

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

Thursday, July 19, 1990

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, July 19, 1990 at 10:00 A.M. with Vice Chairman Jim Weber presiding. Members present were: Clint Rodningen and George Unruh, Jr.; advisory committee members Bob Reis, Jack Lien and Bob Wood; and staff: Bob Selig, Candi Stjern, Steve Johnson and Kathleen Donley.

APPROVAL OF MINUTES

Rodningen questioned the process of typing up the minutes. Kathleen Donley, Authority Secretary, stated that she uses the cassette tape played during the meeting to write up minutes. Selig stated that Airport staff reviews them upon completion. Rodningen stated that he didn't feel the minutes reflected the mood of the previous meeting very well. He added that he could be wrong but things seemed a little "flowery" in his opinion. Ms. Donley assured him that this was not the case and that all the information in the minutes comes from the tape. It was moved by Unruh and seconded by Rodningen to approve the minutes of the June 21, 1990 meeting as written. The motion carried.

MONTHLY FINANCIAL REPORT

Stjern reported an operating income of \$13,578.07 for June, 1990, which brings the Airport's net operating loss for the year to \$67,053.40. The Airport had a net total revenue before depreciation of \$295,073.49 through June 30, 1990.

Our year-to-date operating expenses are running at 49.63% of budgeted funds, or .37% under budget. The operating revenues to date are at 48.23% of budgeted revenues, or 1.77% under budget.

Stjern also stated that June was another good month in retail fuel sales which she felt was very encouraging.

RESOLUTION #34-90  
AUTHORIZATION TO ISSUE BONDS

This resolution authorizes the Airport staff to issue 20 year private activity bonds in the amount of \$3,945,000. This is being done in accordance with the schedule sent to us by Evensen Dodge, Inc. Once the Authority approves it, it will go to the City and

County for approval. The projects being recommended for funding through the bond issue are as follows:

- Federal Express building & site development
- T-Hangars
- Terminal parking lot expansion
- Fuel farm
- Terminal building expansion
- Reconstruction of runway 8/26
- UND ramp expansion

The resolution also needs to be amended to include the sewer expansion project. Stjern added that Airport staff would like to schedule a hearing on this bond sale on September 20, 1990 at 10:00am. Selig pointed out that all the projects listed are revenue producing projects for the most part. The only project that would be questionable in generating revenues for the Airport is the reconstruction of runway 8/26.

Rodningen requested a schedule that would show the offset of these projects item by item. Selig stated that they could produce a report to reflect Rodningen's request.

After much discussion between the Authority Board, Staff, and Mr. Frank Coe, Grand Forks Councilman, focusing on the Federal Express and sewer projects, it was decided that more detailed financial information was necessary before any action on this resolution could be taken. It was further decided to hold a special meeting on July 25, 1990 at 3:00pm, subject to Authority Board Chairman Hal Gershman's ability to attend, to consider it further. Notices will be sent out to the appropriate people.

**RESOLUTION #35-90  
REVIEW OF PLANS AND SPECS FOR THE NEW FEDERAL EXPRESS BUILDING  
AND AUTHORIZATION TO GO OUT FOR BIDS**

Lonnie Laffen and Gary Johnson with Johnson & Laffen presented the plans for the new Federal Express Building.

They first presented a drawing of the new Federal Express building. The only changes to the overall site planning is that the building has moved another 20 feet to the north and this is to accommodate a future Federal Express maintenance expansion. The building will be steel frame structure with a concrete masonry skin and we will be taking an alternate on the landscaping. The site development costs would be \$292,700 and the building would be between \$1,390,000 to \$1,140,000

The project will go out for bids to the contractors around September 1, 1990 and have a September 18, 1990 bid date. Approval for these bids would be made at the September 20, 1990 Authority Board meeting. Construction would start approximately October 1, 1990 to be completed by April 1, 1991.

The question of a contingency funding plan arose in the event of a delay in the bond issue. Selig stated that third party financing has been explored and the funding is there but there would be a higher interest rate.

Rodningen moved to authorize Airport staff and Johnson & Laffen to request bids for the construction of the new Federal Express building in accordance with developed plans and specifications. It was seconded by Unruh and approved unanimously.

#### **RESOLUTION #36-90**

#### **APPROVAL OF GROUND SITE LEASE FOR THE NEW FEDERAL EXPRESS BUILDING**

Selig stated that the ground site lease is the Airport's standard ground site lease with the exception of the first four (4) pages. Selig pointed out that in Article IV the Airport agrees to build the building and the Airport will then lease it back to Federal Express. The lease is a 20 year maximum term with a 10 year initial term with two 5 year options to renew. It was agreed that Federal Express would pay \$4.15 per square foot until June, 1993 when the rate will be adjusted based upon the actual debt service.

This resolution authorizes the Executive Director to execute the attached Lease and Agreement between the Grand Forks Regional Airport Authority and Federal Express Corporation for the lease of ground site on which their new building will be located. Authorization subject only to the review of the Airport Authority's attorney and Federal Express' attorney.

Authority agrees to pay miscellaneous costs associated with moving Federal express to its new location (i.e. signage, furniture, supplies, phones, computers, satellite disk, security/burglary system).

1. Costs not to exceed \$35,000.
2. Detailed costs must be submitted to Authority Board for final approval before payment.
3. Efforts will be directed at duplicating or relocating existing systems.
4. Any costs required to upgrade existing systems will be the responsibility of Federal Express.

Unruh moved that the resolution be approved. Rodningen felt that this resolution should wait for approval contingent on the resolution 34-90. The motion was withdrawn.

**RESOLUTION 37-90  
AWARD BID FOR PARKING LOT EXPANSION**

Resolution authorizes awarding of the contract for concrete parking lot expansion to Opp Construction in the amount of \$167,510.50. Resolution also directs Airport management to negotiate with Opp Construction for reduction in sewer and water alternate bids and to subsequently award if successful.

Selig stated that this project is also on the bond, however, alternate funding can be used if necessary.

It was decided unanimously to table the resolution until the bond was approved.

**RESOLUTION 38-90  
APPROVE GROUND SITE LEASE WITH THOMAS LEASING, INC.**

Unruh moved for approval of this resolution authorizing the Executive Director to execute the attached Ground Site Lease with Thomas Leasing, Inc. for the lease of improved and unimproved ground sites for the purpose of subletting facilities to two (2) of the car rental agencies currently occupying car rental concessions at the Grand Forks International Airport.

Rodningen questioned why we would enter into an agreement with the building owner instead of with the people using the ground site? Selig stated that they are allowing a past practice to continue on a year-to-year basis until the Airport relocates those facilities within the next few years. The future practice under any new lease is that any subleases would have to be brought to the Authority Board for approval before they are allowed and further added that he would probably not be interested in recommending any subleases unless they were consistent with the approved use of the ground site.

Rodningen feels that the title of the lease should be changed to state "building" lease if a building is included in the lease instead of "ground site" lease.

Weber seconded the motion to approve the ground site lease with Thomas Leasing, Inc. and Rodningen voted against the motion. It carried by a vote of 2 to 1.

**PROJECT STATUS REPORT**

Items were reviewed with no comment.

## BOARDING COMPARISON/OPERATIONS COMPARISON/CARGO REPORT

Selig stated that boardings are down nationwide. It seems to be due to the increase in fares. Unruh questioned the decrease in boardings but the increase in the need for more parking. Selig stated that 1/3 of our parking is due to the Canadians. Johnson stated that historically, the peak days are on Tuesdays and Thursdays for parking. Stjern also added that parking revenues are up.

ADJOURN

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kathleen Donley-Hyman', written over the typed name.

Kathleen Donley-Hyman  
Temporary Board Secretary

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

**Wednesday, July 25, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Wednesday, July 25, 1990 at 3:00 P.M. with Hal Gershman, Chairman presiding. Members present were: Jim Weber, Tim Mutchler, Clint Rodningen and George Unruh, Jr.; advisory committee members Bob Reis, Jack Lien and Bob Wood; and staff: Bob Selig, Steve Johnson and Kathleen Donley-Hyman.

**SCHEDULING OF AUGUST'S AUTHORITY BOARD MEETING**

Gershman recommended that the August Board meeting be moved from August 16, 1990 to Thursday, August 23, 1990 at 10:00am. It was moved by Mutchler and seconded by Unruh and was unanimously approved.

**RESOLUTION 34-90**  
**AUTHORIZATION TO ISSUE BONDS**

There was a presentation on the bonds by Selig. Selig reviewed each project with a breakdown of funding. Selig also presented alternative funding options for each project. There was much discussion between Frank Coe, City Councilman, Don Tingu, City Auditor, and Authority Board members. Mr. Tingu stressed that when you fund the Federal Express project the sewer project needs to be funded at the same time. Mr. Coe stated concerns over the terms of the new lease with Federal Express.

