

International Falls-Koochiching County Airport Commission
June 22, 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 8:05 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, Bob Cohrs, Byron Fielder, Bill Ewald, Steve Trudeau, Shawn McMahon, James Asleson, Crystal Clance, and Benita Crow.

Public Comment – Bill Ewald explained he has his hangar up for sale and referenced the Hangar Lease Agreement insurance requirement. Ewald noted the way the lease is stated, he is required to insure the building which adds an additional \$700-800 per year, and recommended having the language removed from the lease, noting he owns the hangar and should have a choice in insuring it. Anderson stated the hangars should all have liability insurance on the building, adding he will take a look at the language. Ewald stated without the specific language taken out, his insurance company will not provide liability coverage for him. McBride recommended contacting Attorney Steve Shermoen on the language for clarification.

Approve regular meeting minutes of May 25, 2016 – McBride moved and B. Briggs seconded to approve the meeting minutes of May 25, 2016. Motion carried unanimously.

Approve special meeting minutes of June 13, 2016 – B. Briggs moved and Nevanen seconded to approve the meeting minutes of June 13, 2016. Motion carried unanimously.

Financial statement for June 22, 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 \$39,102.08 and \$6,740.21 paid prior to the meeting. McBride questioned the Minnesota Energy Resources bill being so high for this time of year. B. Briggs stated they had to de-ice the plane on June 8th. McBride requested K. Briggs look into the bill. K. Briggs responded the amount is a budget billing amount. Anderson questioned a bill from Koochiching County. K. Briggs responded the bill is for a storm sewer assessment. **Nevanen moved and Pavleck seconded to approve the financial reports and claims as listed in the amounts of \$39,102.08 and \$6,740.21. Motion carried unanimously.**

Engineers' report

Pavement Rehabilitation Project Update – Benita Crow reported she has sent all costs for the Pavement Rehab project into the FAA and is looking at combining the amount into the grant with the Terminal Project.

Terminal Project Update – Phase I - Bob Cohrs explained the bids were presented at the last meeting, adding the expected construction start date is July 18, 2016. Cohrs noted the grant is expected to be ready the first week of August however if construction is delayed until the grant is received, some of the bids could expire and run the risk of having to rebid those packages. Cohrs stated he has spoken to Tracy Schmidt and Don Berry who have given the okay to begin the construction prior to receiving the grant, adding Tracy is available by phone if the Commission wishes to talk with her more. Cohrs passed out a new Estimated Construction Draw document and explained its detail, noting the first pay application in August will be roughly \$400,000 which will need to be paid locally and then submit for reimbursement, while recommending the Commission have \$500,000 available for the start of construction. McBride stated the County is in the process of moving some funds to the Airport Commission. Tracy Schmidt was conference called into the meeting. Cohrs reiterated what he stated regarding the construction starting on July 18th ahead of receiving the Federal Grant, which is expected to be received the first week of August. Schmidt confirmed the grant is probably going to be the first week of August, which will include

