

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

January 24, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, January 24, 2013 with Vice Chairman Karl Bollingberg presiding. Members present were Commissioners Hal Gershman, Brad Beyer, Clark Cronquist, Gary Malm, and Tim Mutchler; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:00 a.m. Students visiting from the Aviation Management class at UND Aerospace were welcomed and asked to introduce themselves.

A New Business item was moved to the top of the agenda:

Adopt Resolution # 01-13 “RESOLUTION OF THE GRAND FORKS REGIONAL AIRPORT AUTHORITY ADOPTING THE NAME OF THE NEW AIRPORT MAINTENANCE BUILDING”

Michael Rucinski was introduced and Patrick Dame expressed his appreciation for the 43 years that his father, Stephen “Skip” Rucinski gave to the airport as an employee in the maintenance department. Skip passed away unexpectedly on January 19th and his funeral services were held last night. Staff requested that the Airport Authority Board of Commissioners adopt a special resolution that would name the new maintenance building after Skip. Construction on the building will begin this summer. Karl Bollingberg read the resolution (attached) aloud and there was a motion from Tim Mutchler to adopt Resolution # 01-13 to name the new maintenance building the *Stephen Rucinski Maintenance Center*. The motion was seconded by Gary Malm. **Action Taken:** Motion passed unanimously. Michael Rucinski accepted the artfully framed signed resolution on behalf of the Rucinski family, saying what an honor it was, and thanked the Board and staff.

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Cronquist to approve the December 20, 2012 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Mary Jo Crystal reviewed the financial report and answered questions posed by the Commissioners. There was a request to examine the accuracy of the accounting system’s percentage column on the Statement of Revenue and Expenses, and Gershman also requested a report that shows the new terminal cost compared to the budget for its construction.

2. Airport Report

Dame updated the Commissioners with current events at the airport: ND airports working together to justify additional funding in this biennial from the state Aeronautics Commission; the Authority’s new payroll service; the restaurant’s cooler issues; delay in changing out the air intake coils for heating the terminal; Capital Improvement Plan funding planning for future

concrete replacement; PAPIs issues; a nice used shuttle bus recently given to the airport from the city; a complaint from a handicapped citizen about our handicapped parking.

3. Chairman Report

The vice chairman requested that board members report on any complaints or comments they've had from customers. None were reported.

4. Committee Reports

i. Tenant Relations/Real Estate

No report.

ii. Employee Relations

No report.

iii. Marketing/Air Service Development

Gershman reported on current marketing efforts. United has indicated that they will be doing more advertising for GFK's new United Airlines service. Dame showed a video that was created by Coleen Peterson that celebrates the airport's records set in 2012.

C. Other New Business

1. Policy Changes

The board reviewed three changes to the Policy Manual that affected the following sections: 1) *200.02 Purchasing*; 2) *300.01 Organization Location*; and 3) *100.05 Meetings*. Beyer made a motion to approve the first reading of the policy changes, seconded by Gershman. **Action taken:** Motion carried unanimously.

2. Carpet Replacement Bid Award

The FAA portion of the old AFSS building - and the Customs office in the ARFF building need new carpet. Bids were solicited and 1 bid was received by Burris Carpet Plus for \$13,360.23. The budget for this carpet was \$30,000. It was moved by Gershman and seconded by Malm to award the bid to Burris Carpet Plus for \$13,360.23. **Action taken:** Motion passed unanimously.

3. Crack Seal Melter and Crack Saw Bid Award

Dame reported on the airport's savings potential if the airport maintenance department owned crack seal equipment vs. hiring crack sealing done and/or renting the equipment. Bids were solicited to acquire a trailer mounted pavement crack seal melter/applicator and a pavement crack saw. One bid was submitted by Swanston Equipment Companies for both items in the amount of \$50,000. Budgeted amount was \$45,000. Gershman moved to approve and award the bid to Swanston for \$50,000, seconded by Beyer. **Action taken:** Motion passed unanimously.

4. Contract Amendment #1 KLJ Parking Lot C

KLJ requested a contract amendment to cover additional engineering costs associated with moving the proposed Parking Lot C 25 feet to the west. The contract total will increase by \$6,713. Motion to approve the increase of \$6,713 for Amendment # 1 on the KLJ Contract for Parking Lot C was made by Cronquist, seconded by Mutchler. **Action taken:** Motion passed unanimously.

5. Website Application Development – Part 139 Inspections

It was moved by Cronquist, seconded by Beyer to approve a proposal from Insight Technologies in the amount of \$53,750 to develop custom web-based software that will allow staff to more efficiently report issues when performing FAA Part 139 Inspections. The airport will own the software source code and all rights associated with it. **Action taken:** Motion passed unanimously.

Steve Synhorst from KLJ Engineering reported on the requirement to add sprinklers to Building #2133 when the new addition is constructed. Supplying the sprinklers with pressurized water could cost between \$100,000 and \$170,000. More information will be brought before the Board at a later date.

The meeting adjourned at 9:18 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

February 28, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, February 28, 2013 with Chairman Steve Kuhlman presiding. Members present were Commissioners Hal Gershman, Clark Cronquist, Gary Malm and Brad Beyer (via conference phone); staff included Patrick Dame (via conference phone), Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:01 a.m.

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Cronquist to approve the January 24, 2013 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Mary Jo Crystal reviewed the financial report and answered questions posed by the Commissioners. Crystal reported on the new terminal construction breakdown and Dame reviewed the 10 year CIP planning models.

2. Airport Report

Dame and Beyer are currently attending the Allegiant Conference in Mesa, Arizona, and Dame reported on those meetings.

3. Chairman Report

No report.

4. Committee Reports

i. Tenant Relations/Real Estate

A representative from FedEx has indicated that their signed lease will be returned to us within the week.

ii. Employee Relations

No report.

iii. Marketing/Air Service Development

Gershman reported on current marketing efforts.