A motion was made by Rodningen to authorize the issuance of Airport Private Activity Bonds in a principal amount not exceeding \$3,945,000, maturing in not to exceed 20 years, in accordance with the attached "Bond Summery with Annual Obligations". Authority staff is hereby authorized and directed, in cooperation with Evensen-Dodge, Inc. and Dorsey & Whitney, bond counsel to the Authority, to take the necessary steps and cause the necessary documents and resolutions to be prepared for the approval of the bond issue by the City and County of Grand Forks and the sale and issuance of the Bonds.

The Bonds will be used to finance the following projects:

Federal Express Building & site development  
Sewer Project  
T-Hangars

Terminal Parking Lot Expansion  
Fuel Farm  
Terminal Building Expansion  
Reconstruction of Runway 8/26  
UND Ramp Expansion

The Bonds will constitute "private activity bonds" within the meaning of the Internal Revenue Code of 1986, so that a public hearing must be held on the Bonds and the financing of the projects prior to the issuance thereof. A public hearing for this purpose shall be held on September 20, 1990, at 10:00am, in the Authority Board room. The Board shall also receive bids for the purchase of the Bonds on the same day. Authority staff and the Authority's financial consultants and bond counsel are hereby authorized and directed to prepare the necessary documentation, including notices of public hearing and notices of bond sale, and to cause such notices to be published in accordance with law. It was seconded by Mutchler and unanimously approved.

**RESOLUTION #36-90**

**APPROVAL OF GROUND SITE LEASE FOR THE NEW FEDERAL EXPRESS BUILDING**

Doug Christensen, Authority Board attorney, recommended that the Authority Board approve the lease subject to any changes non-monetary or non-substantive by the Airport Authority's bond council.

Unruh made a motion to approve the resolution authorizing the Executive Director to execute the attached Lease and Agreement between the Grand Forks Regional Airport Authority and Federal Express Corporation for the lease of ground site on which their new building will be located. Authorization subject only to the review of the Airport Authority and Federal Express' attorney.

Authority agrees to pay miscellaneous costs associated with moving Federal express to its new location (i.e. signage, furniture, supplies, phones, computers, satellite disk, security/burglary system).

1. Costs not to exceed \$35,000.
2. Detailed costs must be submitted to Authority Board for final approval before payment.
3. Efforts will be directed at duplicating or relocating existing systems.
4. Any costs required to upgrade existing systems will be the responsibility of Federal Express.

The motion was seconded by Weber and unanimously approved.

**RESOLUTION #37-90**  
**"AWARDING BID FOR PARKING LOT EXPANSION"**

A motion was made by Rodningen and seconded by Mutchler to award the contract for concrete parking lot expansion to Opp Construction in the amount of 167,510.50. Resolution also directs Airport management to negotiate with Opp Construction for reduction in sewer and water alternate bids and to subsequently award if successful. It was unanimously approved.

Gershman wanted to thank Unruh for suggesting the bond issue. Gershman also thanked Mr. Coe for his input.

A motion to adjourn the meeting was made by Mutchler and seconded by Weber and was unanimously approved.

ADJOURN

Respectfully submitted,



Kathleen Donley-Hyman  
Temporary Board Secretary



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

**Thursday, August 23, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, August 23, 1990 at 10:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, Tim Mutchler, Clint Rodningen and George Unruh, Jr.; advisory committee members Bob Reis and Jack Lien; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

**APPROVAL OF MINUTES**

It was moved by Unruh and seconded by Rodningen to approve the minutes of the July 19, 1990 meeting as written. The motion carried.

It was moved by Weber and seconded by Unruh to approve the minutes of the July 25, 1990 meeting as written. The motion carried.

**MONTHLY FINANCIAL REPORT**

Stjern reported an operating income of \$770.91 for July, 1990, which brings the Airport's net operating loss for the year to \$66,282.49. Our year-to-date operating expenses are running .34% under budget. The operating revenues are .91% under budget. Stjern stated there was a net decrease in cash and cash equivalents thru 7-31-90 of \$193,519 due to a large payment on the air cargo paving project which the FAA will reimburse us for 90%.

**RESOLUTION #39-90  
"RE-APPROVAL OF BOND RESOLUTION #34-90"**

It was moved by Unruh and seconded by Weber to approve a resolution authorizing the re-approval of bond Resolution #34-90 to reflect the exclusion of the City of Grand Forks' portion of the sewer bond project as requested by City staff. The new amount of the bond issued detailed in Resolution #34-90 is \$2,891,000. **ACTION TAKEN:** motion carried.

**RESOLUTION #40-90**  
**"APPROVAL TO PURCHASE RAILROAD RIGHT-OF-WAY LAND"**

Selig explained that a portion of abandoned railroad right-of-way that goes through the approach area of the runway is available for the Airport to purchase from the United Rural Landowners Association. The purchase is eligible for reimbursement from the FAA at 90%-10%. It was moved by Weber and seconded by Rodningen to authorize the Executive Director to execute a "commitment agreement" with the United Rural Landowners Association for the purchase of 12.88 acres of railroad right-of-way land in the amount of \$690.88 as detailed in the information attached to the Resolution. **ACTION TAKEN:** motion carried.

**RESOLUTION #41-90**  
**"APPROVE CONSTRUCTION OF AIRCRAFT STORAGE HANGARS"**

Selig stated that he originally thought only one source was available for a carousel type hangar. Rodningen then advised him of another firm. Johnson met with the manufacturer of this system. Selig asks that the Board approve construction of a circle T type hangar with a not to exceed amount and we will then use an informal bid process to choose a company. Johnson stated he had contacted the North Dakota and Minnesota Aeronautics Commissions and neither agency knew of any other firms to erect this type of hangar.

Larry Gebhardt of Minnkota Power expressed some concern regarding the footings in the new circle T hangar. If any buckling occurs the system would be useless. Dennis Bohn, hangar tenant, stated that in a hangar fire only one person will be able to get their plane out.

Johnson said he held a hangar tenant meeting last night. He felt the tenants prefer the traditional style T hangar but would accept the circle T. Bohn stated that since the June Authority meeting they have formed a Grand Forks Aviation Association and would like their organization to have some input into the new hangar construction, possibly flying down to look at some of the circle T style hangars.

Rodningen stated he prefers to use a formal bid process and hire an engineer for the project. He doesn't feel we need to hurry this. Selig feels there is no need to hire an engineer and add cost to the project. Lien said that State Statutes call for an engineer on any building project over \$50,000 for City and County government and feels this may apply to the Airport Authority.

Bohn suggested if the carousel type hangar doesn't pan out the Board could consider a mass hangar with the tenants agreeing to do their own in and out service.

**ACTION TAKEN:** It was moved by Unruh to engage Webster, Foster and Weston to draft plans and specifications for aircraft hangar storage and instruct them to go through a formal bid process as well as include input from the general aviation public. Unruh then moved to amend his motion to include a total price not to exceed \$200,000 including engineering costs. The motion was seconded by Mutchler. The motion carried.

**#42-90**

**"CHANGE ORDER TO AIR CARGO RAMP PROJECT"**

Selig explained he is requesting approval of a change order to the contract with Nodak Contracting to do earth work on the ground site for the Federal Express building. He explained that all the equipment will be on site to finish the air cargo ramp already and the work was scheduled to be done in the spring anyway. This would include storm sewer work. Unruh stated he feels this is really the next phase of this project and should not really be a change order. The Board agreed this should be bid separately. **ACTION TAKEN:** No action required.

**#43-90**

**"APPROVE CHANGE ORDER TO PARKING LOT EXPANSION PROJECT"**

Selig stated that in the process of the parking lot expansion it was discovered that a portion of the storm water drainage system has collapsed. This change order is necessary to make the necessary repairs. It was moved by Unruh and seconded by Weber to authorize a change order to the parking lot expansion project in an amount not to exceed \$16,135.00. **ACTION TAKEN:** motion carried.

**BOARD TO CONSIDER MEETING TIME CHANGE**

Mutchler asked if the Board would consider moving the meeting time to the afternoon. Rodningen questioned the possibility of holding night meetings. Larry Gebhardt, Minnkota Power, would like the Board to consider evening meetings so more tenants could attend. The Board agreed to think about a time change before taking any action.

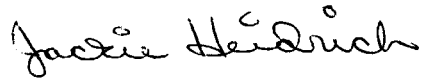
## AUTHORITY BOARD RETREAT/BUDGET REVIEW MEETING

Selig said he is trying to put together an Authority Board summit retreat to discuss the two year history of the Authority, where we're going, the communication process between staff and the Board, and a budget package overview. After much discussion of a possible date Unruh suggested waiting until harvest is over so the entire Board will be able to attend.

Unruh suggested a budget review meeting for September 13th.

