in place and covered with “ice & water” paper until the steel is put on in March, adding the plumber started today on the underground plumbing along with the electrician. Oster stated the temporary heat was turned on last Wednesday and the hope is to start the concrete slab by February 6th. Anderson questioned if the water tank has been installed. Trudeau responded the tank is installed and 1/3 filled, adding once the concrete floor is poured, they will begin more inside work. Cohrs noted the project is roughly 6 weeks behind schedule due to material delays and they will be making every effort possible to still meet the deadline. Discussion on the project and the end date time frame. McBride questioned if there will be additional costs due to the delays. Trudeau responded there may be some additional costs, but won't know until the project gets to that portion of the schedule, noting it is too early to define just yet. Cohrs added there was a period of time where the contractors were not working and weren't paid so it should equal out in the end. Short discussion on the delay of the project. Cohrs reported he received word from MMB last week and they agree with the funding structure and letters from the Senate recommendations have been received, adding as of today the bond funds have not been transferred, but hope they will have it completed tomorrow or by the end of the week at the latest. Cohrs stated there have been some additional costs incurred for change order and explained the process for approval of the change orders, adding the Federal Grant can be amended to reflect the change orders, and MnDOT may do the same. Cohrs noted they have started working on Phase II in anticipation of the \$3million in bond funds, however it won't be known until March sometime if the Governor approves the bill. Short discussion on the bonding bill, the amount of the bill and the project anticipation. Cohrs stated they have 80-90% of the design completed and anticipate a bid date of June 1st and the Federal application on July 1st, adding the full bonding document procedure will need to be completed from scratch again as they are unable to transfer the information. Anderson questioned if the City and County funds are sufficient for Phase II. Cohrs responded, Phase II does not have any local funds and will be Federal and Bonds funds only, explaining the process of the bond funds for Phase II and how any left over funding can be used towards the apron extension. Cohrs continued to explain the potential timeline for Phase II along with some potential risks if bond funds are not received.

Old Business

None

New Business

None

Secretary's report

Kyra Hasbargen stated she received the renewal policy for airport liability coverage from Sharine at Northern Reliable Insurance, adding Sharine is questioning the coverage amount. Hasbargen noted in the past the Commission has elected \$2million with no terrorism or war liability, however Sharine is recommending the Commission consider \$5million in coverage due to the terminal expansion, adding the additional coverage will be an additional \$1,580 for the year. Discussion on the policy and additional coverage. Commission recommended to renew the policy for the same coverage as in the past of \$2million and question the Airport Attorney if additional coverage is needed. Nevanen questioned if a representative from Northern Reliable Insurance could attend the next Commission meeting to explain the value that would be gained by having the additional coverage. **Nevanen moved and Briggs seconded to approve the insurance renewal policy for \$2million in coverage with no terrorism or war liability at a rate of \$4,824. Motion carried unanimously.** Hasbargen referenced the grant tracking sheet in the packets, noting a few payments that have been received the past month. Hasbargen noted the enplanements were up

again last month. Hasbargen stated she contacted the Dryden Observer regarding the contract ending in 2015 without notice, adding they apologized, however the ad prices have increased significantly from \$100 per month to \$200 per day. The Commission agreed the increased cost is way to high for advertisements and decided against the renewing the contract.

Reports from Members

Anderson noted there will be a Sun Country charter here on February 6th. McBride added a person he spoke with spent 5 hours on the phone to get on the flight. Briggs noted there will be 160 passengers for the charter, adding the flight sells out within 3-4 days. Discussion on flight times. Nevanen stated it is good to hear from some consumers of the airport, as it helps to understand the outside perspective. McBride referenced Facebook and the misinformation that was being portrayed regarding the flight schedule. Anderson referenced the email response from Mike Ostler of SkyWest regarding the flight schedule and the need to continue to keep an eye on enplanements.

Adjourn, next meetings

Meeting was adjourned by the chair at 3:27p.m. The next regular monthly meeting of the commission will be Wednesday, February 22, 2017 at 8:00a.m in the Koochiching County Boardroom.