C. Other New Business

1. Policy Changes – Second Reading

The board reviewed three changes to the Policy Manual that affected the following sections: 1) *200.02 Purchasing*; 2) *300.01 Organization Location*; and 3) *100.05 Meetings*.

Gershman made a motion to approve the second and final reading of the policy changes, seconded by Cronquist. **Action taken:** Motion carried unanimously.

2. KLJ Task Order #11 – SRE Building Design Fee

Kadomas, Lee & Jackson (KLJ)'s Task Order #11 for the new Snow Removal Equipment (SRE) Building project was presented to the board for approval. The total cost for design, bidding, oversight and closeout is \$254,869, of which 90% is federally eligible. The state would fund 5% and 5% would be locally funded, each in the amount of ~\$12,750. It was moved by Gershman and seconded by Malm to approve the KLJ Task Order #11 in the amount of \$254,960 and authorize the Executive Director to sign the contract with KLJ. **Action taken:** Motion passed unanimously.

3. Resolution # 02-13

Resolution #02-13 would allow the Airport Authority to reimburse itself for the upcoming FedEx Building renovation project and/or the parking Lot "C" project with proceeds from a future bond sale. Those two projects are listed in the 2013 Budget as being financed with a bank loan, but may at a future date be a part of the airport's long term capital financing plan. The airport's financing consultant, Springsted Incorporated, recommended having this Reimbursement Resolution in place beforehand in order to do so. Gershman moved to approve and Resolution #02-13 "Resolution Relating to Financing of Certain Proposed Projects to be Undertaken by the Grand Forks Regional Airport Authority; Establishing Compliance with Reimbursement Bond Regulations under the Internal Revenue Code", and further authorized the Authority Board Chairman and Executive Director to sign all documents associated with this Resolution. The motion was seconded by Malm. **Action taken:** Motion passed unanimously.

4. Resolution # 03-13

The Transportation Security Administration (TSA) has requested that the Authority allow them to replace their L3 body scanner and later this year replace it again. The body scanner was just replaced in January 2012 when they took out the north bank of windows on the second floor of the terminal to move it in. To remove the windows two more times would be placing additional stress on the terminal building. Resolution # 03-13 would limit TSA's ability to stress the terminal building and require them to provide the Airport Authority with acceptable alternatives for removing and replacing the body scanner. It was moved by Cronquist and seconded by Gershman to approve Resolution #03-13. **Action taken:** Motion passed unanimously.

Gary Malm commented on the recent airport presentation made by Rick Audette at the Annual Grand Forks County Township Supervisor's Meeting. He said it was well received by everyone there.

The meeting adjourned at 8:34 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS SPECIAL MEETING**

March 13, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in a special session in the Board Room of the Airport Authority on Wednesday, March 13, 2013 with Chairman Steve Kuhlman presiding. Members present were Commissioners Clark Cronquist, Gary Malm, Karl Bollingberg and Brad Beyer. Staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration and Rick Audette, Operations and Maintenance Manager. Also in attendance were representatives from Kadomas, Lee & Jackson Engineering (KLJ) and Johnson, Laffen and Galloway Architects (JLG). Terminal tenants attending included managers from the airline station (DGS) and the airport restaurant.

The meeting was called to order at 11:30 a.m.

1. Terminal Work Session

Patrick Dame spoke about the need for more space in the terminal due to the unprecedented and unpredicted growth the airport has experienced over the past four years. The current terminal was planned over four years ago with the projection that enplanements would reach 130,000 in the year 2025. Dame predicts reaching 150,000 this year. The DGS manager spoke about their desperate need for more ramp space, and the restaurant manager spoke about their space needs.

KLJ and JLG reviewed with the Authority Board their initial drawings for an addition to the terminal which included a third gate. The Board directed KLJ to proceed with plans for a fourth gate addition.

The meeting adjourned at 12:40 p.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

March 28, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, March 28, 2013 with Chairman Steve Kuhlman presiding. Members present were Commissioners Tim Mutchler, Clark Cronquist, Gary Malm and Karl Bollingberg; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:00 a.m. Visiting UND aviation students were welcomed.

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Cronquist to approve the February 28 and March 13, 2013 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

New Business Item C.1. was moved up in the agenda: **Audit Report:** Accounting firm Brady Martz's Joe Martin gave his report on the annual audit and answered questions posed by the Commissioners. A motion was made by Gary Malm to approve the 2012 Audit Report, seconded by Cronquist. **Action taken:** Motion carried unanimously.

Mary Jo Crystal reviewed the January and February 2013 financial report and answered questions posed by the Commissioners.

2. Airport Report

Dame introduced several new employees and reported on the success of the October 2012 reorganization of the operations and maintenance departments. Operations Lead Chris Deitz and Maintenance Lead Butch Litzinger were present at the meeting and reported that everything has been running seamlessly and are happy with the changes. Chairman Kulhman said the Employee Relations Committee will hold meetings with employees over the next 30 days to get their feedback.

Dame also reported on the Senate Bills that affect state airport funding over the next two years. He has been making numerous trips to Bismarck to testify along with other ND airport managers.

The main airport runway snowblower broke down recently and Dame reported on the options to either fix it or replace it. Costs will run high and the Commissioners will be updated as more information becomes available.

3. Chairman Report

No report.

4. Committee Reports

i. Tenant Relations/Real Estate

Dame reported on new negotiations with the FedEx lease.

ii. Employee Relations

The Employee Relations Committee will set up meetings with employees to get insight on morale after all the changes that have taken place.

iii. Marketing/Air Service Development

Allegiant flew in its first A-319 last weekend. They are working to replace their fleet of MD 80s with these fuel efficient aircraft.