ADJOURN

Respectfully submitted,



Jackie Heidrich  
Board Secretary

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

**Thursday, September 13, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, September 13, 1990 at 7:30 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, Clint Rodningen and George Unruh, Jr.; advisory committee member Jack Lien; Authority Attorney Doug Christensen; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

Selig explained that this meeting is to be a briefing on the 1991 Budget. No action should be taken today. He plans to go through the budget document and have Stjern hit the highlights. Selig would like to have the resolution to approve the 1991 budget passed at the September 20th Board Meeting.

Stjern stated they are proposing a net operating deficit of \$111,200 with a net revenue before unfunded depreciation of \$14,539.

Stjern reviewed the 1991 detailed revenue compared to estimated '90 revenue. She pointed out that certain revenues will go up by the C.P.I. on January 1, 1991. She used 4.5% to make the estimates but the actual rate increase will be based on the C.P.I. from November 1989 - November 1990. Selig pointed out that there are no increases in airlines fees for 1991.

Stjern pointed out that the 1991 detailed expense report includes a 5% merit increase for all full-time employees. Expenses are also affected by a reclassification for the Operations Supervisor to be upgraded to Operations Manager, a reclassification for the 3 Operations Dispatchers, lease of a new pickup for Operations, and higher electric costs in the terminal. Stjern explained that a new maintenance position that was scheduled to be filled in 1990 was not filled and is dropped in the 1991 budget. Any need for this position will be covered with temporary help and overtime.

Selig explained that runway 8/26 is in more serious need of repair than was originally thought. The FAA will be in on October 5th to look at it. He will bring options and additional information on this back to the Board within thirty days.

Unruh expressed concern that the operating expenses are increasing at a faster rate than the operating revenues.

Gershman indicated there is \$35,000 in the '91 budget to relocate Federal Express. Selig felt that could come in at a lower cost as we can use Authority employees to do some of the relocation.

Stjern pointed out that the County taxes reflect a decreased number of townships as some dropped their support this year. Gershman said there is a need to get legislation passed on the State level to protect authorities' tax support.

Stjern explained the Northwest Airlines fees are based on actual billed rates, not on what they're actually paying. Christensen said he projects 18 months for the lawsuit with Northwest. It could go up to three years with the appeal process. He feels the budget should reflect what the Authority is actually receiving from them. Selig pointed out that it would be difficult to defend the rates if we budget at another level.

Unruh asked Stjern if she has made any progress on a long range financial forecast. Selig feels that issue should be a separate meeting. Gershman suggested a meeting around February to discuss where the Authority is going financially and the philosophy of the Authority.

Gershman asked how much was budgeted for additional income from the expanded parking lot. Stjern said she used \$12,000. Selig stated that after the first of the year he plans to start studying the cost of running the parking lot ourselves. The contract with APCOA expires November 30, 1991.

Selig explained that the 5% increase for the employees is labeled a merit increase instead of a C.P.I. increase as the employees have put in a lot of effort this year with extra training, an excellent FAA inspection, etc.

Unruh asked for some information to explain the increase in administration costs compared to when the Authority first began and there were only two full-time employees and a part-timer. Gershman suggested comparing the 1987 costs before the Authority including what the City charged for their services to current costs.

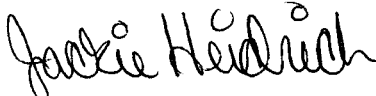
Gershman asked that anyone with additional questions on the 1991 budget please get them answered ahead of the September 20th meeting so the resolution can just be acted upon at that time.

Selig explained that Exhibit 8 is the fee schedule for commercial operators. These are the same fees that were approved mid-year 1990 with a consumer price index increase. The hangar rent and fees also will be increased by the actual CPI. These fees do not reflect the proposed new hangars at all and we may have to look at these rates again when new hangars are constructed. Weber questioned Johnson on the response to the hangar survey. Johnson stated that he has received only four responses to date. One was willing to pay for the carousel type, one said he would stay in his

current hangar, and two want a lower price on the carousel hangar. Johnson said he had sent out between thirty and forty surveys just a few days ago and is expecting several more returned in the next few days.

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script that reads "Jackie Heidrich". The signature is written in dark ink and is positioned above the printed name and title.

Jackie Heidrich  
Board Secretary

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

**Thursday, September 20, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, September 20, 1990 at 10:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, George Unruh, Jr., Tim Mutchler, and Clint Rodningen; advisory committee members Jack Lien and Bob Reis; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

**APPROVE MINUTES**

It was moved by Weber and seconded by Unruh to approve the minutes of the August 23, 1990 Authority Board Meeting. ACTION TAKEN: The motion carried.

**MONTHLY FINANCIAL REPORT**

Stjern reported a net operating income of \$12,090.98 for August 1990, which brings the net operating loss for the year to \$54,191.51. The net income before capital items is \$329,086. Year-to-date operating expenses are running at 66.19% of budgeted funds, or .48% under budget. Operating revenues to date are at 67.43% of budgeted revenues, or .76% over budget.

**RESOLUTION #44-90**  
**APPROVE DBE GOALS FOR 1991**

Stjern explained that setting DBE (Disadvantaged Business Enterprise) goals is an annual FAA requirement if we are to accept any federal funds. She is recommending that we continue with the same goals as were set for 1990. Gershman questioned whether we met those goals in 1990. Stjern stated that we did not as there are few minorities in this area. Selig explained that we just must make a good faith effort to meet the goals. It was moved by Rodningen and seconded by Mutchler to adopt the Disadvantaged Business Enterprise (DBE) goals of 13% of FAA contracts and leasing goals of 2% for Minority Business Enterprise (MBE) and 8% for Women's Business Enterprise (WBE) for the period of October 1, 1990 to September 30, 1991. ACTION TAKEN: The motion carried.



**RESOLUTION #45-90**  
**APPROVE ENGINEERING EXPENSES FOR HANGAR CONSTRUCTION**

Selig said he brought the matter of the engineering expenses for the new hangar construction back to the Board for additional review because he felt the engineering costs of 21-22% of the total project are quite high considering a percentage of 8-12% is typical. Selig reported that the results of the hangar survey responses to date include three hangar commitments and only one of those agreed to pay the proposed rate. Two other respondents already had hangars they're happy with and one survey was returned blank. Staff feels this should be tabled until there is more assurance of a return on the investment. Rodningen said he feels the issue of whether or not to build the hangars is not relevant as the issue of this resolution is the engineering fees. He suggested a committee be established to negotiate a better engineering fee arrangement with Webster, Foster and Weston. Weber felt that the response to the hangar survey should make the hangar project a dead issue. The Airport has other projects we could spend this money on. Unruh stated that he talked to someone in aviation who had a real concern about the carousel type hangars. It was moved by Rodningen and seconded by Mutchler to table this item. ACTION TAKEN: Motion carried. Gershman decided to form a subcommittee to study the hangar issue. Rodningen volunteered and was made Chairman, also on the committee will be Bob Wood, Steve Johnson and Jack Lien.

**RESOLUTION #46-90**  
**AWARD BID FOR FEDERAL EXPRESS BUILDING**

Selig stated that bids were received for the new Federal Express building construction. Roers Construction was the low bidder for general construction with a bid of \$926,750; C.L. Linfoot was the low bidder for mechanical construction bidding \$123,220; and Rick Electric was low electrical construction bidder with \$87,450 for a total bid of \$1,137,420. The landscaping bid alternate was very high and Selig recommends staff work with the contractor to find a landscaping bid not to exceed \$4,000 for a total award of \$1,141,420. It was moved by Unruh and seconded by Weber to authorize awarding of the contracts to construct the new Federal Express building as listed above and detailed in the attached bid tabulations subject to the issuance of the revenue bonds, searching out temporary conventional financing to get the project going, and contingent on Federal Express lease commitment and review by the Authority attorney. ACTION TAKEN: The motion carried.

**RESOLUTION #47-90**  
**APPROVE HANSEN LEASE GARAGE/PARKING LOT GROUND SITE LEASE**

It was moved by Unruh and seconded by Mutchler to authorize the Executive Director to execute a Ground Site Lease with Hansen Lease & Rental. The ground site will continue to be used for Hansen's Hertz Car Rental maintenance and overflow parking facility. It is understood that the lease is the Airport Authority's standard

ground site lease modified slightly to reflect Hansen Leasing's specific situation. Additionally, the lease is the same as those executed by similar businesses of this type at the Airport and assesses the same ground site rental rates paid by other Airport tenants of fourteen cents per square foot for improved ground site areas and ten cents per square foot for unimproved (parking lot) areas. The agreement has been reviewed by the Authority's attorney. ACTION TAKEN: The motion carried.

