

International Falls-Koochiching County Airport Commission

August 30, 2017 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, Brian McBride, Brian Briggs, and Wade Pavleck

Members absent:

Others present: Kyra Hasbargen, Thor Einarson, Steve Trudeau, Benita Crow, Bob Cohrs, Shawn McMahon, Gary Kaunonen (KCC-TV), Destin Nygard, Rick Oster, Bill Mio, Laura Manka, Ted Brokaw, Ken Anderson, Mark Master

Public Comment – None

Approve regular meeting minutes of July 26, 2017 – Pavleck moved and Nevanen seconded to approve the meeting minutes of July 26, 2017. Motion carried unanimously.

Financial statement for August 30, 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 \$776,535.54 and regular monthly bills in the amount of \$34,142.44. **Pavleck moved and Briggs seconded to approve the financial reports and claims as listed in the amounts of \$34,142.44 and \$776,535.54 for the Terminal. Motion carried unanimously.**

Engineers' report

A. Terminal Update Phase I – Oster provided an updated on the Terminal stating the carpets will be done this week, windows are all in, sprinkler system is finished and the painter will finish next week, adding the HVAC was started yesterday and the Jet Bridge will be here the last week of September. Anderson questioned the sink for SkyWest. Oster stated the sink is installed. McBride questioned the panels that needed to be replaced. Oster stated they are just waiting on one more coming next week. Nevanen questioned the security concern at the passenger exit door. Nygard explained further, noting signs will be put up and stanchions will be used. Short discussion on the secured door. Cohrs stated the go live date is set for October 4th, adding there are lots of small things that need to be completed yet and still awaiting the furniture. Discussion on some of the items needing completion. Trudeau passed out an updated Field Order Log to Commission members and reviewed its detail, noting FO #62 regarding the bollards around the fire hydrant at a cost of \$17,555. **McBride moved and Nevanen seconded to approve Field Order #62 for additional bollards around a fire hydrant at a cost of \$17,555 for hydrant protection. Motion carried unanimously.** Trudeau continued through the document and explained a few of the other field orders. Trudeau explained FO#58 was a SkyWest request and it is the understanding they will pay for the change at a cost of \$7,500. **Pavleck moved and Briggs seconded to approve Field Orders 1 through 65 contingent on #58 to be paid for by SkyWest and #38 was rejected from the Commission. Motion carried unanimously.**

B. Review and Award Contracts for Phase II - Cohrs explained the Electrical Vault will be part of Phase II and referenced the FAA and State grants which should be here electronically today and they want back by September 8th, noting the grant will include Phase II Terminal Project, Pavement Rehabilitation, and Trigger Event Master Plan (TEMP), adding the terminal project cannot be started until Bond funds are received. **Nevanen moved and Pavleck seconded to accept the 2018 Grant Agreement and authorize the Commission Chairman to sign for Phase II Terminal Project, Pavement Rehabilitation and Trigger Event Master Plan. Motion carried unanimously.** Trudeau stated all bids have been approved for Phase II, except there were three work scopes that were rebid for 6A Structural Carpentry, 6C Finish Carpentry, and 32C Site Concrete, adding the voluntary alternates on Electrical Systems due to recommendations. Cohrs noted Hanson Electric is still the low bidder even with the voluntary alternates added. Trudeau explained the three work scopes that were rebid further, noting for 6A-Structural Carpentry, the low bidder was TNT Aggregates at \$239,158; 6C-Finish Carpentry, low bidder was TNT Aggregates at \$216,558; and 32C-Site Concrete, low bidder was TNT Aggregates at \$87,506. Cohrs explained the 8.9% contingency amount that is