entitlement and discretionary funds. Schmidt stated the project can begin ahead of the grant and will have to use entitlement funds, adding by looking at the timeline it does not look like the \$4 million in entitlement funds will be exceeded before the grant is received. Schmidt stated they are requesting discretionary funds for the project and anticipate that going through, however she cannot guarantee up front, but noted it is very favorable for INL. Anderson questioned the grant being combined for both the pavement and terminal projects. Cohrs responded they will be the same grant but will have separate entitlement funds, adding there will be transferred funds used for the pavement project from Orr. Schmidt confirmed the amounts of entitlement funds, adding the pavement bid came in under the estimate so there will be a small amount of additional entitlement funds to put towards the terminal project. The Commission thanked Schmidt for her clarification and speaking to the Commission, and she left the meeting. Cohrs stated they are working on breaking out costs and how each will be paid with which funds. Discussion on change orders. Discussion on the wetland permit and credits being purchased. McBride stated the commitment of starting the project without all funds in hand is a chance, but the project needs to move forward and the essence is of time to get it going and enclosed before winter. Anderson questioned Trudeau if he expects any delays with the contractors or steel. Trudeau responded there are no delays at this point and is important to maintain the scheduled timeline. Pavleck question what the extra dollar figure would be if the project was pushed out until August. Trudeau stated he is unsure of an exact dollar amount and can come up with a figure if needed, but estimated the cost to be an additional \$30-50,000. Pavleck questioned the 120 day bid expiration on August 3rd, if those packages would need to be re-bid. Cohrs confirmed. **B. Briggs moved and Nevanen seconded to approve commencing the terminal construction project ahead of the Federal Grant and award the project work scope to select prime contractors with a Notice to Proceed. Motion carried unanimously.** McBride questioned who would be on the ground as the Construction Manager. Trudeau stated there will be a Site Supervisor, Matt Ridlon to start, and then Rick Oster will be there after he finishes the project he is currently on around the end of August. Short discussion on bi-weekly construction meetings and the contractors. Anderson questioned on Murry Surveying being from Bemidji and if there are stakes that are knocked down if there is an additional fee for re-staking. Trudeau resounded they have a set hourly rate however it is not a large site for much of a risk. Cohrs talked about the IFE that is being completed on SEH which needs to be within 10% of the contract cost and explained the process if it doesn't come in at that 10%. Cohrs proposed the Commission utilize Shingobee for the IFE on Kraus-Anderson, adding he will provide K. Briggs with the contact information. Anderson stated an email motion was completed for approval of Becher-Hoppe to complete the IFE for SEH in the amount of \$3,000, but wanted a formal motion. **Nevanen moved and Pavleck seconded to approve Becher-Hoppe to complete an Independent Fee Estimate on Short Elliott Hendrickson Inc. in the amount of \$3,000. Motion carried unanimously.** Discussion on the terminal and keeping the terminal functional during construction and the hours of operation and times construction will need to work around. **Pavleck moved and B. Briggs seconded to authorize the Chairman and secretary to proceed with Independent Fee Estimate services with Shingobee or like consultant to complete the IFE on Kraus-Anderson. Motion carried unanimously.** Cohrs referenced having a pre-construction meeting adding he is also working on getting a legal description of the area for the Bonding Agreement. Pavleck questioned the project being an additional role for the secretary. Cohrs responded Kyra, Thor and Mr. Anderson will all have additional work. Anderson noted authorization was given at a previous meeting approving additional hours for the secretary when needed. Nevanen questioned having a formal ground breaking. Discussion on when to do a ground breaking ceremony. Ground Breaking Ceremony was set for Wednesday, July 13th at 10:30am at the Terminal Building with a Pre-Construction meeting to follow at 11:00am. Anderson stated he will send out formal letters to those who should be in attendance and email elected officials. Trudeau noted Builders Risk Insurance will need to be in place before the start of construction. Anderson discussion with Northern Reliable Insurance will need to take place. K. Briggs will call them. Cohrs added the insurance is a 100% local cost and noted moving the TSA equipment will need to be paid upfront so payment will need to be made to that company. Discussion on how much local funds are need upfront for the project start. **Pavleck moved and Nevanen seconded to approve the request of \$250,000 from each the City and County for the terminal project to help with initial cash flow. Motion carried unanimously.** The Commission expressed their appreciation to SEH and Kraus-Anderson for all their hard work.

Old Business

None

New Business

None

Manager's report

Einarson questioned B. Briggs on his thoughts of the new evening flights. B. Briggs responded the planes are full and seem to be holding people back due to over booking, adding departures seem to be about the same. Einarson questioned the start date and expected completion date for Co Rd 108 resurfacing. McBride stated he is unsure of the start date. Short discussion on the project. Einarson stated he is working with Midcontinent Communications to rebore the communication line, referencing the incident that caused the line to be severed, noting they are going to do the work at a very minimal cost. McBride received clarification the construction work to Co Rd 108 will be around the last two weeks of September, adding they are currently working on replacing the culverts and is why the signs are up now. Anderson stated K. Briggs and he have been working with Shawn Germolus in Hibbing on a presentation for two interested casinos in Florida who are looking at possible charters through Eastern Airlines, noting the information has been sent and Shawn is the coordinator. Anderson added there was one part in the agreement that was sent which will need formal approval if it goes through is that there will not be landing fees for their first year or charters.

Secretary's report

K. Briggs referenced the enplanements record in the packets. K. Briggs stated there has been a credit application submitted for reimbursement on AIP 28-15 for Terminal Value Engineering and referenced the updated Grant Tracking Document in the packets. K. Briggs noted an email was sent out to the Commission on an issue she ran into with GoDaddy and the Airport website domain expiring, adding she had to spend a significant amount of time trying to gain access to the account, but was successful in renewing the domain for 5 years using the Airport Credit Card. K. Briggs stated she was contacted by Nikki at Northstar Publishing who was wondering if the Commission would be interested in advertising in the Simply North Publication that is published quarterly. K. Briggs added the cost would be at the 4x rate, however there are not any marketing funds left in the budget. Discussion on marketing importance, rates and ad sizes. **McBride moved and Nevanen seconded to approve a 1/3 page ad in the Simply North Publication at a rate of \$245. Motion carried unanimously.**

Reports from Members

Pavleck recommended keeping an eye on enplanements, adding he has heard several disappointments with the new schedule. Anderson added the new manager at Waschke's GM has seen a significant decrease in car rental reservations and sent a letter to SkyWest with their concerns. Anderson stated the need to sit down with SkyWest and have additional discussion on the new flight schedule is great. Discussion on TSA and the amount of time it takes to get through security in Minneapolis. Discussion on Global Pre-check and Nexus cards. Nevanen referenced the Airport Website noting it is a small piece of K. Briggs' job but takes time, adding the KEDA is currently reviewing K. Briggs' performance, noting there is no language in Airport Contract for an Airport Commission review and suggested adding in language to do so. Short discussion on adding the language and it was suggested to bring the contract to the next meeting for review.

Adjourn, next meetings

Meeting was adjourned by the chair at 9:45am. The next regular monthly meeting of the commission will be Wednesday, July 27, 2016 at 8a.m in the Koochiching Count Boardroom.