**RESOLUTION #48-90**  
**APPROVE EASEMENT FOR NODAK REC FOR UNDERGROUND CABLE**

Selig explained that Nodak Rural Electric will be upgrading the cables for the FAA and the Airport and wants to run cable on the inside of the perimeter fence instead of outside it. It was moved by Weber and seconded by Unruh to authorize the Executive Director to execute the attached easement agreement with Nodak Rural Electric. The agreement authorizes Nodak Rural Electric to relocate electrical underground cables that service Airport and FAA facilities to an area inside the Airport's perimeter fence as detailed in the attached drawing. ACTION TAKEN: The motion carried.

**RESOLUTION #50-90**  
**APPROVE 1991 OPERATIONAL & CAPITAL BUDGETS/FEE SCHEDULES**

Gershman stated that a public meeting was held on Thursday, September 13, 1990 to go over the proposed 1991 budget in detail. No one had any further questions. It was moved by Weber and seconded by Unruh to adopt the attached Operational and Capital Budgets and associated Fee Schedules for fiscal year 1991. ACTION TAKEN: The motion carried.

**RESOLUTION #49-90**  
**AWARDING CONTRACT FOR FUEL TANK MONITORING SYSTEM**

Selig explained that the fuel tank monitoring system is required by the EPA to be in place by 12-31-90 for two of our oldest tanks to prove they are not leaking. This will be installed on two twenty-five year old jet fuel tanks and will be transferred to the new fuel farm when built. Selig pointed out that this project is budgeted for 1991 and Valley Electric & Petroleum has agreed to do the work now and receive payment in January 1991. Reis stated that there have been some changes to the EPA regulations that moved some of the deadlines to October '91. He doesn't know if this is one of the requirements affected. Johnson said he understands that this still must be done by 12-31-90. Gershman asked that Johnson look into changes in the EPA regulations and to keep Reis and Lien informed of anything he finds out. Gershman also stated that if they find out the deadline for this installation is moved back he would expect them to hold off on the installation if the project is not underway at the time. It was moved by Mutchler and seconded by Weber to authorize awarding of the contract for furnishing and installing an underground storage tank monitoring/inventory control

system to Valley Electric & Petroleum Equipment in the amount of \$6,904.00. ACTION TAKEN: The motion carried.

#### **PUBLIC HEARING RE: ISSUANCE OF AIRPORT REVENUE BONDS**

Chairman Gershman stated that the Grand Forks Regional Airport Authority proposes to issue approximately \$3,000,000 in bonds to undertake the following improvements at the Grand Forks International Airport:

1. Site development and improvements to the Federal Express building.
2. The Airport's share of sewer improvements.
3. Construction of new T-hangars.
4. Expansion of the terminal and terminal parking areas.
5. Construction of a fuel farm.
6. Runway reconstruction.
7. Expansion of the University of North Dakota ramp.

In accordance with established bond issuance procedure, the Authority Board is holding a Public Hearing on the matter. The Public Hearing is now open. All persons desiring to comment on this bond issue are welcome to do so. Please state your name and address for the record.

Seeing no one, Gershman officially closed the Public Hearing.

#### **RESOLUTION #51-90A**

#### **GIVING PRELIMINARY APPROVAL TO THE ISSUANCE OF AIRPORT REVENUE BONDS**

Selig explained that Resolution #51-90A was drawn up by the bond counsel and Staff recommends approval. It was moved by Unruh and seconded by Mutchler to give preliminary approval to the issuance of revenue bonds in an amount not to exceed \$3,000,000. The terms and conditions of said revenue bonds, and provisions for payment and security thereof, will be set forth in a subsequent resolution of this Board to be adopted upon the sale thereof. Notwithstanding the foregoing, this resolution does not constitute a binding commitment to proceed with the project and the issuance of the revenue bonds if the Board subsequently determines that it is not in the best interests of the Grand Forks Regional Airport Authority to do so. ACTION TAKEN: The motion carried.

**RESOLUTION #51-90B**  
**APPROVAL SALE OF AIRPORT REVENUE BONDS**

Selig explained that resolution #51-90B will be approved at a future Board meeting when the bond bids are opened. Myron Knutson of Evensen Dodge explained that the bond sale was scheduled to be held this morning. The information was submitted to Moody's for a bond rating and Moody's had concerns regarding the City and County's liability in regard to these bonds. Moody's rated this bond issue BAA1 but the City has an AA rating and the County has an A1 rating. The difference in the rating would cost about \$100,000 over the life of the bonds. Evensen Dodge decided to postpone the sale and settle the bond rating issue before rescheduling the same for the near future. Mr. Knutson felt the Board has three options: 1) proceed with Moody's BAA1 rating and schedule the bond sale, 2) have the City and County act on a resolution spelling out their contingent liability concerning these bonds and hope for a better rating from Moody's, or 3) ask another rating firm for a rating.

Stjern asked whether Moody's main concern is just the percentage split of their liability or whether they're liable at all. Mr. Knutson stated the concern is just the percentage split of the liability.

Gershman clarified for the press and the audience that the Authority can sell the bonds if they desire but the postponement of the sale can result in a better rating (interest rate) for the bonds.

Mr. Knutson recommended proceeding with asking the City and County to act on resolutions clarifying their percentage split and ask Moody's for a new rating. If this does not work the Authority could then go to another rating firm.

Gershman explained that this sale delay will not hold up the Federal Express building project as the Authority will get bank financing in the meantime.

Gershman asked that Evensen Dodge appear at the City and County meetings so they're available to answer any questions.

It was moved by Unruh and seconded by Mutchler to direct Airport administration and Evensen Dodge to proceed with a two step plan to get a better bond rating: 1) present a resolution to the City and County clarifying the percentage of their liability concerning these bonds and then ask Moody's for a new rating, 2) if step #1 fails proceed with receiving a rating from another firm. ACTION TAKEN: The motion carried.

**SEWER PROJECT UPDATE**

Gershman reported that a meeting was held yesterday with the City and County regarding the sewer project. The Authority agreed to pay \$275,000 towards the gravity feed. This amount for this

project is included in the bond issue. There was a question of how the EDA grant affects the amount the Authority will contribute. Gershman recommends all benefits of the grant go to the City. Selig explained that the Authority cannot afford to go beyond the \$275,000 commitment. Gershman suggested the staff draft a very clear letter as to Authority intent on this project. Mutchler pointed out that the Authority share has already been defined as the gravity feed portion of the project up to a maximum cost of \$275,000 and feels this was explained at the meeting. Gershman would like Selig to send a letter to the City clarifying this position. Selig said he will work with Christensen and draft a letter.

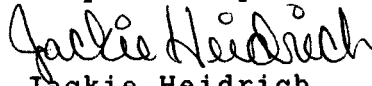
#### REPORTS

Unruh questioned why boardings are down all over the state but not nearly as bad in Fargo as here. Gershman feels we lost all of the United Express business. The August boardings in 1989 excluding United Express compared to August 1990 boardings show an increase of 1.1%.

Gershman thanked the Board members and the audience for their input and felt there were a lot of good ideas.

#### ADJOURN

Respectfully submitted,

  
Jackie Heidrich  
Board Secretary

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

**Wednesday, October 3, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Wednesday, October 3, 1990 at 11:00 A.M. with Chairman Hal Gershman presiding. Members present were: George Unruh, Jr., Clint Rodningen, and Tim Mutchler; advisory committee member Bob Wood; Authority attorney Doug Christensen; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

**OPEN BIDS FOR ISSUANCE OF AIRPORT REVENUE BONDS**

Myron Knutson of Evensen Dodge stated that Moody's gave the Airport Authority revenue bonds an A rating. Mr. Knutson reviewed the financing: \$2,710,000 in Airport revenue bonds, 20 year term, dated October 1, 1990, first principle payment due October 1, 1991, and the bonds have a call feature.

Mr. Knutson reported that four bids were received. The bids were: American National Bank, Price: \$2,677,806, Net Interest Cost (NIC): \$2,534,331.50, Net Interest Rate (NIR): 7.3962%; Boettcher & Company, Price: \$2,669,350, NIC: \$2,728,095, NIR: 7.9617%; Chiles Heider-Lehman Brothers, Price: \$2,669,350, NIC: \$2,529,460, NIR: 7.3820%; and Piper, Jaffray & Hopwood, Incorporated, Price: \$2,669,350, NIC: \$2,578,165, NIR: 7.5241%. Mr. Knutson explained that Chiles Heider-Lehman Brothers is the low bidder based on the net interest cost and net interest rate. Mr. Knutson said that receiving four bids is excellent and the rates are fairly close together which indicates you are getting a good market rate. Mr. Knutson stated that their initial interest rate projection when they started the bond issue was 7.48% so he feels this is a good bid. It was moved by Unruh and seconded by Mutchler to accept the low bid of Chiles Heider-Lehman Brothers for a price of \$2,669,350, Net Interest Cost of \$2,529,460 and a Net Interest Rate of 7.3820%. ACTION TAKEN: The motion carried.