Coleen Peterson reported on the airport's involvement in the upcoming ND Travel Industry Conference – the airport will be represented as an exhibitor at the Alerus Center Apr. 16-17.

Dame reported on the upcoming Chamber Business After Hours to be held at the airport terminal April 18th – GFK's three airlines have each donated a pair of round-trip tickets to give away at the event, and the Chamber's progressive cash jackpot is at an all time high of \$2600. These prizes are expected to attract a very large crowd.

C. New Business

2. KLJ Task Order # 10 for Lighting, Rehab and Design

Dame reported on Task Order #10 from KLJ for rehab/replacement of lighting on Runway 17L-35R. The negotiated amount of the Task Order is \$85,000 and is eligible for 90% federal reimbursement and 5% state reimbursement. \$4,250 will be funded locally. It was moved by Mutchler, seconded by Cronquist to acknowledge the price negotiation of KLJ Task Order # 10 for services of design, bid, oversight and closeout; and approve Task Order # 10 in the amount of \$85,000. **Action taken:** Motion carried unanimously.

3. Republic Parking Offer

Dame reported on recent management issues with Republic Parking and is now renegotiating some terms of their agreement. There is not yet an offer from them, and new terms will be brought before the Board at a later date.

The meeting adjourned at 9:17 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

April 25, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, April 25, 2013 with Chairman Steve Kuhlman presiding. Members present were Commissioners Tim Mutchler, Brad Beyer, Hal Gershman, Clark Cronquist, Gary Malm and Karl Bollingberg; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:00 a.m.

A. Reading and Approval of Minutes

It was moved by Cronquist and seconded by Malm to approve the March 28, 2013 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Mary Jo Crystal reviewed the March 2013 financial report and answered questions posed by the Commissioners. Bollingberg requested that her future financial memos include a recap of non-operating income and expense occurrences. There was discussion about the ongoing meetings with city's finance committee to determine who owns/should own the airport's water lines.

2. Airport Report

Dame reported on plans to add more terminal decorations, displays, comfort seating and business center furniture. He also reported on his discussions with KLJ Engineers on the design and related costs of the new SRE building.

3. Chairman Report

The chairman congratulated staff on the success of the Chamber Business After Hours event that was held at the terminal April 18th. An attendance record was sent with 388 people.

4. Committee Reports

i. Tenant Relations/Real Estate

Dame reported on negotiations on the FedEx lease, saying it is nearing completion. Once the ten-year lease is signed, there should be a press release.

There was discussion about the terminal parking lot's property taxes. Gershman said there is a city form that is usually provided with building permits to claim a 5-year tax break. One requirement is that the parking lot would have to be under a management lease, not a ground lease. The Committee will meet to discuss available options.

ii. Employee Relations

No report.

iii. Marketing/Air Service Development

Dame reported on his views of this year's JumpStart Meet & Match (in Atlanta) saying there is little need for him to attend when the airport's consultant, who is already going, could attend on the airport's behalf. The board concurred.

C. New Business

1. Parking Lot C – Bid Award

Seven bids were received for the construction of Parking Lot C. The base bid was for gravel surface and the alternate bid was to pave it. Staff recommended paving the lot and awarding the project to the low bidder for the construction of Parking Lot C with the alternate to pave. That low bidder was Adelman Concrete & Excavating in the amount of \$1,340,464.69. The 2013 budget included \$805,000 and staff has requested \$500,000 in state assistance. It was moved by Gershman and seconded by Mutchler to award the Parking Lot C project with the paving alternate to Adelman Concrete & Excavating, Inc., in the amount of \$1,340,464.69. **Action taken:** Motion carried unanimously.

2. SRE Snow Blower Repairs

The airport's snow blower is in need of repair or replacement, as was discussed at the March meeting. After researching options, staff recommended the board approve a repair proposal from RDO Equipment in the estimated amount of \$82,250 - \$100,000. Malm made a motion to approve RDO Equipment's proposal and that staff should monitor RDO's labor cost/efficiency while repairing the airport's snow blower. The motion was seconded by Bollingberg. **Action taken:** Motion carried unanimously.

Dame reported on the progress of the State Senate bills pertaining to airport funding.

The meeting adjourned at 9:03 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

June 5, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Wednesday, June 5, 2013 with Vice Chairman Karl Bollingberg presiding. Members present were Commissioners Tim Mutchler, Brad Beyer, Hal Gershman and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 7:34 a.m.

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Mutchler to approve the April 25, 2013 minutes as written. **Action Taken:** Motion carried unanimously.

New Business was moved ahead of Reports to allow Gershman to leave the meeting early.

C. New Business

1. FedEx Expansion Bid Award

The board reviewed the bids received to construct an addition to the FedEx sort facility. Staff made the recommendation to award the contracts to the low bidders as follows: General construction to Swanburg Construction for \$535,000; mechanical construction to C.L. Linfoot for \$182,800; and electrical construction to Sun Electric for \$79,000. The total construction cost would be \$796,800 and would be funded by the Airport Authority at 100%. It was moved by Gershman and seconded by Beyer to award the contracts to the low bidders as listed and further authorize the Executive Director to sign all documents associated with the project.

Action taken: Motion carried unanimously.

Dame outlined a change order - fencing material and gate guards - that would deduct \$24,800 from the total. Mutchler moved to approve the -\$24,800 change order, seconded by Malm.

Action taken: Motion carried unanimously.

2. Snow Removal Equipment (SRE) Building Bid Award

After reviewing the bids, alternate items and funding plan for the new SRE Building, a motion was made by Gershman, seconded by Mutchler to award the contracts to the lowest bidder as follows: General construction to Peterson Construction for \$2,454,589 plus alternates to paint the interior and exterior of the building for \$46,500; mechanical construction to C.L. Linfoot Company for \$676,538; and electrical construction to Rick Electric for \$394,500 plus alternates to include LED light fixtures and lamps for \$21,100; and further authorize the Executive Director to sign all documents associated with the project. The total cost of the building construction will be \$3,593,227. **Action taken:** Motion carried unanimously.