not allowed or included in the grant agreement, adding there may be some issues that arise if FAA won't pay for the contingency, there may be some additional exposure to the City and County. **McBride moved and Pavleck seconded to accept all bids for Phase II Terminal Project including 6A, 6C, 32C and revision to 26A, and enter into contract at an estimated \$5,854,063. Motion carried unanimously.** Cohrs stated all contracts will be sent after Federal Funds are received, but will not give a Notice to Proceed until Bond Funds are received. Cohrs touched on the MMB meeting and the process to receive Bonding funds, adding a draft agreement has been received and the benefits of working with the same people who were involved in Phase I. Cohrs noted they may begin the Electric Vault this Fall yet if Bond funds are received in time. Short discussion on project time frame. Anderson noted a Ribbon Cutting will be held on October 10th at 1:00pm, adding the invite list will be sent to NorthStar Publishing today who will be printing the invites.

C. Pavement Rehabilitation Update – McMahon stated the contractor, Northwest Asphalt, wanted to start today, but he had to stop them due to not receiving the grant agreement and funds yet, adding they are planning for Mid-September to do the Crack Sealing.

D. CIP Review – Crow explained the Runway Reconstruction Schedule, noting the FAA will be here on September 20th for the CIP Meeting, adding they have started the process for the TEMP and explained its detail and will work on it from now until next Spring. Crow noted 2018 is a non-discretionary year which could open it up for new snow removal equipment, adding in 2019 bids will go out for Phase I of the Runway Reconstruction Project and then the next two phases in 2020 and 2021. Anderson stated Bemidji wanted to pay back the entitlement dollars this year that were borrowed to them, but instead an agreement was reached with Rochester to loan them \$370,000 of the \$500,000 with the agreement of it all being paid back in 2018 from both Bemidji and Rochester. **Briggs moved and McBride seconded to approve a \$370,000 transfer from Bemidji to Rochester. Motion carried unanimously.** McBride questioned Crow on Airport Zoning. Crow responded there is nothing being done with zoning currently and expects it to be about 2-3 years out as they are waiting on new zoning rules. Short discussion on zoning and MnDOT.

Old Business

A. B3 Reporting – Ted Brokaw – Cohrs explained the B3 requirements being part of the Bonding requirements and explained the website, tracking and reporting that needs to be completed for the next two years to ensure the system is functioning properly. Ted Brokaw explained his contract proposal of up to 10 hours per month for a monthly flat fee of \$1,050 with a two year agreement, adding additional hours will be billed at \$65/hour plus the cost of any supplies needed for maintenance. Brokaw stated he has been training on the equipment and it will require monthly filter changes and greasing of belts and will put together a maintenance plan. Short discussion on B3 and what is included in the monitoring. **McBride moved and Briggs seconded to approve a 2-year contract with Betsy Brokaw at a cost of \$1,050 per month for up to 10 hours per month, \$65 per hour for each additional hour, plus the cost of supplies. Motion carried unanimously.**

B. Security Contract – Commission tabled action until the September meeting.

C. Advertisement Screens in New Terminal – Hasbargen explained she did some research on how other airports handle their digital advertisement screens, noting Shaun in Hibbing has each company provide him with an electronic digital ad which he then puts on a jump drive and plugs it into their Smart TVs. Hasbargen stated if the new terminal has Smart TVs installed, she feels she could utilize the same technique as Hibbing, adding they charge \$1 per day and questioned the Commission on moving forward, she would like to send all previous advertisers in the airport and those on the waiting list a letter to see their interested in continuing to advertise in the airport terminal at a cost of \$30/ month or \$360/ year. Discussion on advertisements and how best to proceed. Anderson recommended contacting Big Fish Digital to see if they can create the advertisements. Further discussion on the cost for advertisements. **Pavleck moved and Nevanen seconded to authorize Hasbargen to meet with Big Fish Digital on their capabilities and prepare a letter to current and waitlist advertisers and move forward with the advertisements. Motion carried unanimously.**