**RESOLUTION #51-90B~~C~~**  
**AUTHORIZE THE ISSUANCE AND AWARDDING THE SALE OF \$2,710,000**  
**AIRPORT REVENUE BONDS OF 1990 TO FINANCE THE UNDERTAKING**  
**OF IMPROVEMENTS TO THE REGIONAL AIRPORT FACILITY**

It was moved by Unruh and seconded by Rodningen to adopt Resolution #51-90B as prepared by Evensen Dodge awarding the sale of \$2,710,000 Airport revenue bonds to finance the undertaking of improvements to the Regional Airport facility. ACTION TAKEN: The

motion carried. Mr. Knutson stated a deposit check was included with the bid and the rest of the money will be received on October 24, 1990.

Gershman suggested correspondence to the City and County thanking them for their help in making this bond issue happen. Selig will send a letter to each councilperson and commissioner.

#### **SEWER PROJECT UPDATE**

Selig reported that Mayor Polovitz has asked that the Board consider signing a joint discharge permit for the lagoon. The Mayor has agreed that the City is responsible for providing sewer and water for the Airport. Christensen recommends not signing the joint discharge permit. Selig suggested responding to the Mayor that we don't feel we can co-sign the permit as we don't feel we have the obligation and we have already agreed to pay \$275,000 towards the gravity feed for the sewer project. Selig said we could offer to do some daily function checks in the future to save the City some time and travel. He suggested we do this on an informal basis to continue a goodwill working relationship. Christensen said he recommends that the Authority not take any responsibility for any checks and let the City continue to do the daily function checks as that's what they pay their people for. Christensen said he spoke to Mike Shea of the City Water Department and was told their staff could handle the monitoring of this permit. Christensen said if the City feels they could train one of our staff to handle some of the duties we could consider letting them do that. Unruh doesn't feel the Authority should commit to doing any monitoring. Gershman asked Selig to draft a letter with Christensen to the Mayor to protect us legally regarding the discharge permit.

#### **BOND COMMITTEE**

Unruh on behalf of himself and the rest of the bond committee (Rodningen and Stjern) want to thank the staff for their help on the bond issue. They were very pleased with the way it turned out. Gershman also thanked the bond committee for their work on this project.

#### **ADJOURN**

Respectfully submitted,

*Jackie Heidrich*  
Jackie Heidrich  
Board Secretary

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

**Thursday, October 18, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, October 18, 1990 at 10:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, George Unruh, Jr., Tim Mutchler, and Clint Rodningen; advisory committee members Jack Lien and Bob Reis; Authority Attorney Doug Christensen; and staff: Bob Selig, Candi Stjern, and Jackie Heidrich.

**APPROVE MINUTES**

It was moved by Weber and seconded by Unruh to approve the minutes of the September 13, 1990 Authority Board Meeting. ACTION TAKEN: The motion carried.

It was moved by Unruh and seconded by Weber to approve the minutes of the September 20, 1990 Authority Board Meeting. ACTION TAKEN: The motion carried.

It was moved by Rodningen and seconded by Unruh to approve the minutes of the October 3, 1990 Authority Board Meeting. ACTION TAKEN: The motion carried.

**MONTHLY FINANCIAL REPORT**

Stjern reported a net operating loss of \$299.30 for the month of September 1990, which brings the net operating loss for the year to \$55,898.80. The net income before capital items is \$332,401. Year-to-date operating expenses are running at 74.02% of budgeted funds, or .98% under budget. Operating revenues to date are at 75.82% of budgeted revenues, or .82% over budget.

Gershman asked whether we are increasing our fuel prices with the increasing costs. Stjern said we are following the cost increases. She had spoken with the Operations Manager and he feels the increased price hasn't caused the retail avgas and avjet sales to drop off. Stjern also reported that we do a weekly survey of the region's fuel prices and have found only Bismarck's avjet is lower priced than ours.

Rodningen questioned whether Stjern feels the Authority will break even at the end of the year. Stjern said we could as a large amount of parking lot revenue will be received in December but it will depend on how much overtime is spent for snow removal, etc.



**RESOLUTION #52-90**  
**APPROVE SALE OF SURPLUS PROPERTY**

Selig explained that some of the items on the surplus property list are mowers we use presently. If we receive acceptable bids on these items we would purchase a new more efficient mower system. Selig wants to take sealed bids and if we don't get what we feel we need we would reject the bids. He expects to receive a total of \$40-50,000 for all the items. Reis suggested they include the option for the bidder to raise their bid at the bid opening. Weber asked what kind of mower system they plan to purchase. Selig said he saw a Mott flail type mower system that cuts a 21' width and a tractor at a conference. It sells for approximately \$44,000. It was moved by Unruh and seconded by Weber to authorize Airport staff to advertise for the sealed bid sale and disposition of surplus property with the option for bidder to orally raise their bid at the bid opening. ACTION TAKEN: The motion carried.

**WASTEWATER DISCHARGE PERMIT**

Unruh questioned the status of the sewer project. Gershman said the Mayor had called him again asking that we co-sign the permit. Christensen wrote to the Mayor explaining that we feel we shouldn't sign the discharge permit with the City. The Mayor has to take the permit back to committee for action.

**EMPLOYEE CHRISTMAS BONUS**

Selig reminded the Board that last year the employees received a gift book with a value of \$25. He recommends continuing this gift book but increasing to a \$50 value because of the extra efforts of the employees this year. The annual employee appreciation dinner has been scheduled. The Authority Board approved the recommendation with an understanding that the \$50 amount should not be expected each year.

**RESOLUTION #53-90**  
**"APPROVE REVISION OF MASTER PLAN"**

Selig asked to table this resolution until the November meeting as the FAA has recommended that the revision of the Master Plan include more than we originally anticipated. Selig said he originally planned only to update the future layout plan but the FAA would like the other layout plans updated as well as the narrative. Ron Noe requested the Board consider adding the east-west parallel runway ahead of the reliever airport. Ron Noe distributed an activity sheet that showed on September 19th there were 2211 operations at this airport. Noe stated that this is among the top five busiest in the nation. Selig explained that Grand Forks does not qualify for a reliever airport under the current rules of 1.5 million annual enplanements and a community population of 500,000. Selig expects a cost of \$10,000 to revise the Master Plan with 90% FAA participation. Selig said the reliever airport would move out beyond five years for future

development if we add the E-W parallel runway. Paul Smith, Minnkota Power, questioned Noe as to how this will affect the jet traffic. Noe said it won't slow it down as the tower can handle it. Reis said the Master Plan was trying to improve the inefficiencies that exist at this Airport but the revisions to the Master Plan suggested here will enhance the efficiency of this airport and make it a better candidate and more attractive to potential new airlines. He also felt this plan will provide more backing to get tower improvements and staff and will enhance the safety of all aviation. Selig said he will present a realistic revision of the plan at the November meeting. The FAA has requested that they receive this information by the end of the year. ACTION TAKEN: Tabled.

#### **GRANT PRE-APPLICATION**

Selig reported that the grant pre-application will be going in for the terminal expansion, UND general aviation ramp and the high-speed exits in place of the reliever airport study. He explained that some modification were done on the UND ramp to maximize the number of tie-downs. Selig explained they will utilize lot J for ramp which will add a double row and a single row of tie-downs. This will include ramp lighting and security fencing. This does not require additional costs.

#### **NEW AIRPORT SIGNAGE**

Gershman stated that he likes the new signing on the Airport. Unruh stated that he agrees and finds it very clear.

#### **ADJOURN**

Respectfully submitted,

*Jackie Heidrich*

Jackie Heidrich  
Board Secretary

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

**Monday, November 5, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners held a special meeting in the Board Room of the Administration Building on Monday, November 5, 1990 at 8:00 A.M. with Chairman Hal Gershman presiding. Members present were: George Unruh, Jr., Tim Mutchler, and Clint Rodningen; Authority attorney, Doug Christensen; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

**RESOLUTION #54-90**  
**"APPROVE AGREEMENT WITH CITY FOR SEWER DISCHARGE PERMIT"**

Gershman explained he had attended the City's Public Service Committee meeting last Monday night to discuss the sewer discharge permit. Rodningen also attended. Gershman reported the Committee voted 4-0 to suggest we sign the sewer discharge permit with the City. It was decided the lawyers would get together to discuss this issue. Christensen called Howard Swanson, the City's attorney, and no progress was made. On Friday, Gershman and Christensen met with the Mayor to discuss this issue. Gershman explained that he felt the ownership of the sewer was never transferred. Christensen then suggested the City agree to cover 90% of the costs associated with the sewer and the Authority will cover 10% as is done in federal grants. The Mayor agreed to this. Christensen also explained that the City will own the lagoon per this agreement. Gershman said the agreement for the Authority to contribute \$275,000 towards the gravity feed is still in place and will not be affected by this maintenance agreement. Selig diagrammed the current lagoon system and the lift station and forcemain that will tie into the City's lagoon. Selig also explained that the discharge permit is only in effect until the City constructs the new sewer system to allow the discharge of our lagoon onto the Airport property. The permit also requires certain testing and reporting. Gershman feels co-signing the discharge permit admits our ownership of the sewer system and he does not feel we own it. Gershman stated that the 90-10% split should not apply to any fines as we have no people trained to monitor and test in concurrence with this permit. Unruh suggested researching the future costs of maintaining the sewer and planning to set aside some funds to cover this. It was moved by Unruh and seconded by Mutchler to authorize the Executive Director to jointly execute the Wastewater Discharge Permit, in the name of the Grand Forks Regional Airport Authority, with the City of Grand Forks. The above action is contingent upon the execution of an agreement between the Airport Authority and the City of Grand Forks which includes the following provisions: 1. The City of Grand Forks is

the owner and operator of the wastewater treatment system at the Airport. 2. The Airport Authority agrees to contribute 10% of the direct maintenance and repair costs associated with the City's sewer system at the Airport including lift station, gravity and forcemain sewer facilities to be constructed in 1991/1992 that will connect the Airport sewer system to the City's main wastewater treatment facility. 3. The City of Grand Forks remains fully responsible for compliance with Wastewater Discharge Permit requirements and fines associated with any possible violations. ACTION TAKEN: The motion carried.