3. Wildlife Assessment Award

Request for Proposals/Qualifications were solicited from consultants to conduct a Wildlife Hazard Assessment (WHA) and Wildlife Hazard Management Plan (WHMP) per FAA Part 139 requirements. Six proposals were received and were evaluated based upon

qualifications, airport familiarization, ability to meet schedule and specific criteria. The top two proposals were KLJ and Loomacres. Proposed costs from KLJ are \$74,000 and Loomacres, \$76,457. The FAA (PGL 09-01 PIM#3) allows the USDA Wildlife Services (WS) to provide an independent technical assistance cost, schedule and other pertinent information for providing a WHA and WHMP. This cost or other technical information provided by WS may be used to assess the reasonableness of fees proposed by private sector firms. As part of this process, the Airport Authority requested pricing from Wildlife Services (WS). The independent fee review we received from WS was \$29,967. Staff determined that WS is available to do the work, equally qualified and able to provide the services on the same schedule. Based on that determination, staff recommended awarding the project to USDA Wildlife Services for a total cost of \$29,967. KLJ's Steve Synhorst expressed his firm's frustration that they (and all other qualified private firms) have to compete against the federal government in this way. He added that the private firms are addressing this issue at another angle. Gershman suggested contacting the state's senators to make them aware of our dilemma of having to choose between a subsidized business and private enterprise for this service, and see how they weigh in on this issue. Gershman moved to table this matter for a month and notify our senators. Dame asked the Board to give him the authority to make the decision once he's had further conversations with the FAA Airport District Office (ADO) to get their recommendation. He added that this issue is time sensitive and he hopes not to have to wait a month. Mutchler asked why this assessment needs to be done because it has been done once already. Dame replied that the airport is required (by FAA Part 139) to do this wildlife assessment every 10 years. Beyer seconded Gershman's motion. **Action taken:** Motion carried with aye's from Mutchler, Gershman and Beyer, but with opposition from Malm.

4. Fuel Purchase Policy for Tenants & Employees

The new fuel pump installation will be completed this week and the pricing practice needs to be finalized. Staff follows the practice of charging for fully taxed fuel plus storage and an administration fee. Based on the volatility of fuel pricing and in an effort to remain competitive, they also price in accordance with the price in town. In order for the Airport Authority to react in a timely manner and remain competitive, staff recommended that the auto fuel pricing policies be left in the hands of the Executive Director and/or his appointed staff. Staff further requested the Board authorize billing on a bi-monthly basis to the tenants that purchase fuel, on account, with the Airport Authority. Beyer moved to approve the two recommendations stated above and the motion was seconded by Malm. **Action taken:** Motion carried unanimously.

5. Resolution # 04-13 – Renew Line of Credit

Malm moved to renew the Grand Forks Regional Airport Authority's line of credit with Alerus Financial in the amount of \$1,200,000 and authorize the Authority Board Chairman and the Authority Executive Director to sign all documents associated with the receipt of the line of credit. Mutchler seconded the motion. **Action taken:** Motion passed unanimously.

B. Reports

1. Financial Report

Mary Jo Crystal and Rick Audette reviewed with the Board their notes on the April 2013 financial report and answered questions posed by the Commissioners. Beyer suggested that

the fire fighters' "built-in overtime" be coded to regular salary to better illustrate the expense. Dame reported on the recent water main break.

2. Airport Report

Dave Cink, ATCT manager was asked to report on a change in the Tower's hours. Dame commended the airport maintenance crew for their excellent work on the crack sealing.

3. Chairman Report

Vice Chairman Bollingberg thanked staff for their continuous service to keep the airport running. He said most people don't know how much effort is involved in doing so.

4. Committee Reports

a. Tenant Relations/Real Estate

Bollingberg reported that the 10-year lease with FedEx was finally signed and added that this will have a positive impact on the airport and the entire community.

b. Employee Relations

No report.

c. Marketing/Air Service Development

Dame reported that he met with the marketing consultant and that the marketing budget has been scaled back for 2014. He also reported that he will be leaving today to attend five airline meetings at this year's JumpStart Meet & Match in Atlanta.

Malm reported that the Authority's letter to the city requesting tax abatement will be acted on by the County Commission in July. Dame reported that the revised terms of the Republic Parking agreement will be brought to the next board meeting. Audette reported on the snow blower repairs, and Dame said the state will likely vote to share the cost of the snow blower repair. Dame added that the state funding for GFK is looking like it may come in over double what was budgeted. He also commended the company that installed the power lines south of the airport, saying they went to great lengths to keep them low.

The meeting adjourned at 8:45 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

June 27, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, June 27, 2013 with Chairman Steve Kuhlman presiding. Members present were Commissioners Karl Bollingberg, Brad Beyer and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:00 a.m.

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Beyer to approve the June 5, 2013 minutes as written.

Action Taken: Motion carried unanimously.

B. Reports

1. Financial Report

Mary Jo Crystal reviewed highlights on the May 2013 financial report.

2. Airport Report

Dame gave a report on current events on the airport including construction projects. Dave Cink (ATCT) reported on some possible new developments in FAA's safety rulings that might impact the airport operations. A Safety Risk Management meeting will be held on July 10th. Bollingberg reported on a recent meeting with Springsted regarding project financing - bonds vs. banks. He added that the City and the County should be approached within the next few weeks - to back the airport's borrowing.

3. Chairman Report

Kuhlman posed questions about projects and current events.