New Business

A. New Hangar Build – Mark Master – Einarson introduced Mark Master who is looking to build a hangar. Master explained he is interested in Lot C to build a 60'x60' hangar, adding he has contractor Sam Hegge lined up to build it this Fall or early Spring and would like to enter into a lease with the Airport to do so. Nevanen questioned how often he is in International Falls. Master responded he is here roughly 40 weeks out

of the year as he owns a home in Kabetogama but lives in the Twin Cities and owns a Trucking and Logistics Company there. **McBride moved and Briggs seconded to approve Hangar Lot C with Mark Master and enter into contract for him to proceed with building a 60'x60' hangar. Motion carried unanimously.**

B. FBO and Management Contracts – Einarson stated he is looking at a 5 year contract renewal for both the FBO and Management contracts, and requested a 2% increase of fees on the contract. **McBride moved and Briggs seconded to approve a 5-year FBO and Management contract with Einarson with a 2% increase to beginning September 19th, 2017. Motion carried unanimously.**

C. Insurance Agreement Approval – Hasbargen explained she received the insurance renewal packet from Continental Western Group, noting they have added the new terminal to the policy and there is a 4% increase over last year, adding the annual premium for this year's policy is \$66,001 which covers all building and equipment. McBride questioned looking into MCIT or LMC for underwriting insurance due to the Joint Powers agreement. Short discussion on the insurance, difficulty finding an insurance provider and researching other insurance firms. **McBride moved and Nevanen seconded to approve a 1-year insurance policy with Continental Western Group at an annual cost of \$66,001. Motion carried unanimously.**

Manager's report

Einarson gave a brief update on the airport operations, referencing the paint crew on the ground working on striping. Einarson stated on Monday they had a disaster meeting with all emergency personnel, adding next year will be the full disaster drill. Einarson stated he has noticed a large spike in jet fuel cost due to hurricane Harvey, adding the terminal project is going well, noting SEH and Kraus-Anderson have been very responsive. Einarson reported Frontier was there last week putting in fiber into the new terminal.

Secretary's report

Hasbargen referenced the enplanement record in the packet noting, enplanements were up by almost 700 last month and questioned if a call with SkyWest was still going to be conducted. Short discussion on the flight schedule. Hasbargen referenced an audit proposal letter from Schlenner Wenner and Co for audit services in 2017, 2018 and 2019 in the packets. Short discussion on audit services. **McBride moved and Pavleck seconded to approve a 3-year agreement with Schlenner Wenner and Co for audit services in 2017, 2018 and 2019. Motion carried unanimously.** Anderson noted the 2018 Airport Budget will need to be updated with the Brokaw contract added in, the FBO/Management contract increase, Security contract and Insurance increase, and recommended wrapping up the budget at the September meeting. Discussion on inviting Sheriff Hedlund to the October meeting to discuss the power of arrest issue with TSA at the terminal. Hasbargen followed up the 2017 Marketing grant, noting she heard back from Kevin Carlson who said to submit all invoices from October 1, 2016 to present and will see what they reimburse. Hasbargen added she questioned him on the 2018 Marketing Grant Application and was told grant amounts will be determined at the LASAC meeting on September 14th in Brainerd, noting the group will also give thoughts on how they are splitting the funding.

Reports from Members

Pavleck and McBride reported on their tour of the taconite bridge in Virginia yesterday and updated on highway projects to be completed yet this year. Nevanen questioned the next Sun Country charter flight. Briggs noted there is nothing scheduled for August or October. Anderson questioned calling the resort to let them know about the new terminal and jet bridge. Anderson referenced the LASAC meeting on September 14th in Brainerd at 10:30am and requested approval for travel expenses for him and any commission members to attend. **Pavleck moved and Briggs seconded to approve travel expenses for the Chairman and Commission members to attend the LASAC meeting in Brainerd on September 14th at 10:30am. Motion carried unanimously.**

Adjourn, next meetings

Meeting was adjourned by the chair at 10:05a.m. The next regular monthly meeting of the commission will be Wednesday, September 20, 2017 at 8:00a.m in the Koochiching County Boardroom. The commission also set October's meeting date for October 25th at 8:00am.