**RESOLUTION #55-90**

**"APPROVE CHANGE ORDER FOR FEDERAL EXPRESS BUILDING FOR CONCRETE BLOCK"**

Lonnie Laffen of Johnson & Laffen, project architect, explained that when planning this project they looked at samples of standard concrete block and felt they could use one of these colors. When they got to the actual construction they found the existing block color at the Airport is much lighter than any of the standards. This lighter color is a special order and will cost an additional \$9,295. There is also a series of overhead metal doors, windows and signage that are a shade of brown that matches better with the lighter special order block. Selig stated that this will have no effect on the Federal Express rent. It was moved by Unruh and seconded by Rodningen to approve the change order for the Federal Express building for concrete block in the amount of \$9,295. ACTION TAKEN: The motion carried.

**ADJOURN**

Respectfully submitted,

*Jackie Heidrich*

Jackie Heidrich  
Board Secretary

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

**Thursday, November 8, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, November 8, 1990 at 8:00 A.M. with Chairman Hal Gershman presiding. Members present were: George Unruh, Jr., Clint Rodningen, and Tim Mutchler; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

**RESOLUTION #59-90  
"AGREEMENT WITH CITY FOR WASTEWATER DISCHARGE PERMIT"  
RESCINDS RESOLUTION #54-90**

Gershman explained that at the City Council meeting on Monday night there was a lot of debate regarding the proposed 90-10% maintenance agreement between the City and the Authority for the sewer system at the Airport. The City still wants the Authority to jointly sign the Wastewater Discharge Permit but proposed other language for an agreement between the City and Authority concerning ownership of the sewer, permit compliance and responsibility for fines in connection with the permit. Gershman said he did not accept the City's offer of this agreement but has brought it back to the Board today in the form of a resolution for approval. This action would rescind Resolution #54-90 concerning the Wastewater Discharge Permit that was approved at the November 5, 1990 Board meeting.

Gershman said he felt the Authority should still contribute \$275,000 for the gravity feed for the new sewer project regardless of this new agreement. Gershman asked Selig to clarify in a letter to Don Tingum, City Auditor, and the Mayor our intent to contribute the \$275,000 with no further cost to the Authority for this project. Selig then called Mr. Tingum to discuss this issue and was told that the deal for the new sewer project is already set but if they don't receive the EDA grant it would have to be negotiated again at a later date.

Johnson explained that when the Authority sewer charges from the City were dropped in early 1989 because we were doing the maintenance the charges were also terminated on eleven tenant meters. When the new sewer project is completed these meters will again be billed for sewer charges.

It was moved by Mutchler and seconded by Unruh to authorize the Executive Director to jointly execute the Wastewater Discharge Permit, in the name of the Grand Forks Regional Airport Authority, with the City of Grand Forks. Resolution authorizes Executive Director to execute an agreement with the City of Grand Forks

including the following terms as detailed in the November 5, 1990 Council Action:

1. That the City is the owner and operator of the sewer and wastewater treatment system and facilities at the Airport effective 11-5-90;
2. That the City will be fully responsible for compliance with all wastewater discharge permit requirements and reports;
3. That the City shall be fully responsible for the payment of all fines, penalties or reclamation costs imposed upon the joint permittee under the wastewater discharge permit unless caused by the negligence of the Airport Authority from the date of transfer 6/17/88 through November 5, 1990.

It is also understood that the Authority and Airport tenants will be assessed the same sewer fees as charged to other City users.

This Resolution rescinds Resolution #54-90 approved at the November 5, 1990 Authority Board meeting and is subject to Authority Attorney approval. ACTION TAKEN: The motion carried.

**ADJOURN**

Respectfully submitted,

*Jackie Heidrich*

Jackie Heidrich  
Board Secretary

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

**Thursday, November 15, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, November 15, 1990 at 10:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, George Unruh, Jr. and Tim Mutchler; advisory committee members Bob Reis and Jack Lien; Authority Attorney Doug Christensen; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

**APPROVAL OF MINUTES**

It was moved by Mutchler and seconded by Weber to approve the minutes of the October 18, 1990, November 5, 1990, and the November 8, 1990 meetings. ACTION TAKEN: Motion carried.

**MONTHLY FINANCIAL REPORT**

Stjern reported a net operating income of \$16,594.96 for the month of October, which brings the net operating loss for the year to \$39,303.84. The net income before capital items is \$471,453 through October 31, 1990. The year-to-date operating expenses are running at 81.72% of budgeted funds, or 1.61% under budget. The operating revenues to date are at 89.73% of budgeted revenues, or 3.99% over budget. Stjern stated that retail fuel sales have been good and the expenses were down in October. Selig said his goal is to end the year with a break even budget.

**RESOLUTION #53-90  
"AUTHORIZE REVISION OF THE MASTER PLAN"**

Selig explained that the FAA recommended we revise the Master Plan to include a parallel east-west runway. This revision also includes a third parallel runway. The additional cost is approximately \$9,500 and is acceptable to the FAA on a 90-10% basis. It was moved by Unruh and seconded by Weber to authorize the revision of the Master Plan for the Grand Forks International Airport in accordance with the attached information at a cost not to exceed \$9,500.00. The Master Plan revision specifically includes the addition of a new parallel east-west runway as requested by FAA Air Traffic for airport capacity control. ACTION TAKEN: The motion carried.

**RESOLUTION #56-90**  
**"CONFIRMATION OF PROFESSIONAL SERVICE PROVIDERS"**

Unruh stated that the by-laws call for an Authority Treasurer and this position is not being filled. Selig said he feels those duties are included in the Director of Finance/Administration position. Unruh asked that Selig check with the Authority Attorney to see what action needs to be taken to not fill this position. Weber questioned how the engineer and architect positions are affected by the upcoming interviews. Selig explained that those interviews are for FAA projects and the engineer and architect included in the professional service providers list is for non-FAA projects only. Weber asked that the list of professional service providers be reviewed yearly. Unruh suggested that every 2-3 years the Board take an indepth look at these appointments. It was moved by Unruh and seconded by Mutchler to confirm the Executive Director's appointment of the following officers and professional services in accordance with section 100.07 of the Airport Authority's Organizational and Policy Manual: 1. Authority Secretary - Jackie Heidrich, 2. Authority Auditor - Brady, Martz and Assoc., 3. Authority Legal Council - Doug Christensen, 4. Authority Engineers - Webster, Foster and Weston, 5. Authority Architect - Johnson and Laffen, 6. Authority Bank of Record - First National Bank of Grand Forks. ACTION TAKEN: The motion carried.

**RESOLUTION #57-90**  
**"APPROVAL OF GROUND SITE/BUILDING LEASE AGREEMENT WITH UND"**

Selig explained the Authority Attorney has recommended that all new leases include a clause that all tenants will pay their share of any special assessments. This clause has not been written or included yet but UND is aware of this recommendation. It was moved by Unruh and seconded by Weber to authorize the Executive Director to execute a lease agreement with the University of North Dakota, for the lease of the existing Federal Express building once it is vacated by Federal Express in the spring of 1991. The agreement shall include the following terms: 1.) Use of lease premises shall be limited to activities associated with the University of North Dakota's Pilot Training Operations. 2.) The term of the agreement shall be for fifteen (15) years with an option to renew the lease for two additional five year periods. 3) Building rent effective upon occupancy in 1991, shall be \$4.15 per square foot through June 30, 1993. Building rent effective July 1, 1993 shall be \$5.00 per square foot. 4) The ground site rental effective upon occupancy shall be \$.1463 per square foot per year. 5) Rents and fees shall adjust annually in accordance with the Consumer Price Index in accordance with the previously approved Fees Adjustment Agreement between the Airport Authority and the University of North Dakota. 6) Airport Authority shall be responsible for insuring that the building is in good maintenance condition prior to the University's occupancy. 7) The balance of the lease agreement shall include the Airport Authority's standard lease language. ACTION TAKEN: The motion carried.