4. Committee Reports

a. Tenant Relations/Real Estate

No report.

b. Employee Relations

No report.

c. Marketing/Air Service Development

Dame reported on recent meetings with United and Delta and also the airport's marketing plan/budget.

C. Old Business

1. Wildlife Assessment Award

Request for Proposals/Qualifications were solicited from consultants to conduct a Wildlife Hazard Assessment (WHA) and Wildlife Hazard Management Plan (WHMP) per FAA Part 139 requirements. Proposed costs from the top two bidders were KLJ's \$74,000 and Loomacres' \$76,457. The FAA (PGL 09-01 PIM#3) allows the USDA Wildlife Services (WS) to provide an independent technical assistance cost, schedule and other pertinent information for providing a WHA and WHMP. The USDA's original cost was \$29,967 but was later revised to \$41,582. At the June 5th Authority Board meeting, KLJ voiced their protest of awarding to USDA and there was a motion that the Authority would write a letter to the Delegation with the message that the Authority supported KLJ's protest that a subsidized agency should not be allowed to compete against a private enterprise. KLJ later withdrew their protest. Based upon a review per FAA PGL 09-01 PIM #3 and cost analysis, staff recommended awarding the WHA and WHMP project to USDA Wildlife Services for a total cost of \$41,582. There was a motion by Malm, seconded by Bollingberg to award the project to USDA for \$41,582. **Action taken:** Motion carried unanimously.

D. Other - Restaurant Bar Addition

Dame requested that the Board approve the construction of a U-shaped bar in the restaurant in the secured gate area. The owner of the restaurant, Mike Reilly, has committed to sharing in the cost (\$30-\$35,000). Construction could begin as early as August 1st of this year. There was a motion from Malm and a second from Beyer to add this bar addition to the CIP in the amount of \$75,000. Bollingberg asked Dame to work out the cost sharing agreement with Reilly. **Action taken:** Motion passed unanimously.

The meeting adjourned at 8:48 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

July 25, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, July 25, 2013 with Vice Chairman Karl Bollingberg presiding. Members present were Commissioners Clark Cronquist, Brad Beyer and Gary Malm. Attending via phone conference was Commissioner Hal Gershman and Patrick Dame, Executive Director. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:00 a.m.

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Beyer to approve the June 27, 2013 minutes as written.

Action Taken: Motion carried unanimously.

B. Reports

1. Financial Report

The Director of Finance/Administration was not present at this meeting. There was a motion by Beyer to delay the financial reports until the August meeting. Malm seconded the motion.

Action taken: Motion carried unanimously.

2. Airport Report

Dame said he has already submitted written reports to the Board regarding current events at the airport. Ryan Jones from KLJ gave a brief update on the three projects – the Snow Removal Equipment Building; Parking Lot C; and FedEx Expansion.

3. Chairman Report

No report.

4. Committee Reports

a. Tenant Relations/Real Estate

No report.

b. Employee Relations

Dame said he would like this committee to meet soon.

c. Marketing/Air Service Development

Gershman gave a brief report on the airport's current marketing activities.

C. New Business

1. Oakwells Commuter Rail Agreement Extension

Oakwells has agreed to assist in the cost of the Red River Valley Grill & Market bar improvements in exchange for an 18 month extension to their lease agreement. There was a motion by Malm, seconded by Beyer to extend the Oakwells lease for 18 months in

exchange for paying a portion of the bar improvements. **Action taken:** Motion carried unanimously.

2. Parking Lot Rates

After surveying the region's other airport parking lot rates, Republic Parking has recommended a parking lot rate increase for the Grand Forks airport. Maximum daily rates would increase by \$1/day and maximum weekly rates would be changed to \$60/wk in Lot A and \$48/wk in Lots B& C. Beyer moved to accept the proposed rate increase and authorize the increase for September 1, 2013. The motion was seconded by Cronquist. **Action taken:** Motion carried unanimously.

3. Apron Pavement Repairs

The Commissioners reviewed two bids for a 2" asphalt overlay for areas on Aprons Alpha and Bravo. Staff recommended spending approximately \$100,000 including a \$50,000 pavement repair grant from NDAC. This method of overlay will be viewed as an experiment for potential future use. It was moved by Beyer and seconded by Malm to award the overlay project to Opp Construction in the amount of \$98,500. **Action taken:** Motion carried unanimously.

The quarterly statistics were reviewed and Gershman suggested adding percentages to the bottom of two of the charts.

The meeting adjourned at 8:25 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

August 22, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, August 22, 2013 with Chairman Steve Kuhlman presiding. Members present were Commissioners Hal Gershman, Tim Mutchler, Clark Cronquist, Brad Beyer and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:00 a.m. An item was added to the agenda under New Business: **Hay Land Bid.**

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Cronquist to approve the July 25, 2013 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

The Director of Finance/Administration reviewed the financial statements for the seven months ended July 31, 2013 and answered questions posed by the Board. Gershman suggested contacting ProDigiq about committing to selling more advertising for our digital display boards. The Authority is beginning the process of selling bonds to cover the two locally funded projects (FedEx Expansion and Parking Lot C), which will take about 3 months. Meanwhile, the cash reserves and the Alerus line of credit will be used for these projects.

2. Airport Report

Dame gave a brief update on the three projects – the Snow Removal Equipment Building; Parking Lot C; and FedEx Expansion. He also reported on the Apron Overlay projects at UND and Customs; and the issues regarding broken water valves.

3. Chairman Report

No report.

4. Committee Reports

a. Tenant Relations/Real Estate

No report.

b. Employee Relations

No report.

c. Marketing/Air Service Development

United Airlines has stepped up their marketing efforts and load factors are going up for them.

