

SPECIAL CITY COUNCIL

The Council has called a special joint meeting on June 13 at 2:00 P.M. for the purpose of meeting with the Federal Aviation Administration and the Minnesota Department of Transportation, Aeronautics Division, to discuss and take action, if needed, regarding the recent closing of the Silver Bay Airport runway by MnDOT.

2:00 P.M.

Wednesday, June 13, 2018

Present: Scott M. Johnson
 Richard DeRosier
 Dustin Goutermont
 Shane Hoff
 Carlene Perfetto

Lana Fralich, City Administrator
 James Larson, Public Works Supt.
 Jamey Malcomb – Lake County News Chronicle
 Kyle Fiser – MnDOT Office of Chief Council
 Many-Anne Churu – MnDOT Office of Chief Council
 Julie Carr – MnDOT Aeronautics
 Cassandra Isackson – MnDOT Aeronautics
 Andy Peek – FAA Dakota-Minnesota Airports
 Ida Rukavina – Senator Klobuchar's Office
 Jeff Anderson – Congressman Nolan's Office (via conference call)
 Hannah Alstead – Congressman Nolan's Office (via conference call)

Tony Kramar – Pilot
 Jeremiah Mitchell – Pilot
 Tim Norman – Pilot
 Robert Mordini – Pilot
 Terry Olson – Pilot
 Bruce Johnson
 Wayne Johnson

Johnson called the Council meeting to order at 2:08 p.m.

Silver Bay Airport Runway Closure – Mayor Johnson turned the meeting over to Andy Peek from the FAA and Cassandra Isackson from MnDOT Aeronautics as they had requested the meeting. There was discussion about the plans for the airport, funding relationships between both parties, and the impact of grant assurances. Peek reported that the City has \$2,152,431 worth of signed grant assurances for projects including buildings, equipment, pavement, and land. Since MnDOT shut the runway down on May 31st, the City is in violation of grant assurance #19 for not running the airport in safe order. The state has since revoked the airport license. There was discussion of the possibility of closing the airport and it was noted that it is a lengthy process from the State and likely the FAA would not allow.

DeRosier voiced his concern for the tax payers. Isackson reported that grant assurance payback to the State would be between \$9-10k and Peek reported \$170K for payback to the FAA but did not include the land grant assurances which land is held in perpetuity and land would be based on fair market value. There was further discussion on the discrepancy between the current figure provided and the amount the City received during a meeting last year with MnDOT. Peek will look into the discrepancy in figures.

Peek suggested applying for a planning grant to study what the Silver Bay airport, resident, and aviation community needs are and how the city is able to provide for all. Peek reported on all the grants that are available, but they do come with grant assurances of 20 years. He estimated the cost to repave the runway at \$2.5M.

There was discussion on the classification of the airport, annual operating costs, the economic benefit to the city, and that the airport is outside the city limits. There was further discussion on the State taking over the city limits, or the possibility of the County or Township. Isackson said the state cannot, but the county or townships may if there is a mutual agreement between the two parties. Johnson commented that the city has reached out to the county in past years with no success in the county's willingness to take over the airport.

There was discussion for closing the airport and paying back assurances. Peek stated "it's not as simple as that". Isackson reported that there is a lengthy process to close airports and that it doesn't happen often, but it has happened. She referred to Minnesota Statute 360.046 relating to the requirements for closure of municipal airports. There was discussion on selling the airport land and where those monies would be allocated per FAA rules. There was further discussion regarding why go through the State process for closing or incurring additional costs if based on past discussions with the FAA they stated they won't allow the closing. Fralich suggested that legislative language be address to classify airports as Safe Harbors and change the grant assurances to benefit those airports that FAA won't allow to close, such exempting them from the 20-year assurance requirement so not to burden Silver Bay taxpayers who are not benefiting from the airport. Rukavina, Sen. Klobuchar's representative, said that congress can't do earmarks but it is possible for legislation to pass something to help alleviate the burden to the city. Alstead, from Congressman Nolan's office, requested data from other airports that may help the majority of airports like Silver Bay.

Johnson reviewed the list of potential options the city has for the airport:

1. Potentially receive a grant for 100% of the cost to redo runway, with a grant assurance obligating the City for another 20 years.
2. Chose to close, which has an extensive process with MnDOT and likely not be approved by the FAA.
3. Take no action.
4. Joint Agreement with county or township
5. Convert the pavement runway to a turf runway.

Isackson reported the timing of the appeal regarding the revocation of the license and that there isn't a set time limit as indicated in a letter received by Rick Braunig. It was noted that at this time, it is illegal for pilots to fly in or out of the airport causing hangar renters to not be able to use the airport. MnDOT will look into allowing hangar renters to fly out if/when they find a new airport to rent hangar space.

Johnson opened the meeting up for public discussion.

Tim Norman – Commented that the runway is bumpy, but nothing worse than Grand Marais's before they redid their runway. Commended the city for the work they do. Noted that not all pilots sign the log book, so decisions shouldn't be based on the log book activity. Cirrus

Aircraft used to use this airport during their training. Talked about Tofte losing the airport due to no federal funding. He's happy to volunteer help if needed.

Jeremiah Mitchell – Asked if patching the cracks with UPM patch mix would allow for MnDOT to re-open the runway. The Friends of the Airport Association plans to start up again to start fundraisers, to keep the place going and take the burden off the city and take over the operations.

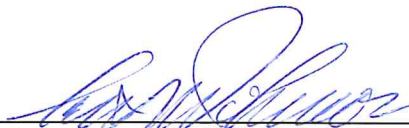
Wayne Johnson – Stated times have changed since the beginning of the airport. There is a lack of public interest now. The association used to have numerous activities for the public involvement at the airport. Suggested appointing a manager to start planning activities to get public involvement back and raise money.

Peek reported that the application deadline for federal grants is July. Grants are awarded the end of September of 2018.

There was no action taken.

Motion by Perfetto, second Hoff to adjourn the Council meeting at 3:37 p.m.
MOTION CARRIED.

Minutes taken by Lindsey Klemmer



Scott M. Johnson, Mayor



Lana Fralich, City Administrator