**RESOLUTION #58-90**  
**"BUILDING AND GROUND LEASE WITH AERO CENTER 1, INC."**

Mark Lane, owner of Aero Center 1, appeared to make a presentation to the Authority Board. He stated that he and his partner, Mark Holy, bought Aero Center on August 31, 1990. They feel there has been little effort made at the Grand Forks International Airport by a real committed FBO (fixed base operator). Mr. Lane stated that their first month's gross receipts were \$48,000 and the second month were \$210,000. Mr. Lane explained that they have proposed to take over hangar #2 and redo it. They would install a new door to be able to get larger aircraft in to use it for maintenance. They ask that the Authority provide the funds to do the remodeling and they will sign a 15 year lease for hangar #2.

Mr. Lane also stated that Aero Center will be adding Dakota Sky to its current businesses of Aero Center, DOD and Sky Air. Dakota Sky will operate a non-scheduled flight between Grand Forks and Bismarck with two flights a day. He stated they would like to lease the old Customs office in the terminal building to process these flights.

Selig stated this resolution would be subject to approval of a financing package and the Authority Attorney's approval.

Mr. Holy said they have a maintenance contract with Federal Express and can't currently get the aircraft into their hangar without lifting the nose to lower the tail which risk damage to the aircraft. They also have a maintenance contract with Northwest Airlines for small repairs. He also stated that Phase I of the remodeling, sewer and water stub-out, has been completed. The total remodeling bid was \$183,243.00.

Weber questioned whether the Authority should get involved in financing projects for tenants. Mr. Lane stated the Authority hasn't done anything for general aviation so far. He also said that basically the FBO is paying for improvements to a building that the Authority owns.

Dennis Bohn, hangar tenant, questioned where the aircraft currently stored in hangar #2 will go. Mr. Lane said Aero Center would take their aircraft out of all the other hangars to make room for the displaced aircraft. This would leave only one aircraft without a hangar. Selig said any aircraft that ended up being tied down would not be charged until storage is available to them and would have first chance at any hangar space that does open up.

Gershman doesn't feel anything to do with a loan agreement should be included in this resolution. Doug Christensen stated he doesn't think the Authority can lend them money. The Authority can do the work on their own and then lease it back.

Unruh feels this is not unlike what the Authority is doing for Federal Express in building their building and leasing it back to them. He said there are two issues: we need to satisfy ourselves as to the financial statement of the owners of Aero Center and determine whether we need to bid the project ourselves. Christensen stated that any building project done by the Authority over \$50,000 has to be bid. He found this information in the State Statutes after Jack Lien had suggested this could be true. Christensen said the Statute also stated that drawings and plans and specifications must be procured from a licensed architect.

Selig said we could separate the building lease and the financial agreement.

Gershman and Lien felt this project is a candidate for financing through the Growth Fund. Lane stated this would provide 6 new jobs immediately and up to 25 in a year. Lien suggested they talk to John O'Leary of the Growth Fund about this. Mr. Holy said they have had Bill Argo, John O'Leary and the Mayor out already and showed them their plans. Holy also stated they are already asking the Growth Fund for financial assistance to purchase aircraft and do a renovation on the hangar part of their existing building. Gershman and Christensen discussed the Airport Authority requesting the money from the Growth Fund. Christensen doesn't know if their regulations allow them to lend the Authority money. Unruh suggested that they discuss funding with Randy Nehring of Brady, Martz & Associates. The original resolution as presented to the Board was not approved. It was moved by Weber and seconded by Mutchler to approve a 90-day option to lease hangar #2 to Aero Center 1 to allow them to acquire financing. ACTION TAKEN: The motion carried.

**RESOLUTION #60-90  
"CONGRATULATE AIR TRAFFIC CONTROL TOWER ON AWARD"**

Gershman read a Resolution he proposed to congratulate the Air Traffic Control Tower on their "Tower of the Year" award. It was moved by Weber and seconded by Unruh to approve a Resolution that the Grand Forks Regional Airport Authority congratulates Ron Noe and the staff at the Grand Forks Air Traffic Control Tower on being awarded "Tower of the Year" for the Great Lakes Region. The Airport Authority Board recognizes and appreciates the vital role the Air Traffic Control Tower plays in maintaining a safe flying environment for the Grand Forks region. ACTION TAKEN: The motion carried.

**AIRPORT OPERATIONS CUSTOMER SERVICE SURVEY**

Johnson stated they had tried to locate those who gave negative comments on the customer service survey but plan to add more detail to the form so this will be easier in the future. Gershman offered congratulations on the good job the operations center is doing.

### CAROUSEL-TYPE HANGARS

Mutchler said he had spoken to someone from Oakes who uses a carousel-type hangar and likes it. They have no concrete in their hangar.

### ASOS WEATHER SYSTEM

Selig said he attended a meeting this morning on a new ASOS (automatic surface observation system) weather system that will be installed within two years. It will include electronic means of measuring airfield visibility in the touch-down areas.

### ADJOURN

Respectfully submitted,



Jackie Heidrich  
Board Secretary

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

**Thursday, December 20, 1990**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, December 20, 1990 at 10:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, Clint Rodningen, George Unruh, Jr. and Tim Mutchler; advisory committee members Bob Wood; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson and Jackie Heidrich.

**APPROVAL OF MINUTES**

It was moved by Weber and seconded by Mutchler to approve the minutes of the November 15, 1990 meeting. Rodningen questioned why there was no Authority Treasurer appointed at this meeting as called for in the procedures manual. Selig said he has asked the Authority's attorney to review this but he feels Candi Stjern currently handles these duties. Rodningen felt the Treasurer should oversee the Director of Finance. Christensen said he feels the Treasurer would be a Board member. Christensen suggested this manual be reviewed and any necessary revisions made. Gershman appointed a committee to review the by-laws. Unruh was appointed Chairman and other members will be Gershman and Christensen. ACTION TAKEN: Motion carried.

**MONTHLY FINANCIAL REPORT**

Heidrich reported a net operating loss of \$2,485.63 for the month of November, which brings the net operating loss for the year to \$41,789.47. The net income before capital items is \$381,305 through November 30, 1990. The year-to-date operating expenses are running at 89.69% of budgeted funds, or 1.97% under budget. The operating revenues to date are at 94.16% of budgeted revenues, or 2.50% over budget.

**RESOLUTION #61-90  
APPROVAL OF TERMINAL RENT AGREEMENT WITH AERO CENTER 1**

Selig explained that this resolution outlines the general terms for the use of the old Customs room by Aero Center 1 for their charter services over the next few months. Mark Lane stated that he is not opposed to anything on the resolution but will have to weigh the changes from the original lease proposal as this is the first he has seen of this resolution. Unruh questioned what those changes are. Lane said the Authority originally agreed to put the Dakota Sky name over the door and the new lease language says Aero Center pays for it. Christensen suggested that the lease the Airport Authority draw up can give the Authority approval of the Aero

Center sign. It was moved by Unruh and seconded by Mutchler to authorize the Executive Director to enter into a rental agreement with Aero Center One, Inc. for the rent of approximately 381 square feet of Airport Terminal space which was previously the old Customs office. The space will be used to conduct an unscheduled charter service between Grand Forks and Bismarck. It is understood that the Agreement to be drafted and reviewed by the Airport Authority's attorney will include the following terms: 1. The space being rented will be used for unscheduled charter service only. Should Aero Center One's operations increase to a level that classifies them as a "commuter airline" in accordance with the DOT definition, Aero Center One, Inc. will be required to conduct their operations out of the terminal ticket counter area or arrange ground handling services by an airline that does provide ticket counter services. 2. The term of the rental agreement shall be for thirty (30) days, automatically renewable for an additional thirty (30) days subject to a thirty (30) day termination notice by either party. 3. Rent for this space shall be at a rate of \$12.79 per square foot per year and paid at a monthly rate of \$406 per month. 4. Aero Center One shall be authorized to install its name over or on the door entering into the rental area, at its expense. Signage is subject to the final approval of Airport Authority administration. In addition to the name "Dakota Sky", Aero Center One must include the name "Charter Service" to insure that it is clear to the public and to other terminal tenants that they are not functioning as an "airline". 5. Aero Center One will be utilizing an access door to the secured Airline Ramp and agrees to comply with the strict security procedures required by the FAA and the Airport Security Manual. Aero Center One understands that failure to comply with security procedures in this area could result in the immediate termination of this agreement and their terminal operating privileges by the Executive Director. 6. Aero Center One further understands that the rented area is included as a part of the Terminal Bag Claim Expansion Project that is expected to begin in June of 1991. Aero Center One understands that once the project begins, they will be required to relocate to the ticket counter areas, and that rents will adjust accordingly. 7. The balance of the agreement will be standard provisions contained in all Airport Rental and Lease agreements. ACTION TAKEN: The motion carried.