C. Old Business

1. Republic Parking Agreement Contract Amendment

Republic Parking System (RPS) has offered to change their current agreement into a management agreement and Dame reviewed with the Board the list of new contract terms:

1. RPS deposits all parking funds into the Airport Authority accounts on a daily basis.
2. Management amount paid to RPS
 - a. 50% of revenue between \$0 and \$200,000
 - b. 40% of revenue between \$200,000 and \$300,000
 - c. 25% of revenue between \$300,000 and \$1,200,000
 - d. 10% of revenue greater than \$1,200,000
3. RPS requires a deposit of \$25,000 upfront to be paid back at the end of the agreement to cover carrying cost.
4. RPS will assume all snow and ice control up to a maximum of \$50,000. In the event gross revenues do not exceed \$1,200,000 and snow removal expenses do exceed \$50,000, the Airport Authority agrees to augment or pay the difference.
5. RPS will be responsible for the striping of the parking lots.
6. RPS will be responsible for all credit card fees and they will not be deducted from gross revenue.
7. RPS will be responsible for purchasing the additional parking and revenue control equipment for the new overflow parking lot.

There was a motion by Gershman, seconded by Beyer approve the contract terms amendment with Republic Parking Systems. **Action taken:** Motion carried unanimously.

D. New Business

1. KLJ Task Order No. 12 & Amendment to Task Order No. 11

Beyer moved to approve Task Order No. 12 and recognize that the Authority has negotiated fees with KLJ Engineering in the amount of \$150,495 for Construction Administration/Observation of the Snow Removal Equipment (SRE) Building (\$148,451) and the FAA Closeout Report (\$3,044). The motion was seconded by Mutchler. **Action taken:** Motion carried unanimously.

A partner of KLJ, KFI Engineers, had their construction services under the design contract, so Task Order No. 11 had to be amended down. Malm moved to approve the amendment down in the amount of \$6,972 for Task Order No. 11. The motion was seconded by Mutchler. **Action taken:** Motion carried unanimously.

2. KLJ Task Order No. 13 & Amendment to Task Order No. 9

Mutchler moved to approve Task Order No. 13 and recognize that the Authority has negotiated fees with KLJ Engineering in the amount of \$112,492 for Construction Administration/Observation of the FedEx Sort Facility Expansion project. The motion was seconded by Gershman. **Action taken:** Motion carried unanimously.

A partner of KLJ, KFI Engineers, had their construction services under the design contract, so Task Order No. 9 had to be amended down. Beyer moved to approve the amendment down in the amount of \$1,896 for Task Order No. 9. The motion was seconded by Malm. **Action taken:** Motion carried unanimously.

3. KLJ eALP Amendment

KLJ completed the Electronic Airport Layout Plan (eALP) pilot project and did not use the full amount anticipated. It was moved by Cronquist and seconded by Malm to approve the amendment to the eALP contract down in the amount of \$105,292.30. **Action taken:** Motion carried unanimously.

4. Hay Land Bid

The airport received one bid for renting farmland on the airport for haying. Johnson Farms is offering to do improvements to airport land up to a maximum of \$5,000 per year for each of the three years of the contract. It was moved by Gershman and seconded by Mutchler to approve the hay land contract with Johnson Farms. **Action taken:** Motion carried unanimously.

The meeting adjourned at 8:50 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

September 26, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, September 26, 2013 with Chairman Steve Kuhlman presiding. Members present were Commissioners Clark Cronquist, Brad Beyer and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:00 a.m.

A. Public Hearing for Bond Issuance

Chairman Kuhlman opened the public hearing regarding bond issuance in order to finance the completion of the FedEx Air Cargo Sort Facility and the expansion of the Byron L. Dorgan Terminal Parking Lot. The bonds may be issued in an aggregate principal amount up to \$2,524,000 to finance the projects. A notice of public hearing was published on September 12, 2013. The floor was opened for comments. Hearing no comments the public hearing was closed.

B. Reading and Approval of Minutes

It was moved by Cronquist and seconded by Malm to approve the August 22, 2013 minutes as written. **Action Taken:** Motion carried unanimously.

C. Reports

1. Financial Report

The Director of Finance/Administration reviewed the financial statements for the eight months ended August 31, 2013 and answered questions posed by the Board.

2. Airport Report

Dame reported on the airport's current events including the construction projects.

3. Chairman Report

No report.

4. Committee Reports

a. Tenant Relations/Real Estate

No report.

b. Employee Relations

No report.

c. Marketing/Air Service Development

United Airlines has announced their departure from GFK due to light load factors and unprofitability. Their last flight will be on December 3, 2013. Dame said he will begin working with other airlines to try to fill their gap. Allegiant has been dealing with some maintenance issues in their entire fleet so delays are happening

throughout their schedule. Grand Forks has not yet experienced any of these delays.

D. New Business

1. Resolution Authorizing Issuance of Airport Revenue Bonds

Malm moved to approve Resolution No. 05-13 Authorizing Issuance of Airport Revenue Bonds. The Resolution will give the Chair and/or Vice Chair the ability to work with Springsted and the Authority Director to make a quick decision for the bond issuance if needed. The motion was seconded by Beyer. **Action taken:** Motion carried unanimously.

2. Revised Airport Concessions DBE Program

Beyer moved to approve the Grand Forks Regional Airport Authority's Airport Concession Disadvantaged Business Enterprise (ACDBE) Program and Goals for the period of October 1, 2013 – September 30, 2016 and authorize the Board Chairman to sign the document. The motion was seconded by Cronquist. **Action taken:** Motion carried unanimously.

3. Change Order #1 SRE Building Peterson Construction

Poor soil types and an additional need for compaction were found in the SRE Building construction site. It was recommended to add drain tile due to the water table depth at footing level. It was moved by Cronquist and seconded by Beyer to approve Change Order #1 from Peterson Construction's SRE Building contract in the amount of \$20,576.50 for sub grade soil cut, drain tile with pearock, replacement and compaction. **Action taken:** Motion carried unanimously.

4. Change Order #1 SRE Building C.L. Linfoot

Poor soil types and an additional need for compaction were found in the SRE Building construction site. It was recommended to add drain tile due to the water table depth at footing level. It was moved by Beyer and seconded by Cronquist to approve Change Order #1 from C.L. Linfoot's SRE Building contract in the amount of \$12,185.80 for the addition of a sump pit and materials. **Action taken:** Motion carried unanimously.

5. 2014 Budget – First Reading

After reviewing the proposed budget with airport staff, it was moved by Beyer and seconded by Malm to approve the first reading of the 2014 Budget. A second reading and final approval will be requested at the October meeting. **Action taken:** Motion carried unanimously.

The meeting adjourned at 8:52 a.m.

A motion by Kuhlman, a second by Beyer and a unanimous vote reopened the meeting.

Questions were answered about the location of (FAA funding) eligible areas for surface repair on aprons, taxiways and runways.

The meeting adjourned at 8:56 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

October 24, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, October 24, 2013 with Vice-Chairman Karl Bollingberg presiding. Members present were Commissioners Clark Cronquist, Brad Beyer, Hal Gershman, Tim Mutchler and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus, Springsted's Brenda Krueger and JLG's Tom Behm were also in attendance.

The meeting was called to order at 8:00 a.m.

A. Reading and Approval of Minutes

It was moved by Cronquist and seconded by Malm to approve the September 26, 2013 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

The Director of Finance/Administration reviewed the financial statements for the nine months ended September 30, 2013.

2. LEED Certification Presentation

Tom Behm from JLG Architects presented the Board and the Executive Director with a plaque to award the Byron L. Dorgan Terminal building as a Silver Leadership in Energy and Environmental Design (LEED) Certified building – one of the first airline terminals in the Midwest and one of the first five terminals in the country to have this certification. Behm reported that the energy savings so far has surpassed their estimates.

3. Airport Report

Dame reported on the airport's current events including the construction projects, issues with cab companies, the Part 139 software and the completion of the bar expansion.

4. Chairman Report

No report.

5. Committee Reports

a. Tenant Relations/Real Estate

No report.

b. Employee Relations

No report.

c. Marketing/Air Service Development

No report.

C. New Business

1. Ratify Bond Approval

Brenda Krueger, VP from Springsted Incorporated, reported on the recent bond sale which had been authorized by Resolution 05-13 at the September meeting. On October 15th, the underwriter went to market to offer the bonds for sale resulting in a 4.15% interest rate, which was 0.57% lower than projected in mid-September. The bonds mature in 15 years. Malm moved to adopt “Resolution No. 06-13 – Resolution Directing Issuance and Awarding the Sale of Airport Revenue Bonds (Contingent Tax Levy), Series 2013A (AMT) and Prescribing the Terms and Covenants Thereof”. The motion was seconded by Gershman. **Action taken:** The motion passed with a unanimous vote.

2. Policy Changes

Staff recommended a change to an important section in the Commissioner Expense Reimbursement Policy and to rescind the Authority Client Entertainment Policy and the Terminal Use policy as they are no longer applicable. Gershman moved to approve the three policy changes as recommended by staff. The motion was seconded by Mutchler. **Action taken:** Motion carried unanimously.

3. Change Order #1 SRE Building Rick Electric

It was moved by Beyer and seconded by Cronquist to approve Change Order #1 from Rick Electric’s SRE Building contract in the amount of \$1,966 for a 100 amp 3 pole box to allow for emergency generator hook-up; a breaker for the glycol pump; and a deduction for not using 2 type E-1 exit signs. **Action taken:** Motion carried unanimously.

4. 2014 Budget – Second Reading

Dame reported that there had been one change in the 2014 Draft Budget since it was sent to them for review – the Marketing Expense line item is now \$140,000 vs. \$120,000. It was moved by Cronquist and seconded by Gershman to approve the 2014 Budget. **Action taken:** Motion carried unanimously.

5. Drainage Project Request

Dame showed an airfield map while he reported on a proposal by Nick Adams, owner and farmer of the property on the west side of the airport, to add a drain tile pipe on airport property to allow drainage to the north and requested a cost share on this project as well. The Water Board is requiring that Adams get approval from the Authority to do this. Staff met with the airport engineer and they feel the best option is for the main drain tile to run west of the airport. Staff recommended against the proposed drainage pipe but will continue to work with Adams to find other solutions. It was moved by Gershman and seconded by Malm to vote in favor of staff’s recommendation to decline the proposed drainage pipe as shown. **Action taken:** Motion carried unanimously.

The meeting adjourned at 8:53 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

November 21, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, November 21, 2013 with Chairman Steve Kuhlman presiding. Members present were Commissioners Clark Cronquist, Brad Beyer, Tim Mutchler and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:02 a.m.

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Mutchler to approve the October 24, 2013 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

The Director of Finance/Administration reviewed the financial statements for the ten months ended October 31, 2013.

2. Airport Report

Dame reported on the newly signed Republic Parking Agreement and announced that there would be a brief tour of the new facilities after today's board meeting.

3. Chairman Report

Kuhlman reported on yesterday's Building Area Presentation given by KLJ Engineering.

4. Committee Reports

a. Tenant Relations/Real Estate

Cronquist briefed the board on the recent audits of the car rental agencies. All three agencies have been under-reporting their revenue and are in arrears for 2012. Additional audits going back to 2008 may be requested.

b. Employee Relations

No report.

c. Marketing/Air Service Development

Dame gave a brief report.