#### **RESOLUTION #62-90**

#### **AMENDMENT REQUEST FOR ADDITIONAL SECURITY FENCING FOR "08" GRANT**

Selig explained that this is a request for an amendment to the grant for the air cargo ramp project. This would allow for additional security fencing along "C" ramp. Unruh asked if this is paid 90-10% by the FAA. Selig said it is. It was moved by Unruh and seconded by Weber to authorize the Executive Director to request an amendment to FAA Grant #3-38-0022-08 in the amount of \$19,340.85. The amendment covers the installation of an additional 1,413 linear feet of chain link security fencing to be installed around Ramp C in accordance with the drawings.

Rodningen questioned whether this money can be used for drive in gates by the lagoon or to replace the turnstiles for easier handicap access. Selig said he didn't feel the FAA would let these funds be used to tear out fence they just installed but he could make the request. Clint said the request should be made and he is willing to help Selig develop the reasoning to be presented to the FAA. Selig said he will talk to the FAA and work up some costs and report back. ACTION TAKEN: It was moved by Unruh and Weber to withdraw the motion and the second. Tabled to future meeting.

**RESOLUTION #63-90**  
**SELECTION OF ENGINEERING SERVICES FOR FAA GRANT PROJECTS**

It was moved by Weber and seconded by Mutchler to authorize the Executive Director to enter into an agreement with Ulteig Engineering to provide engineering services including but not limited to the development of plans and specifications, construction inspection, and project management, for all FAA projects initiated between January 1, 1991 and December 31, 1993 (three years) subject to the negotiation of a fee schedule that is acceptable to Airport Management and the FAA. Fee negotiations will specifically address the following proposed projects: 1) Expansion of Ramp C, 2) Reconstruction and expansion of Runway 8-26, and 3) Construction of a parallel runway to 8-26.

Rodningen requested an explanation of the selection process and criteria. He feels the whole Authority Board should have had input as to the criteria used in the selection process. Rodningen said he has copies of the FAA criteria for selection and feels that they were not all used. Selig said the scope of work was developed by himself and the criteria was then based on the scope of work. Selig said he also developed the scoring sheet based upon FAA criteria. Selig said the selection process can be changed and the Board can have all the input they want.

Mutchler asked how many times Selig has done this selection process since he has been at Grand Forks. Selig said three or four times.

Unruh said he has no problem in believing that Weber and Mutchler did a good job serving on the selection committee. He feels Rodningen is questioning the validity of the form. He said the criteria forms cannot be designed so as to automatically exclude certain firms. He especially would like to see local firms get the work but the process can't be designed to work that way. Selig suggested if they feel this process was slanted the Board direct him to redo the whole selection process.

Weber withdrew his motion and asks that Rodningen be appointed Chairman of a new selection committee. Mutchler withdrew his second.

Weber suggested that Webster, Foster & Weston go to other airports for experience instead of just focusing on Grand Forks. As a member of the selection committee Weber felt Webster, Foster and Weston's presentation was much better than at previous interviews.

Christensen questioned why the appointment is for three years. Selig explained he is following a recommendation by the FAA to cover multiple years instead of interviewing on a project by project basis as previously done. Also, to be eligible for discretionary funds in October for runway 8-26 we have to have preliminary designs and bids done this fall and this runway project will overlap into multiple years. Selig explained that the overlapping of the Ramp C expansion project and the runway 8-26 project resulted in the FAA's recommendation.

It was moved by Rodningen to instruct the Executive Director set up separate meetings with the top three engineering firms with all five Board members in attendance, using the selection criteria from the FAA circular for the interview process with a rating of 1 to 10 in each area.

Johnson stated that in his opinion the most experienced engineer didn't get the job. He also asked why interview only the top three when there were only four to begin with. Rodningen stated it was to limit the time it would take. Selig recommended interviewing all four if the process is to be repeated.

Rodningen's motion died for lack of a second.

It was moved by Mutchler and seconded by Unruh to authorize the Executive Director to enter into an agreement with Ulteig Engineering to provide engineering services including but not limited to the development of plans and specifications, construction inspection, and project management, for all FAA projects initiated between January 1, 1991 and December 31, 1993 (three years) subject to the negotiation of a fee schedule that is acceptable to Airport Management and the FAA. Fee negotiations will specifically address the following proposed project: 1) Expansion of Ramp C, 2) Reconstruction and expansion of Runway 8-26, and 3) Construction of a parallel runway to 8-26.

Unruh suggested instead of the three year time period the motion could specify projects.

Upon calling for a vote on the amendment to remove project #3, construction of a parallel runway to 8-26, from the resolution it carried with Rodningen voting "no".

Upon calling for a vote on the amendment to eliminate the term of three years it carried with Rodningen voting "no".

It was moved by Mutchler and seconded by Unruh to amend the motion to authorize the Executive Director to enter into an agreement with Ulteig Engineering to provide engineering services including but not limited to the development of plans and specifications, construction inspection, and project management for the expansion of Ramp C and the reconstruction and expansion of Runway 8-26 subject to the negotiation of a fee schedule that is acceptable to Airport Management and the FAA.

Rodningen questioned how the Board plans to address his concerns over the selection criteria. Unruh stated the next selection process will be different. He has confidence Mutchler and Weber did the best job they know how to do and doesn't want to throw away their work. Selig said the whole Board participated in the interview process for the Master Plan but questioned whether the Board has the time to put into the whole process.

Upon calling for a vote on the amended resolution as read by Chairman Gershman it carried with Weber abstaining and Rodningen voting "no".

**RESOLUTION #64-90**  
**SELECTION OF ARCHITECTURAL SERVICES FOR TERMINAL EXPANSION**

Selig explained that this selection for architectural services is for just one project. It was moved by Mutchler and seconded by Unruh to authorize the Executive Director to enter into an agreement with Johnson & Laffen for the expansion of the terminal bag claim area at the Airport. Architectural services shall include the development of plans and specifications for the expansion, construction inspection, and project management. Selection is subject to the negotiation of an architectural fee schedule acceptable to Airport Management and FAA. In the event Johnson & Laffen is unable to present a fee schedule that is acceptable to Airport Management and FAA, Airport Management is directed to initiate negotiations with the next best qualified architectural firm. In the event an acceptable fee schedule is reached with this firm, management is directed to return to the Airport Authority Board for authorization to enter into an agreement.

Rodningen said he wished to express the same concerns as he did in Resolution #63-90.

Upon a vote on this resolution, it carried with Rodningen voting "no" and Weber abstaining.

**RESOLUTION #65-90**  
**APPOINT VICE-CHAIRMAN FOR WEBER'S UNEXPIRED TERM**

Gershman explained that the Vice-Chairman position is vacant as Weber asked to step down. It was moved by Mutchler and seconded by Weber to appoint Unruh as Vice-Chairman.

Rodningen stated he feels the chairmanship should rotate into the County. He questioned how it does rotate. Selig explained that the Chairman is voted in for two years and can serve an additional two years. Selig also said this appointment is in effect until Weber's appointment runs out in July 1991. Gershman's term as Chairman will also be over at that time. Rodningen said he felt Mutchler, the other County representative, should be Vice-Chairman. It was moved by Mutchler to cease nominations. The motion carried with Rodningen not voting.



## CHANGING TABLE IN SECURITY AREA REST ROOM

Gershman said the security people told him of the need for a diaper changing table in the security area rest room. Johnson will take care of this as soon as possible.

## REPORTS

Selig reported that boardings were down last month but are doing well this month. Operations are running about 25% over this time last year. He feels the main increase is in general aviation itinerants. The UND students who come back from smaller airports are logged as general aviation itinerants.

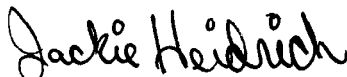
## SELECTION COMMITTEE

Selig recommended that we start looking at the selection process after the first of the year and make whatever changes are necessary. He said we could send our criteria to the FAA and ask their opinion. Gershman thanked Weber and Mutchler for their work on the selection committee.

Lloyd Weston of Webster, Foster & Weston said he had talked to Mutchler and Weber regarding the selection process and feels it was done conscientiously and to the best of their ability and would like to thank them. He feels that the committee should be looking at personnel who have experience, recent or not, and let them worry about how much time and money they have to spend to get up to speed. He stated that Webster, Foster & Weston have interviewed several times and haven't gotten any jobs and are starting to feel they have no hope of getting a job.

## ADJOURN

Respectfully submitted,



Jackie Heidrich  
Board Secretary