C. New Business

1. EALP Amendment #2

Beyer moved to approve KLJ's Amendment #2 for an amount not to exceed \$75,000 to allow them to work on our electronic Airport Layout Plan (eALP) project to meet an FAA

requirement that we airspace the helicopter pads that UND is currently using. The motion was seconded by Mutchler. **Action taken:** The motion passed with a unanimous vote.

2. KLJ Task Order 14 Design/Bid Taxiway A,B and D Intersection

KLJ has been asked to start the design of the reconstruction of the intersection of Taxiways A, B & D. The total cost of the design project is a lump sum of \$132,334.57 for design and \$1,306.96 for the closeout report. Since the project engineering is over \$100,000, we are required to have an independent fee review done, so any approval amount will be subject to fee review. Mutchler moved to approve Task Order 14 as recommended by staff. The motion was seconded by Malm. **Action taken:** Motion carried unanimously.

3. Executive Director's Contract

It was moved by Cronquist and seconded by Malm to approve a new 5 year contract with the Executive Director that begins January 1, 2014. **Action taken:** Motion carried unanimously.

4. Other

Dame thanked the board for the new contract and also staff for their help in making the airport as successful as it has been.

There have been significant increases in revenue at the restaurant since the new bar opened.

Dame answered questions from the board regarding Allegiant's current business plan.

Malm and Dame discussed the new state regulation proposal regarding the route trucks are to take with regard to whether that affects the airport.

The meeting adjourned at 8:50 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

December 19, 2013

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, December 19, 2013. Members present were Commissioners Clark Cronquist, Brad Beyer, Hal Gershman, Tim Mutchler and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

Due to the absence of both the Authority Chairman and Vice-Chairman, there was a motion made by Malm to elect Tim Mutchler to chair this meeting. Hal Gershman seconded the motion which passed unanimously. The meeting was called to order at 8:00 a.m.

A. Reading and Approval of Minutes

It was moved by Cronquist and seconded by Malm to approve the November 21, 2013 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

The Director of Finance/Administration reviewed the financial statements for the eleven months ended November 30, 2013.

2. Airport Report

Dame reported on the completion of the new snow removal equipment building and other current events.

3. Chairman Report

No report.

4. Committee Reports

a. Tenant Relations/Real Estate

Dame briefed the board on the recent payments from two of the three car rental agencies that were found to be in arrears as a result of a recent audit of their 2012 financials. There will be a decision made about an audit for other years. Three additional tenants will be audited in one year and have been notified as such.

b. Employee Relations

No report.

c. Marketing/Air Service Development

Gershman gave a brief report.

C. New Business

1. Approve Swanberg Construction Change Order #2

Gershman moved to approve Change Order #2, from Swanberg Construction, in the amount of (\$16,295.85). The change order to the FedEx addition project is for an increase for soil remediation, manhole cone size increase, replacement sewer line, added masonry and a replacement valve box along with a decrease for change to snow fence versus chain link and a reduction in gate guard time. The motion was seconded by Cronquist. **Action taken:** The motion passed with a unanimous vote.

2. Approve CL Linfoot Change Order #2

Malm moved to approve Change Order #2, from CL Linfoot, in the amount of \$3,021.33. The change order is due to starters being on the electrical drawing but not the mechanic drawing and therefore were not purchased. There was also some additional ductwork that was required for the project. The motion was seconded by Gershman. **Action taken:** The motion passed with a unanimous vote.

3. Approve Rick Electric Change Order #4

Dame briefed the board on the opportunity to replace some fixtures with LED lights while Rick Electric had the poles down for the SRE building project. This would save on the future cost of using a lift to do this in the future. Cronquist moved to approve Change Order #4, from Rick Electric, in the amount of \$21,424.00. The motion was seconded by Gershman. **Action taken:** The motion passed with a unanimous vote.

4. Operator Registration

In an effort to better track operators on the field and to better identify those that are Single Service or Multiple Service providers, staff would like to implement an annual tenant registration form. Staff recommended the Authority Board approve and require operators to register with the Airport Authority on an annual basis. A motion was made by Gershman and seconded by Beyer to implement a required annual operator registration. **Action taken:** Motion carried unanimously.

5. Insurance and Legal Services

A motion was made by Cronquist and seconded by Gershman to extend the legal services of Camrud, Maddock, Olson and Larson Law Firm; and extend the insurance services of Wings Insurance, both for another term. **Action taken:** Motion carried unanimously.

6. Airport Insurance Renewal

A motion was made by Beyer and seconded by Gershman to renew our airport insurance with Chartis/AIG for 2014 for \$100 million at a cost of \$19,720. **Action taken:** Motion carried unanimously.

7. 2014 Budget Amendment

Staff recommended approval of \$111,000 in amendments to the 2014 budget to include a new Controller/Accountant position in the amount of \$75,000 and amend the Capital Plan for the installation of a new airside off road diesel tank for \$36,000. Having an off road tank will allow tenants to save approximately \$0.41 per gallon on diesel fuel road taxes. The cost of the improvements will be saved by the consortium of tenants in the first year.

It was moved by Gershman and seconded by Cronquist to amend the budget at an increase of \$111,000 for the Controller/Accountant position addition and the off road diesel fuel tank addition. After discussion, a vote was taken. In favor of the motion was Gershman, and Beyer voted nay. Cronquist and Malm abstained. Mutchler, as Chair *pro tem*, to break the tie, voted in opposition and the motion failed 1-2. A motion was made by Gershman to approve the addition of \$36,000 to the 2014 budget for the addition of an off road diesel fuel tank. Malm seconded the motion. **Action taken:** Motion carried unanimously. The Controller/Accountant position will be further discussed at a future meeting.

8. Other

Phil Medina from Hertz Car Rental asked the Board for a meeting with the Tenant Relations Committee to discuss the 2012 Audit. A meeting will be arranged during the first week in January.

The meeting adjourned at 8:58 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary