PROCEEDINGS OF

THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

BOARD OF COMMISSIONERS MEETING

Thursday, January 17, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, January 17, 1991 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, Jack Lien, Dorothy Radi and Bob Reis; Authority Attorney Doug Christensen; and staff: Bob Selig and Jackie Heidrich.

## APPROVAL OF MINUTES

Gershman said all Board members should have received an amended set of minutes. It was moved by Weber and seconded by Mutchler to approve the minutes of the December 20, 1990 meeting. ACTION TAKEN: Motion carried.

## ROLL CALL VOTING

Gershman explained that the Board should use roll call votes on all resolution votes in the future. It was agreed to use this procedure.

## RESOLUTION #01-91
## APPROVAL TO REQUEST BIDS FOR AN AIRPORT WORK FLOW STUDY

Gershman said he had talked with Weber and Unruh and they would like to request a bid from Brady, Martz & Associates to conduct a work flow study of the administration office. Selig said he had discussed this with Brady, Martz and they need a scope of work and then can submit a bid. Gershman explained that the objective would be to see if the office is understaffed or overstaffed as there is a concern that we are a little heavily staffed in the office. It was moved by Mutchler and seconded by Unruh to direct the Executive Director to develop a scope of work and to obtain bids for conducting a "Work Flow Study" of Airport Administration. ACTION TAKEN: Motion carried.

## RESOLUTION #02-91
## APPROVAL TO SELL SURPLUS EQUIPMENT

Selig said that the items recommended on the bid tabulation for sale total $4400.00. The staff didn't feel the bid was high enough on the snowblower. Weber suggested sending the specs on the blower to the League of Municipalities magazine to try to sell it. Selig said we could trade it off on a broom in the future. Selig explained that the bids on the mowers didn't amount to enough to replace them with a new mowing system so they are not to be sold.

It was moved by Mutchler and seconded by Weber to authorize the Directors of Operations and Finance/Administration to sell surplus equipment to the highest bidders in accordance with the attached bid tab. ACTION TAKEN: Motion carried.

**RESOLUTION #03-91**
**COMMEND STAFF/EMPLOYEES FOR FAA SAFETY AWARD**

It was moved by Weber and seconded by Unruh to approve a resolution to thank and commend the staff and the employees of the Airport Authority for their tremendous work over the past two years which resulted in the Airport receiving one of five FAA safety awards for the Region, out of 1300 eligible airports. ACTION TAKEN: Motion carried.

**1991 AIRPORT PRIORITIES**

Selig explained that each year the administrative staff works to develop ideas of focus for the next year and sends these priorities to the Board. Selig explained that the list is not necessarily in priority order. He asked for any discussion of any items listed or any additional items the Board felt were important in the coming year.

Unruh suggested that marketing and development could include efforts to increase fuel sales and general aviation use of the airport. He also suggested considering getting some assistance developing a marketing plan. Selig said an effort has been made to get back some of the general aviation customers that we lost in the past to International Falls where they went to clear Customs after experiencing problems with Customs here.

Rodningen questioned whether the aircraft manufacturer that is going into Fargo had approached Grand Forks. Selig said he talked to them last year but had a problem getting them and the Bank of North Dakota together and in getting financial information from the manufacturer. Lien said the Growth Fund also looked at them and felt they were weak financially.

Weber suggested that some additional seating be put into the pilot service center. Selig said we can put a couple more seats in but can't turn it into a pilot's lounge.

Selig said he has been working with an aircraft rehabilitation facility developer who wants to put a facility here. He has a flow chart he will send out to the Board. Selig said he has also made some contacts on air cargo development.

Mutchler questioned the progress concerning the taxation money that has been diverted away from the Authority. Selig said he has been working with the States Attorney on this but hasn't heard anything back.

Selig stated that a newsletter with airport information and articles from the tenants is being put together. It will be sent to a mailing list of approximately 1000.

Rodningen asked whether Minnkota Power's concerns are being worked out. Selig said they have. Selig said he held a meeting with hangar tenants regarding the hangar leases, and several other issues were also discussed. A Minnkota Power representative was there. Larry Gebhardt, Minnkota Power, said he had addressed the turnstile problem to management a month before anything was done on it and felt at that time he was just put off with a rude comment. He doesn't feel complaints are being listened to when brought to Airport management. Selig said he feels the staff is addressing these issues in an efficient manner and that the only problems remaining are simply personality conflicts between Minnkota and Airport staff.

**FUEL PRICING/PUTTING FUEL SUPPLY OUT FOR BIDS**

Selig stated that Grand Forks doesn't have the lowest fuel prices in the area because we can't complete with Bismarck which has the refinery nearby which results in lower transportation costs. Unruh said that many aircraft from here go to Bismarck and see the fuel prices there and get the feeling that we are high priced from that comparison.

Gershman said he feels we have good service from Texaco but we should look at what other suppliers will do for us. Selig also suggested it would be nice to work a deal with a supplier to have them help us meet EPA requirements in relocating the fuel farm.

Reis explained that the UND purchasing procedures permit them to receive a quotation each time they need a load of fuel, with up to four suppliers providing price quotes each time. He stated they have no contract with Texaco, but just lease some of their trucks from them. Selig said he had been told by Texaco we couldn't lease trucks without a fuel lease. Gershman asked for a report at the next meeting on fuel suppliers.

**SCHEDULING OF AN AIRPORT RETREAT**

Unruh said he feels it is time to schedule another retreat for the Board. Gershman stated that the last one was held two years ago. Unruh suggested using Randy Nehring or Bob Boyd as a facilitator. He asked that it be scheduled sometime in the next six months. Mutchler said he felt March was preferable. Selig said he will present the costs at the next meeting. Rodningen asked what these retreats cover. Unruh explained that the last meeting covered a lot of operational issues and feels the Airport's FAA safety award shows we made improvements there. Selig said he agrees we have accomplished many of the original goals but need a consensus of where we're going now. Unruh suggested calling these retreats "long-range planning sessions" in the future. He also suggested broadening the attendance to include others besides the Board members.

## 1990 OPERATIONS SUMMARY

Selig pointed out that the Operations Report is a new report concerning the fueling and ARFF areas. It is important for all of us to know what our employees are doing since their work efforts are not always visible to the Board or the public.

## PROJECT STATUS REPORT/TERMINAL EXPANSION UPDATE

Gershman asked if bids had been received on Weber's idea of turning the old administration office in the terminal into passenger waiting area. Selig said the architect's cost estimate was $30,500 to add seating in that area. Selig said he has included this project as a part of the preapplication for FAA funding that would be covered 75%-25%. He explained that $11,000 was budgeted for the reliever airport study that we won't be doing so that will cover the Airport's share of the costs. Gershman suggested the Authority's staff could do this remodeling for $2,000. Mutchler felt the bids will come in lower than the architect's estimate. Gershman asked where the majority of the seating problem is - secured hold area or unsecured. Selig said we need both but feels we should only address one of the areas with this remodeling. Unruh suggested having Johnson & Laffen study which is needed more. Mrs. Lind suggested moving the vending machines and video games into the old administration office and change those areas into unsecured seating area. Selig said he will take another look at this project taking all these ideas into consideration.

Rodningen said he noticed buckets in the Terminal catching water and wondered what the problem is. Selig explained that the roof will be repaired as soon as the contractor can get here. Kathy Lind, Manager of National Car Rental, said the contractor is repairing it right now.

Mutchler questioned how Dakota Sky is doing. Selig said he has flown on it once and felt they have excellent service. He has been told they have good passenger loads booked. Radi said they have worked with the travel agents and given them ticketing information. She feels they've been very pleasant to work with.

## COMMITTEE REPORTS

Rodningen said that at the last meeting the Board talked about a treasurer position and revamping the by-laws and questioned whether that committee has done anything. Gershman said that they have not yet met. Gershman questioned what progress Rodningen's hangar committee has made. Rodningen said there is no sense in discussing hangars until he understands how we can build them. Gershman said this committee was formed because everyone in general aviation is telling the Board they're not doing anything on the hangars. Unruh said his by-laws review committee will meet and get started on that project. Rodningen also stated that he needs the hangar agreement

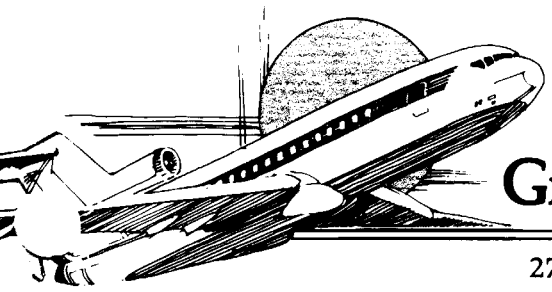
as information to work with on the hangar development project and that information isn't completed yet. He said he will start working on the T-hangars when everything is in place - fencing, security, agreements, etc. Selig said he will put together a packet of all the pertinent information and can meet with Rodningen on this.

ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary



# Grand Forks Regional Airport Authority

2787 Airport Drive • Grand Forks, North Dakota 58203 • (701) 746-2580

## 1991 Administrative Priorities

1. Air service development:

   a. Maintain Northwest fourth jet flight
   b. Assist in the establishment of commuter service between Bismarck and Winnipeg, Bemidji, and Grand Forks.
   c. Continue communication efforts with other Airlines in an attempt to attract a westbound Air Carrier.

2. Initiate an aggressive Airport Marketing and Development Program to include:

   a. Air Cargo expansion
   b. Air passenger service (Bismarck, Winnipeg, Bemidji, westbound)
   c. Regional marketing to establish a feeling of Airport ownership throughout member Townships.

3. Finalize an Airline Operating Agreement.

4. Study feasibility of the Airport Authority operating the Airport's paid public parking. Existing agreement with APCOA expires November 1, 1991.

5. Establish detailed methods of parking control along Airport Drive and in front of the terminal.

6. Establish Airport shuttle (Limo) concession requiring specific minimum standards of quality and performance.

7. Establish an Airport landscaping plan and a corresponding budget.

8. Expand general aviation (FBO) services and facilities.

9. Initiate the following projects:

   a. Construct additional aviation hangar storage (bond or private funding)
   b. Expand UND's general aviation ramp (FAA funding).
   c. Expand the terminal's bag claim area (FAA funding).
   d. Begin the expansion of Runway 8-26 (FAA funding).
   e. Update security lighting on the secured Airline Ramp, and Ramp C (FAA funding).
   f. Complete security fencing around ramp C (FAA funding).

PROCEEDINGS OF

THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

BOARD OF COMMISSIONERS MEETING

Wednesday, January 30, 1991

The Grand Forks Regional Airport Authority Board of Commissioners held a special meeting in the Board Room of the Administration Building on Wednesday, January 30, 1991 at 10:00 A.M. with Chairman Hal Gershman presiding. Members present were: George Unruh, Jr., Tim Mutchler, Jim Weber and Clint Rodningen; and staff: Bob Selig, and Jackie Heidrich.

## RESOLUTION #04-91
## FINAL APPROVAL OF TERMINAL EXPANSION PLANS

Lonnie Laffen of Johnson & Laffen, architects for the project, was present to discuss the options he is presenting for consideration. Selig explained that the FAA has seen Option A, the design recommended by Weber.

Laffen said the baggage claim area is the same on all schemes. The concerns and benefits of each option are stated on the drawings.

Laffen said Option A is the least costly because the security gate and the security machine don't have to be changed. Option A is also the only option that does not impede the traffic flow to the bag claim area from the main lobby.

Gershman questioned whether we could gain seating area in the secured holding area just by rearranging the present seating to make room for more. Laffen felt it was nice that the present seating arrangement leaves the window area open but it would be possible to get more seats in using that area. Selig said there are 53 seats in the secured hold area currently but he can look at getting more seats. Gershman suggested looking into putting a rack in the hold area for the carry-on luggage.

Laffen explained that Option B moves the security gate and machine one column to the east and makes the back area of the old administration office into secured seating and the front into non-secured seating. He felt this option does not follow the Master Plan and questioned whether anyone would use the secured seating in this area.

Laffen said on Option C all the new seating is secured and the security gate and machine are moved into the old office area. He feels this is probably a confusing configuration for the passengers. Laffen also felt this option doesn't work very well with the long-term terminal expansion plans.

On Option D Laffen explained that 3/4 of the new space is secured seating. Part of this area is also used for vending as the plan removes the vending and game room for additional seating. This option would require complete remodeling in that area, wall covering, carpet, etc., and the game room would be lost. Laffen stated that this option runs over the proposed budget.

Gershman asked whether Selig has talked to the Health Department about taking the doors off the restaurant to open up that area. Selig said he has talked to Ron Elder, Restaurant Operator, but not the Health Department.

Laffen explained that Option E turns the old office into all secured seating and relocates the security gate out further. A section of glass in this section could be relocated to make this non-secured seating at a later date. Selig suggested having a television in this area to get the passengers in there. He also felt coffee and rolls could be available at the small kitchen area from the office.

Unruh questioned the cost of Option A versus Option E. Laffen stated that Option E costs about $10,000 more than Option A which is $30,000. Selig said the total project is $255,000 including the bag belt, waiting area and secured locks to the rampside doors using Option A. He also explained that an additional "exit only" door will be added by the bag claim as a part of this project.

John Stimpert, Station Manager for Northwest Airlines, stated that Northwest Airlines doesn't like to spend any more money than they have to. He feels that Option A gives more space to people seeing the passengers off and prefers that more space be given to those buying tickets.

Selig explained that the new bag belt in the baggage claim area will be 65' long, compared to the current belt that is 48'.

Mr. Stimpert stated that he felt Option B splits up the hold area. In Option C he felt the cross traffic would be bad. Mr. Stimpert said he liked Option D but would prefer that the vending machines were located away from the ticket counters. Gershman suggested Option D would force more congestion towards the ticket counter than towards the seating area. Mr. Stimpert thought more people would clear security early to have the coffee and rolls that would be available in that area.

Gershman suggested the possibility of removing the ticket counter by the cafe and putting in more seating in that area at some point in time when it would be needed.

Mr. Stimpert stated that he liked Option E best of all as far as the airline is concerned. He said this option provides more secured seating for the ticketed passengers. He did not know if the additional $10,000 it would cost the Authority would be worth it though.

Gershman's main concern with Options B-E is that they will cause a congestion problem by the ticket counters because of the security machine moving towards the lobby.

Mutchler stated that he felt these are all only temporary solutions to the seating problem. He suggested looking at relocating the restrooms in the hold area for more seating space.

Laffen explained that the seating in Option A costs $15,000 of the $30,000 total cost.

Weber suggested looking into how many more seats we can fit into the present hold area. Laffen guessed that an additional 15-20 seats could be put into the present hold area.

Selig said he feels Option A does the least damage and meets the needs temporarily but can easily be turned back into an office at a later date if needed.

It was moved by Unruh and seconded by Mutchler to instruct Johnson & Laffen to use Option A as the design to be used for the Terminal Expansion Project. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #05-91**
**APPROVE BONUS FOR EXECUTIVE DIRECTOR**

The Board reviewed the Executive Director's evaluation meeting held with Gershman, Weber and Selig and the Executive Director's response. There was substantial discussion on all of the above items. A bonus of $4,000 was recommended and approved.

**ADJOURN**

Respectfully submitted,
Jackie Heidrich
Jackie Heidrich
Board Secretary

PROCEEDINGS OF

THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

BOARD OF COMMISSIONERS MEETING

Thursday, February 21, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, February 21, 1991 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 Jack Lien, Dorothy Radi and Bob Reis; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, Candi Stjern and Jackie Heidrich.

## APPROVAL OF MINUTES

It was moved by Weber and seconded by Mutchler to approve the minutes of the January 17, 1991 meeting. ACTION TAKEN: Motion carried.

It was moved by Mutchler and seconded by Rodningen to approve the minutes of the January 30, 1991 meeting. ACTION TAKEN: Motion carried.

## FINANCIAL REPORT

Stjern presented a preliminary statement of revenues and expenses for 1990. She explained that a complete 1990 audit report will be presented at the March Authority Board meeting. Stjern stated that the operating revenues for the year are 4.16% above the budgeted revenue. The operating expenses for the year are .08% above the budgeted expense. The operating loss before depreciation is $62,346.73 and the net income for the year is $358,685.00.

## RESOLUTION #07-91
## SELECTION OF LONG-RANGE PLANNING SESSION FACILITATOR

Gershman stated that two proposals were received for a facilitator for the Board's long-range planning session; Brady, Martz & Associates and Bob Boyd of UND. Selig said that Brady, Martz would provide continuity as they conducted the last retreat. He also felt that Bob Boyd may have a fresh look and comes highly recommended. Gershman explained there was a big difference in their fee proposals. Brady, Martz would conduct pre-interviews with the Board and Airport staff to establish an agenda before the meeting.

Tom Cochran, Minnkota Power, questioned whether either would interview general aviation. Gershman explained the purpose of this session and that it only involves the Board members. Mr. Cochran stated that he feels it is important for the public to be involved with this planning session as the Board wouldn't be here without general aviation and the public. He stated that without interviews with general aviation and the public it's a one-sided issue. Gershman then felt it may be a good idea to interview Airport tenants also. Rodningen questioned the necessity of a retreat stating that he personally felt it would be boring. Rodningen also said he felt this planning session should be made public so anyone that is interested can watch but not participate. Gershman said he felt the presence of an audience will diminish the effectiveness of the retreat but legally the meeting cannot be closed to the public.

It was moved by Unruh and seconded by Mutchler to authorize the Executive Director to employ Brady, Martz & Associates as facilitator for the upcoming Authority Board Long-Range Planning Session. The Executive Director shall insure facilitator includes pre-interviews with appropriate individuals within the Airport's customer base (UND, concessions, general aviation, airlines, etc.). Executive Director shall also coordinate an acceptable date for the retreat between the Authority Board members, the facilitator and Airport staff as soon as possible. Executive Director shall negotiate the fees. ACTION TAKEN: Motion carried unanimously.

**RESOLUTION #08-91**
**APPROVE CHANGE ORDER FOR REPLACEMENT GATE & FENCING ON 08 GRANT**

Selig explained that this change order replaces one of the turnstiles in the general aviation area with a swinging gate to allow handicap access and move that turnstile to "C" ramp by UND's 5-story building. He stated that the FAA has reviewed this change order and given verbal approval. Selig feels this addresses the concerns of general aviation for handicap access as well as Minnkota's concerns for getting equipment in and gives better access at "C" ramp. It was moved by Mutchler and seconded by Unruh to approve a change order on the air cargo ramp project and an amendment to the 08 grant in the amount of $15,742.97. This change order and amendment cover the installation of a swing type new gate in the general aviation parking lot, (removal and replacement of the turnstile gate), and the installation of an 18-foot sliding vehicle gate, and an additional 1,092 linear feet of chain link security fence installed around Ramp C. This change order and amendment are contingent on FAA approval. ACTION TAKEN: Motion carried unanimously.

**FUEL SUPPLIERS REPORT**

Selig explained that the staff has spent a lot of time talking to fuel suppliers across the country and at this time are recommending staying with Texaco. He explained that other factors such as the Texaco credit card system for a quicker turn around on our money affected this decision. The airlines also have contracts with

Texaco for their fuel purchases. The staff feels the most we could ever save would be $.05 but realistically feel it would probably be only $.02 or $.03. Gershman suggested this fuel supplier report be made available to general aviation. Selig said he will send it to them.

Mark Holy asked what the Airport's latest cost of fuel is. Selig said he prefers not to share this business information unless the Board and attorney have reviewed it and direct him to do so.

Mr. Holy said he shops fuel prices for his business and has never signed with one supplier. He feels he could sell fuel cheaper to the Airport than what they're buying now. Gershman asked that he read the fuel supplier report and see the other factors affecting this besides price.

Unruh felt this is a good report but it doesn't answer the question of how much it will really cost. Johnson explained that the price from any supplier is only good that day and a supplier could quote low to get your business and then later raise their prices. Weber suggested asking for a quote based on a cost plus basis.

Johnson explained that liability is a major factor in not using different suppliers with each fuel purchase. Mr. Cochran said he knows the Airport does fuel quality checks every day so that shouldn't be an issue. Johnson also said airline affiliation for fuel contracts is an important issue.

Unruh felt we could send out requests for proposals that include pricing arrangements.

Reis stated that co-mingling of fuel is an important issue nationwide. He also said that he knows of another index used quite widely to quote fuel prices on an equalized basis and would get that information for Johnson.

Gershman asked the staff to continue looking at putting out a request for proposals on the fuel.

Mr. Holy said they value multiple gallon users in Bismarck and they have made proposals to Grand Forks for a volume discount with no success. Selig said the staff has looked at various volume discount programs but haven't found that we'll sell enough additional fuel to make the same profit. Mr. Holy stated that Grand Forks is the only major airport in the state that still controls the fuel sales. Gershman said that monopolies would usually have higher prices and Grand Forks doesn't as we are generally second lowest behind Bismarck in the area. Mr. Holy said they get fuel discounts in both Fargo and Bismarck and suggested Grand Forks raise their price to corporate jets to lower the price to locals. Gershman said the staff will continue looking at discounts. Mr. Holy asked that the volume discount be "kicked around" a lot faster. Selig said as part of this research Johnson asked Aero Center how much additional fuel they would buy with a discount but got no response. Minnkota Power turned in their

information as requested. Mr. Holy requested copies of the fuel contracts with the airlines, Federal Express and UND including all fees charged for storage, pumping, etc. Mr. Holy suggested cutting the fuel prices for two weeks and see what happens to the sales volume. Selig stated he had already committed to Bismarck not to start a price war. Unruh asked Mr. Holy to share the information he has on the discounts they receive across the county.

**WORK FLOW STUDY REPORT**

Gershman explained he received a letter from Brady, Martz & Associates stating that a work flow study doesn't appear to be necessary at this time. They felt the Board should hold their retreat first. The Board agreed to hold off on this study.

**PROJECT STATUS REPORT**

Rodningen questioned the delay on the air cargo terminal. Selig said the contractor made an informal request for an extension because of weather delays. He felt their request is not justified at this time. Johnson said the contractor told him they lost 21 work days since December. They couldn't keep the temperatures up to do masonry work. During a windy period the scaffolding they set up to do masonry work blew over. Unruh asked who is responsible for inspection and project management. Selig said Johnson & Laffen, project architect, is responsible. Gershman asked that Selig let Johnson & Laffen know that the Board is upset and concerned about these delays.

**DELIVERY OF MEETING NOTICES**

Mr. Holy requested Airport management have someone sign for meeting notices they deliver to his business as he doesn't always receive them personally and would like proof of who received it. Unruh explained that the meetings are always the third Thursday of the month and doesn't want to get into certified mail. John Stimpert, Station Manager for Northwest Airlines, said he likes the way the notices are delivered now and it works well for them. Reis said they have no problem with the present system.

ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

# PROCEEDINGS OF

# THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

# BOARD OF COMMISSIONERS MEETING

## Thursday, March 21, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, March 21, 1991 at 8:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, Clint Rodningen, George Unruh, Jr. and Tim Mutchler; advisory committee members Jack Lien and Bob Reis; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, Candi Stjern and Jackie Heidrich.

## APPROVAL OF MINUTES

It was moved by Unruh and seconded by Mutchler to approve the minutes of the February 21, 1991 meeting. ACTION TAKEN: Motion carried.

## REPUBLIC PARKING CO. PRESENTATION

Mr. Mike Griffin, Executive Vice-President of Republic Parking Company, appeared before the Board to state his interest in submitting a proposal to operate the Authority's parking lot. He explained that Republic's home office is located in Chattanooga, TN. Mr. Griffin stated that Republic operates the parking lots at 55 airports throughout the U.S. and 80% of those locations are airports that serve small communities. He said they run the parking facilities at Minot, Rapid City and Waterloo, for example. Mr. Griffin stated they provide capital investment, insurance, revenue control services, accept checks, and credit cards. Selig said he has gone over some of the general improvement issues such as processing speed, and customer service with Mr. Griffin. Selig stated that Republic Parking does have a good reputation as a customer oriented company.

## RESOLUTION #11-91
## ACCEPT 1990 AUDIT REPORT

Mr. Roy Lunde of Brady, Martz & Associates appeared to present the 1990 Audit Report to the Authority Board. He stated that it is their opinion that the financial statements are fairly presented. He explained that the current and long-term liabilities include the bond issue. It was noted that $110,000 is included in the revenue as of 12-31-90 that is in dispute with an airline. Mr. Lunde said they found the investments to be fully covered and secure. It is Brady, Martz's opinion that the internal control system is adequate and working. Mr. Lunde explained that a management letter was sent concerning the implementation of a policy regarding a drug-free work place. This policy will be

required for entities receiving direct federal financial assistance and recommends the Authority implement such a policy. Mr. Lunde thanked the staff for their help and cooperation in conducting this annual audit.

Unruh questioned the increase in accounts receivable. Mr. Lunde said that the disputed fees with Northwest Airlines are part of it. Stjern explained that APCOA did not pay their commission until January 1991 and that was included in the accounts receivable at the end of the year.

Unruh questioned whether any depreciation was funded this year. Mr. Lunde said it was not. Selig said the depreciation fund was started last year with the money the City found they owed the Authority but at this point we haven't been able to budget this.

Rodningen said he understood the audit report was to be completed within 60 days from the end of the year and he just received his copy yesterday. He said he would have appreciated having it sooner to review.

Rodningen asked if the early retirement agreement is included as a liability. Mr. Lunde said they felt it is not an asset or a liability so they just exposed the agreement in the statements. He feels it is only a liability on a monthly basis. Rodningen questioned how much money has been paid out so far on this early retirement agreement. Selig said he didn't have that information at the moment but can get it for him later.

It was moved by Unruh and seconded by Mutchler to accept the 1990 Audit Report as presented. ACTION TAKEN: The motion carried unanimously.

**FINANCIAL REPORTS**

Stjern presented the monthly financial reports for January and February 1991. For the month of January there was a net operating loss of $42,417 and a net loss before depreciation of $41,969. Operating expenses ran 1.25% over budget and operating revenues were 1.34% under budget.

For the month of February there was a net operating loss of $56,858 and the net revenue before depreciation was $63,446. Operating expenses were 3.33% over budget and operating revenues were 2.96% under budget.

The year-to-date net operating loss is $99,275 and the year-to-date net revenue before depreciation is $21,477. Stjern explained that a large percentage of the net operating loss is due to annual payments such as workers compensation, sick leave payback, and insurance premiums. She also stated that the cost of the additional security required at Level IV to date is $15,770. The repairs on the motor grader also contributed to this loss. Stjern stated that in response to this financial situation approximately $55,600 of capital items budgeted have been held. Selig said these

capital items are not cancelled but are just holding off on these purchases until we see how the income is in coming months. It was moved by Weber and seconded by Mutchler to accept the financial reports as presented. ACTION TAKEN: The motion carried with Rodningen opposed.

**RESOLUTION #09-91**
**APPOINTMENT OF AUTHORITY BOARD TREASURER**

Unruh explained that the original procedures manual was drafted by a consultant. Unruh's committee to review the procedures manual feels Stjern is fulfilling the majority of the duties involved with the Treasurer position just as Heidrich is Board Secretary. It was moved by Unruh and seconded by Weber to confirm the Executive Director's appointment of Candi Stjern, Director of Finance and Administration, as the Airport Authority's Treasurer in accordance with Section 100.07 of the Authority's Operational and Policy Manual. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #10-91**
**APPROVE AMENDMENT OF "C" RAMP CONTRACT TO INCLUDE SOIL TESTING**

Selig explained that engineers normally like the owner to handle the soil testing on projects but he prefers the engineer to manage the soil testing firm. He stated he overlooked having this included in the contract with Ulteig's for the "C" ramp expansion engineering and would like to add it. It was moved by Weber and seconded by Mutchler to approve the amendment to the engineering contract with Ulteig Engineering for Ramp "C" expansion project to include required construction testing services in an amount not to exceed $4,000. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #11-91**
**APPROVE CHANGING REGULAR BOARD MEETING TIME TO 8:00 A.M.**

Selig asked the Board's consideration in changing the time of the regular Board meetings to 8:00 A.M. in the future. Unruh explained that they were originally started at 10:00 A.M. so they would end by noon for lunch. He hopes this time change wouldn't just mean longer meetings. Otherwise he has no real objection. Mutchler stated that 8:00 A.M. would be much more convenient for him. Weber and Rodningen also said this time would be fine with them. It was moved by Mutchler and seconded by Weber to change the time for the monthly Board meetings to 8:00 A.M. ACTION TAKEN: The motion carried unanimously.

**DENNIS BOHN - LETTER TO AAAE**

Dennis Bohn presented a letter thanking AAAE for their cooperation in stopping legislation that would require general aviation pilot from having an instrument rating to fly at night.

## PROCEDURE TO BRING ITEMS TO BOARD MEETING

Gershman asked that anyone interested in bringing an item to the Authority Board present their concerns in writing to Bob Selig, Executive Director. The staff will then see that any items the Board needs to deal with are put on the agenda of the next Board meeting.

ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

# PROCEEDINGS OF

# THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

## BOARD OF COMMISSIONERS MEETING

## Thursday, April 18, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, April 18, 1991 at 8:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, Clint Rodningen, George Unruh, Jr. and Tim Mutchler; advisory committee member Bob Wood; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, and Jackie Heidrich.

## APPROVAL OF MINUTES

It was moved by Mutchler and seconded by Weber to approve the minutes of the March 21, 1991 meeting. ACTION TAKEN: Motion carried unanimously.

## FINANCIAL REPORT

Selig reported a net operating loss of $13,158 for the month of March, and net revenue before depreciation of $84,196. The year-to-date net operating loss is $112,432 and the year-to-date net revenue before depreciation is $105,746. The year-to-date operating expenses through March 31, 1991 were 27.5% of budgeted funds, or 2.5% over budget. The year-to-date operating revenue ran at 20.9% of budgeted funds, or 4.1% under budget. He explained that the additional security costs and the winter snow removal expenses caused the higher expenses.

Rodningen questioned how the 1991 year-to-date figures compare to the 1990 figures. Selig said he can get a report to him comparing these numbers. Rodningen pointed out that the operating loss to date exceeds the budgeted operating loss for the entire year.

## RESOLUTION #16-91
## "AUTHORIZATION TO LEASE ADMINISTRATION SPACE TO NORTHWEST A/L"

Selig explained that during the negotiations with Northwest Airlines they indicated they would like to lease the old Administration office in the terminal. This area was planned for 34 additional seats in the terminal expansion project. He explained that it was Northwest's feeling that since they will have to pay for this area anyway when it's seating, they would prefer to pay for it and use it for office space instead. John Stimpert, Station Manager for Northwest Airlines, said they need this additional office area as his current office is 10'x10' and they have four employees working out of it. They also use his office for training and need more space for this. Selig said the existing hold room has 54 seats and we could put more seats in there by

rearranging the layout. He explained that Johnson & Laffen have already drawn out some proposed seating arrangements for the hold room to allow for additional seats. Stimpert stated they have started boarding the aircraft up to 30 minutes early to help eliminate crowds in the hold room.

Selig explained that a decision has to be made today on this issue so the bids can be awarded on the terminal project, as this room is an alternate on the project. After much discussion concerning options for adding seats in other areas of the terminal, it was moved by Unruh and seconded by Weber to authorize the Executive Director to lease the old Airport Administration space (603 s.f.) to Northwest Airlines as a part of a new airline agreement that will be considered for approval by the Authority Board at its May 16, 1991 meeting. Resolution also removes the administration space from consideration as a part of the terminal expansion project. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #13-91**
**"AWARD CONTRACT FOR C RAMP EXPANSION"**

Selig reported that bids were opened for the "C" ramp expansion project. Nodak Contracting was the low bidder with a bid of $292,550. This amount was less than the engineer's estimate and Selig recommends acceptance of the bid. Rodningen stated that he would like to discuss the DBE goals. He pointed out that Nodak's DBE percentage was quite a bit below the goal. Rodningen explained that June Randall, a DBE representative, was present and would like to state her concerns on this issue. Gershman asked that Ms. Randall address these concerns in a letter to the Executive Director for his consideration. Selig stated that all the forms were filled out certifying that Nodak made their best efforts in this area. Selig explained that the Authority's DBE goals are 13% of projects but we are never able to meet this percentage in this area of the country. Rodningen feels we have to make sure we are rally doing our best to meet these DBE goals and to make sure the contractors are doing the same. Unruh questioned whether the FAA will pull the funding if we don't meet the 13% DBE goal. Selig said they don't. He explained that the administration staff has been trying to get the DBE goals reduced to a more realistic goal of 10% or less. To date, the DBE office in Chicago has refused this request. Unruh suggested if the second highest bidder had a much higher DBE percentage and was close in price we would have to seriously consider accepting the higher DBE bid. It was moved by Weber and seconded by Mutchler to authorize the Executive Director to award the contract for expansion of "C" ramp to Nodak Contracting in the amount of $292,550. Award of the contract is contingent on FAA grant application approval. ACTION TAKEN: The motion carried unanimously.

## RESOLUTION #14-91
## "AWARD CONTRACT FOR TERMINAL BUILDING EXPANSION"

Selig recapped the proposed terminal building expansion project. He pointed out that the expansion of the car rental counter area will be 100% Authority cost. Selig explained that the security portion of this project will cover six doors on the ramp side of the terminal to control ramp access. Johnson stated that he felt the low bidder, Diversified Contractors, will do a good job. Rodningen asked if we confirmed with Diversified Contractors that their bid was correct as they came in so much lower than the other bidders. Johnson said he had reviewed the bid with Diversified and the owner felt the bid is correct.

Unruh questioned whether Rodningen felt he should abstain from voting on items where he sold the bid bond to the contractor through his job with Froehlich, Paulson & Moore. Rodningen stated that he didn't feel this is a conflict of interest as he holds no interest in Froehlich, Paulson & Moore as he is just an employee and receives no commission. Unruh suggested getting an opinion from our attorney on this matter. It was moved by Unruh and seconded by Weber to authorize the Executive Director to award the contract for expansion of the Terminal Building to Diversified Contractors in the amount of $216,600. This amount includes Alternates G-1, G-3, and G-4. ACTION TAKEN: Motion carried unanimously.

## RESOLUTION #15-91
## "APPROVAL OF OFF-AIRPORT CAR RENTAL AGREEMENT WITH DOLLAR RENT-A-CAR"

Selig explained that over the last three years the on-Airport car rentals have expressed concern regarding competitive business from off-Airport car rentals. An off-Airport agreement has been discussed with Bergley Toyota/Dollar Rent-A-Car. It is proposed that they will pay 8% of gross receipts as compared to 10% paid by on-Airport agencies. The off-Airport agency would then have access to a direct line phone and an advertising display if they wish to pay for those. Shari Storbakken, Avis Car Rental, asked if there is a required minimum guarantee or just a straight 8%. Selig explained that they will pay 8% of gross receipts until their business develops to $10-12,000 per month and at that time a minimum guarantee kicks in. It was moved by Mutchler and seconded by Unruh to authorize the Executive Director to enter into an agreement with Bergley Toyota for the operation of its Dollar Rent-A-Car franchise as an off-airport car rental concession. As a part of this agreement, Bergley Toyota has agreed to the following terms: 1) The payment of 8% of gross receipts from Airport-generated business to the Airport Authority as a license fee. 2) Dollar is authorized to rent space on the terminal's telephone board allowing customers to direct dial Bergley Toyota for reservations from the terminal. 3) Dollar is authorized to rent an advertising display in the terminal building in addition to the telephone board information. 4) Dollar is authorized to utilize a maximum of two marked courtesy pick-up vehicles to pick up its customers on Airport property. 5) Audit verification of Airport

generated gross receipts will be provided by matching the car rental agreement completed for the customer, with reservation notices received from Dollar Rent-A-Car's national reservation system. In the event that reservation verification is unavailable, all receipts from car rental agreements for customers residing outside a fifty mile radius of the Airport shall be considered Airport generated revenue. Outside of these specific terms the remainder of the agreement will be the standard on-airport car rental agreement currently in effect. ACTION TAKEN: The motion carried unanimously.

**JUNE RANDALL, DBE CONTRACTOR**

Gershman asked Ms. Randall to make any comments she had regarding the DBE issue as he allowed others to make comments during this meeting and wished to treat everyone fairly. Ms. Randall stated she had read the advertisement for the terminal remodeling project in the paper. She then questioned why the DBE goals were not published in the ad and called Mr. Selig who informed her that the goal was 10%. She also spoke to Mr. Rodningen concerning this issue. She then researched DBE/MBE information. When she called the FAA's Great Lakes Region DBE supervisor she was told the goal was 13%. She also found that the WBE/MBE/DBE contractor list being used by the architect was dated 1988 and she was told the list is updated monthly. Ms. Randall stated that there are qualified DBE firms out there and feels the Authority could meet the 13% goals.

ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

# PROCEEDINGS OF

# THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

# BOARD OF COMMISSIONERS MEETING

## Thursday, May 16, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, May 16, 1991 at 8:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, George Unruh, Jr., Tim Mutchler, and Clint Rodningen; advisory committee member and Bob Reis; Travel Agent Representative Dorothy Radi; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, Candi Stjern, and Jackie Heidrich.

## APPROVE MINUTES

Rodningen asked that it be clarified that his discussion regarding DBE at the April 18, 1991 Board meeting was concerning the Airport as a whole and not the general aviation ramp project specifically. Rodningen also suggested putting a discussion of DBE on the agenda as an item for discussion soon. Selig said there are many new rules and requirements concerning DBE and Stjern will be attending a 3 day school in June on this issue. After Stjern returns from this school she can brief the entire Board and staff on these new requirements.

Gershman also asked that the minutes of the April 18, 1991 Board meeting be amended to reflect the point that he asked Ms. June Randall to speak concerning the DBE issue to treat her fairly as he allowed a car rental representative to speak on another issue.

Rodningen also clarified that Ms. Randall called Mr. Selig first and then himself and the document referred to by Ms. Randall was dated 1988, not 1987 as originally reflected in the minutes.

These points will be reflected in the official minutes. It was moved by Mutchler and seconded by Rodningen to approve the minutes of the April 18, 1991 Board meeting as amended. ACTION TAKEN: The motion carried unanimously.

## MONTHLY FINANCIAL REPORT

Stjern reported a net operating loss of $19,350 for the month of April, 1991. The year-to-date net operating loss is $131,783 and the year-to-date net revenue before depreciation is $42,547. The year-to-date operating expenses through April 30th were 35.5% of budgeted funds, or 2.2% over budget. In 1990 the operating expenses through April 30th were at 35.4% of budgeted funds. The

year-to-date operating revenues are at 28.0% of budgeted funds, or 5.3% under budget. Operating revenues through April 30, 1990 were at 29.3% of budgeted funds.

Stjern said that fuel sales have picked up in the last five weeks. She also stated that the purchase of certain capital items has been deferred and she has directed the Operations and Maintenance Supervisors to defer purchases wherever possible. Gershman suggested looking at using a monthly accrual procedure for large cost annual items such as insurances.

Selig stated he still anticipates ending the year with the $100,000 loss that was budgeted. May through October are typically the most profitable months. Unruh felt that by the end of June we should have a clearer picture of the way the budget is going.

**RESOLUTION #17-91**
**"APPROVE 1991 AIRLINE FEES AND CHARGES"**

Selig stated that the proposed airline rates and charges methodology were reached as a result of negotiations with Northwest Airlines a few weeks ago. A letter was received from Northwest stating they agree to these fees. Selig said he plans to have the full airline agreement before the Board for approval at the June meeting. Selig explained that these rates and fees are effective January 1, 1991 and a settlement was reached concerning the 1990 fees. Christensen explained that the proposed lease is for 10 years, an initial 5 year period with an option to renew for 5 years. Unruh wished to make sure that everyone understands that there is no annual increase in the fee structure per se. It is set up so that if the Airport's costs go up then the amount the airlines pay goes up also. Selig explained that we will have to justify any major changes to the airlines each year and at the end of the year the fees will be adjusted to actual. Gershman stated he doesn't care for the 5 year option to renew as none of this Board will still be here in 5 years and the new Board may not want this particular agreement. Gershman felt a special meeting should be set up to discuss this airline agreement further. Selig stated he will send a copy of the airline agreement with a summary memo to each Board member and hold a meeting at 8:00 A.M. on May 23rd to answer any questions they may have. He also explained that right now they are only adopting the fees and charges and not the actual airline agreement. It was moved by Weber and seconded by Unruh to approve a resolution that adopts the following airline charges and associated methods of fee calculation effective January 1, 1991.

Terminal

| | | |
|---|---|---|
| M & O Cost | $168,750 | |
| Administrative Cost | $ 67,903 | |
| Debt Service | $ 83,972 | |
| | $320,625 | / 22,897 s.f. = $14.00/s.f. |

ARFF

| | |
|---|---|
| M & O Cost | $220,175 |
| Administrative Cost | $ 75,971 |
| | $276,146 / 531,838 landed wt. = $ .52 |

Airfield

| | |
|---|---|
| M & O Cost | $298,913 |
| Administrative Cost | $120,279 |
| | $419,192 / 531,838 landed wt. - $ .79 |

Non-Scheduled Charter Rates - 125% of scheduled rate

Minimum Landing Fee - $8.00 per landing

Note:

1. Revised "usable square footage of 22,897 s.f." - will be used to calculate terminal rates for 1991 and beyond.

2. Budgeted costs and projected landed weights are used to calculate fees. Rates and charges are adjusted at the end of every year using actual costs and landed weights.

3. Administrative costs are allocated to each cost center in an amount equal to each cost center's percent of total operational cost.

4. Landed Weight: Total airfield and ARFF costs are divided by projected total airfield landed weight in 1000 pound units to determine the landing fee per 1000 pounds of certificated gross landed weight.

ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #18-91**
**"APPROVE PROCEDURE FOR APPROVING MINIMUM STANDARDS"**

Christensen explained that Selig drafted the procedure and he reviewed it and brought it with him to this meeting. Christensen said this procedure is similar to the City's ordinance procedure. He then reviewed the procedure step by step. Unruh questioned whether this is an amendment to the Operational Procedures Manual. Christensen said it would be. Unruh then asked that we check the procedure to amend that manual. Selig read the rules for amending the Operational Procedures Manual to the Board and found that a new procedure must pass at two consecutive Board meetings. It was moved by Unruh and seconded by Mutchler to approve the first reading of the Procedure for Approving Minimum Standards as presented by Mr. Christensen. 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, May 23, 1991

The Grand Forks Regional Airport Authority Board of Commissioners held a special meeting in the Board Room of the Administration Building on Thursday, May 23, 1991 at 8:00 A.M. with Chairman Hal Gershman presiding. Members present were: George Unruh, Jr., Jim Weber and Clint Rodningen; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

## DISCUSSION OF AIRLINE AGREEMENT

Selig stated that the purpose of this meeting is to discuss the proposed airline agreement. He explained that the airline agreement is unique in that it is also used as a document to define the relationship between the airlines. He said this document has evolved since 1978 as a result of airline/airport negotiations and airline conflicts. It also defines the relationship between the airport and airlines. It is a five year agreement that renews with the agreement of both parties, with only 3-1/2 years currently remaining. It contains a 180 day cancellation notice period. The date for a renewal or new agreement would be January 1, 1995.

Selig explained the fee calculation formula adjusts rates according to airport costs. Capital costs are excluded from the fee calculation as long as there are sufficient tax and PFC (passenger facility charge) dollars.

Unruh questioned whether Northwest had any say on whether capital projects were done under the old agreement. Selig said a procedure was in the agreement that allowed them to and at times objected to projects they thought would increase their fees. Gershman stated they had objected to every project relating to UND-CAS. Selig explained that under the old agreement the Airport had the right to include the cost of capital projects in the airline costs but all non-operating revenues also went against the cost.

Gershman asked how much more would be paid by Northwest Airlines under the compensatory agreement as compared to the old residual method. Selig said they would currently pay approximately $360,000/year as compared to $290,000 in 1989.

Rodningen questioned whether our cost centers are audited annually as the agreement says "using audited financial data" for the year end adjustments. Selig said we will use the year end numbers after audit, but the cost centers are not audited individually. Stjern stated that if the airline decides they want an audit of each cost center we can ask Brady's to do this. Unruh suggested we let

Brady's know about this part of the agreement so they can plan for any additional work that may be necessary.

Selig explained we have the ability to adjust the fees at year end but if what we receive monthly is more than 10% off budget we can make a mid-year adjustment so that the year end adjustment isn't so large.

Gershman stated he realizes the amount of work Selig and Stjern have put into this agreement and thanked them for their efforts.

**CAPITAL IMPROVEMENTS UPDATE**

Selig reviewed proposed capital improvements money and projects for 1991 and 1992.

| | |
|---|---|
| 1991 Entitlements | $ 646,000 |
| 1991 Projects | |
| (Terminal, G.A. Ramp) | -516,000 |
| | $ 130,000 |
| 1992 Entitlements | 646,000 |
| Total Available FAA Share | 776,000 |
| Airport Share 10% | 86,222 |
| Total Funds Thru 9-30-92 | $ 862,222 |

PROPOSED PROJECTS

| | |
|---|---|
| - Runway 8-26 Envir. Assess. | 25,000 |
| - Runway 8-26 Design | 200,000 |
| - Runway Broom | 185,000 |
| - New Jetway | 350,000 |
| Remaining Balance | $ 102,000 |

Gershman questioned how the runway work will be calculated into Northwest fees. Selig explained we agreed to cover this with tax dollars so there will be no cost to the airlines.

Selig said the runway broom would be used for sweeping up sand and used with light powdery snows.

Selig explained that since the Board has been talking about expanding the hold room he feels we'll need the other jetway. He also feels this jetway is needed to round out our services in case of additional airlines coming in.

Gershman questioned whether Northwest would pay for a jetway that would go low enough to be used with the Metros. Selig stated we can't charge rent for jetway use because they are funded 90% by the FAA but can charge the operating costs with the airline's fees.

Unruh asked whether we could remove the overhang in front of the terminal with these funds. Selig doesn't think it qualifies alone

but could incorporate it into some other type of project. Unruh also stated that it doesn't seem that Northwest would use an additional jetway and it is a lot of money. Gershman suggested if the Airport gets another airline we could look at expanding the hold room and adding a jetway at that time. Selig said he can explore expanding the hold room and remodeling the terminal with a canopy that wraps the front of the terminal to get rid of the overhang. Gershman stated he would like to go forward with the jetway and expansion of the hold room. Weber suggested exploring all three projects, including the canopy, and then the Board can look at all the costs.

Selig said he will get estimates on expanding the hold room and fixing the front overhang on the terminal within the next 30 days. He suggested saving the jetway until we know more and need it.

**ADJOURN**

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

PROCEEDINGS OF

THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

BOARD OF COMMISSIONERS MEETING

Wednesday, June 12, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Wednesday, June 12, 1991 at 7:30 A.M. with Chairman Hal Gershman presiding. Members present were: George Unruh, Jr., Jim Weber, Clint Rodningen, and Tim Mutchler; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

## RESOLUTION #25-91
## "ACCEPT GRANT OFFER"

Selig explained that a grant offer was received from the FAA for the terminal building and ramp C projects. He stated it was the standard grant documentation. It was moved by Weber and seconded by Unruh to accept the FAA's June 10, 1991 grant offer in the amount of $487,384 for terminal building and Ramp C improvements. ACTION TAKEN: The motion carried unanimously.

## AIRPORT LANDSCAPING

Mutchler reported he has a landscape architect coming out here at 8:30 this morning to look over the Airport. He asked that anyone with suggestions or ideas on landscaping let him know. Gershman suggested a rock garden in the area by UND where grass won't grow. Gershman also suggested using more color around the Terminal.

## TERMINAL EXPANSION UPDATE

Selig stated he had met with Johnson & Laffen, architects, yesterday to discuss possible expansion designs for the passenger holding area in the Terminal. He showed the Board a proposed layout wherein the hold room would be expanded by adding an area bumped out onto the ramp between the jetway locations. He explained that in utilizing this option the elevators wouldn't have to be moved.

## ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

# PROCEEDINGS OF

# THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

# BOARD OF COMMISSIONERS MEETING

# Thursday, June 20, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, June 20, 1991 at 8:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, Clint Rodningen, and Tim Mutchler; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, Candi Stjern, and Julie Churchill.

## APPROVAL OF MINUTES

It was moved by Mutchler and seconded by Weber to approve the minutes of the May 16, 1991 meeting. ACTION TAKEN: Motion carried unanimously.

It was moved by Weber and seconded by Rodningen to approve the minutes of the May 23, 1991 special Board meeting. ACTION TAKEN: Motion carried unanimously.

It was moved by Mutchler and seconded by Weber to approve the minutes of the June 12, 1991 special Board meeting. ACTION TAKEN: Motion carried unanimously.

## FINANCIAL REPORT

Stjern reported a net operating loss for the month of May of $1,291. This brings the year-to-date net operating loss to $133,074 and the year-to-date net revenue before depreciation to $32,175. The year-to-date operating expenses through May 31, 1991 were 42.2% of budgeted funds, or .56% over budget. Stjern stated that the operating expenses through May 31, 1990 were at 42.5% of budgeted funds. The year-to-date operating revenues are at 35.2% of budgeted funds, or 6.5% under budget. Operating revenues through May 31, 1990 were at 39.22% of budgeted funds. Gershman asked if Ron Elder, Cafe Manager, seems concerned about the decreasing revenues in the cafe. Gershman suggested Elder provide items such as stuffed pizza and hot dogs. Gershman also suggested having GFG Food Service come in and do a market survey.

## RESOLUTION #19-91
## ADOPT DRUG-FREE WORKPLACE POLICY

Selig explained that the Authority needs to adopt a drug-free workplace policy in order to comply with FAA grant assurances. Selig reviewed the policy as written by Stjern. Rodningen questioned whether this policy is a part of the hiring procedure. Christianson said it is not, there will be no drug testing before hiring. It was moved by Mutchler and seconded by Rodningen to amend the Personnel Management Plan to include the attached Drug-Free Workplace Policy in accordance with FAA Grant Assurances. ACTION TAKEN: The motion carried unanimously.

## RESOLUTION #20-91
## APPROVE OPERATING AGREEMENT WITH NORTHWEST AIRLINES

## RESOLUTION #21-91
## APPROVE OPERATING AGREEMENT WITH MESABA AIRLINES

Selig explained he is requesting approval to execute standard airline operating agreements with Northwest and Mesaba Airlines. Christensen suggested adding an arbitration clause to the agreement. Selig agrees that arbitration type language would be beneficial to resolve future conflicts, however, this is new language for the airlines. Selig recommends that we approve the agreement as is and continue to work with the airlines to include this type of language in the future. After much discussion, it was moved by Weber and seconded by Mutchler to authorize the Executive Director to execute agreements with Northwest Airlines and Mesaba Airlines using the Airport's standard airline operating agreement. ACTION TAKEN: The motion carried with Rodningen voting no.

## RESOLUTION #22-91
## TABLE OPERATING AGREEMENT WITH GREAT LAKES AVIATION

## RESOLUTION #18-91
## APPROVE PROCEDURE FOR APPROVING RULES, REGULATIONS & MINIMUM STANDARDS

After a review of the procedure for approving minimum standards, it was pointed out that Step #2-1 should be clarified to include that the notice of proposed rule be published in the Grand Forks Herald. Rodningen questioned what rules and regulations are referred to in this resolution. Christensen explained to Rodningen the need for this procedure. It was moved by Weber and seconded by Mutchler to approve the procedure for approving minimum standards subject to clarifying the language in Step #2-1 as reflected above. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #23-91**
**AUTHORIZE THE USE OF $10,000 OF PROMOTION FUNDS FOR ECONOMIC DEVELOPMENT**

Selig explained that this funding will be used to develop a site development plan for a large aircraft maintenance and rehabilitation center at the Airport. Selig stated that Dr. Lowell Goodman, UND Professor, is coordinating this project but was not able to be at this meeting today. Selig said he has met with representatives from the North Dakota Indian Tribes and they expressed support for this project. Rodningen asked for further details on the project. Rodningen also questioned who the investors were that are interested in this project. Gershman suggested we invite Dr. Goodman to attend the next Board meeting to answer questions from the Board. It was moved by Mutchler and seconded by Weber to authorize the Executive Director to utilize up to $10,000 of funds budgeted for advertising and public relations for economic development. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #24-91**
**APPROVE CHANGE ORDER FOR FEDERAL EXPRESS LANDSCAPING**

Selig explained that this change order is for landscaping at the new Federal Express building. He reminded the Board that this item came in high as an alternate on the contractor's original bid and was dropped at that time to be rebid at a later date. It was moved by Mutchler and seconded by Weber to authorize the Executive Director to approve a Change Order on the Federal Express Building project in the amount of $4,661. The change order provides landscaping for the site, including sod and trees, originally bid as an alternate. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #26-91**
**CONCUR WITH STATE DEVELOPMENT PLANS FOR AIRPORT DRIVE/HIGHWAY 2 INTERSECTION**

Selig explained the resolution he is proposing includes the addition of right turn exit lanes and merge/acceleration lanes on Highway 2 as the minimum improvements necessary to address the safety and congestion concerns at this intersection.

Gershman stated he would like to change the resolution to add an interchange to these improvements. His concern is that if we accept less than the interchange they will not look at further improvements. Gershman was also concerned that if we do not accept the improvements offered that some major accident could happen at this intersection that may have been preventable with them in place. He felt we might be able to accept these improvements with a very strongly worded letter sent with copies to our congressional representatives and to the governor. Selig stated that some of the tenants had attended the meeting with the State on these options. Joe Morgan, AFSS employee, explained that the tenants agree with Selig and feel that the overpass would be the best and the resolution reflects the minimum improvements. Weber stated that

he understood Gershman's point but he hates to see this kind of money spent on these improvements and then have it torn out in 2 or 3 years to put in the overpass. Selig said he understood these exit and acceleration lanes are probably going to be temporary asphalt type construction that won't last more than 3 years. Weber feels if we accept the exit and acceleration lanes they will probably just forget about the overpass project. Mutchler agrees with Weber. Rodningen thinks we should take what we can get for now. Gershman agrees with Rodningen and that we should then keep the pressure on them to get the interchange. Weber said he understood nothing was going to be done this year anyway and questioned why we couldn't just continue writing letters for the overpass. Gershman directed Selig to write a letter to the State and the congressional delegation relaying some of the points made in this meeting and continuing to push for the overpass. Gershman pointed out the State had $500,000 they were prepared to use on a useless project on Gateway Drive and suggested Selig bring this to their attention as a place where the money can come from for the overpass. Weber suggested the tenants prepare letters of support for this overpass that could be included with Selig's correspondence to the State. ACTION TAKEN: Resolution tabled.

**TERMINAL BUILDING UPDATE**

Selig explained that in removing the overhang from in front of the terminal the drive then becomes three full lanes. In expanding the hold area, we can put a bubble on the existing building that would increase the seating in that area from 53 to 164 seats. This would not affect the accessibility of the jetways. This project would cost about $300,000, and the additional jetway would be $275,000. Selig stated that removing the present overhang and replacing it with a covered awning would cost approximately $200,000. Selig passed out a photo of terminals using space-frame architecture. He explained that this style is lightweight and less expensive. Selig stated that the FAA is waiting for our pre-application on what projects the Authority wants to do next year. He explained that this also affects our possibility of receiving any discretionary funding as they won't even consider Grand Forks for it if we have uncommitted funds. Selig said he needs to get the grant pre-application in within the next 30 days. The Board agreed that the most important of the proposed projects are the hold room expansion and the additional jetway. Selig said he would talk with Johnson & Laffen concerning removal of the overhang.

**HANGAR UPDATE**

Selig presented a drawing that shows a change from a T-hangar concept to a larger hangar concept with the focus on people who use aviation as a part of their business. He proposes building the basic shell and offering long-term leases so the tenant can put in any options they want or need. Selig proposes 8 large square hangars with concrete floors and pedestrian doors in the rear. Mutchler suggested adding floor drains as part of the basic hangar construction. Selig estimated a cost of $286/month for smaller hangars and about $320/month for larger hangars. Mutchler asked

whether we would build eight even if they're not all leased. Selig said we would only build for what we could lease immediately, with possibly an extra for renting out on a nightly basis. The Board agreed they would like Selig to explore this option with the tenants and potential developers and report back to the Board.

**TERMINAL CHECK IN**

Mutchler reported witnessing a problem with overcrowding at the Terminal when checking in at the airline counters. He said there seems to be no organization to the lines and people aren't being waited on in order. Selig said the budget process is beginning and we can put stanchions and ropes in the budget to organize the lines of customers. Selig said he would talk to John Stimpert, Northwest Station Manager, about this.

ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

PROCEEDINGS OF

THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

BOARD OF COMMISSIONERS MEETING

Wednesday, July 10, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in a special emergency conference call Board Meeting on Wednesday, July 10, 1991. Members participating were: Chairman Hal Gershman, Clint Rodningen, Jim Weber and George Unruh, Jr.; and staff: Bob Selig.

**RESOLUTION #26-91**
**EDA GRANT - AEROSPACE TECHNOLOGY COMMERCIALIZATION PARK**

This emergency meeting was called to approve a special resolution at the request of the EDA who needed the resolution this same day in order to complete processing of the grant. It was moved by Unruh and seconded by Weber to authorize the Executive Director to include the Airport Authority as a "sponsor" along with the City of Grand Forks and the University of North Dakota in making an application to the Economic Development Administration for grant funding. The Airport Authority's sponsorship is with regards to the construction of the wastewater forcemain and lift station portion of the grant that will connect the Airport facilities with the City of Grand Forks Wastewater Treatment Facility. The Executive Director is authorized to receive any grant funds as a result of this application in the name of the Airport Authority. ACTION TAKEN: Motion carried unanimously.

ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

# PROCEEDINGS OF

# THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

# BOARD OF COMMISSIONERS MEETING

## Thursday, July 18, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, July 18, 1991 at 8:00 A.M. with Chairman Hal Gershman presiding. Members present were: Jim Weber, and George Unruh, Jr; Authority Attorney Doug Christensen; Advisory member Bob Reis; and staff: Bob Selig, Steve Johnson, Candi Stjern, and Jackie Heidrich.

## RESOLUTION #27-91
## ELECT OFFICERS FOR 1991-1993

It was moved by Weber and seconded by Gershman to elect George Unruh, Jr. to serve as Authority Board Chairman and Tim Mutchler to serve as Vice-Chairman for a two year term from August 1, 1991 through July 31, 1993. ACTION TAKEN: The motion carried unanimously.

## APPROVAL OF MINUTES

It was moved by Unruh and seconded by Weber to approve the minutes of the June 20, 1991 meeting. ACTION TAKEN: Motion carried unanimously.

## FINANCIAL REPORT

Stjern stated she was pleased to report a net operating income of $46.95 for June and a net revenue before depreciation of $82,476. This brings the year-to-date net operating loss to $133,027 and the year-to-date net revenue before depreciation to $114,698. The year-to-date operating expenses through June 30, 1991 were 49.5% of budgeted funds, or .50% under budget. In 1990 the operating expenses through June 30th were at 49.6% of budgeted funds. The year-to-date operating revenues are at 43.2% of budgeted funds, or 6.8% under budget. Operating revenues through June 30th, 1990 were at 48.2% of budgeted funds.

Stjern pointed out that the gross receipts for the parking lot have been steadily increasing for the last four years with the expansion being done three years ago.

## FEDERAL EXPRESS DEDICATION

Gershman thanked Julie Churchill and the staff for a tremendous job on the reception and dedication last Saturday for the new Federal Express building and air cargo ramp. He felt it was very well done and the Authority Board was proud of it.

## AIRCRAFT REHABILITATION PRESENTATION

Gershman introduced Dr. Lowell Goodman who was present to speak to the Board regarding the aircraft rehabilitation project he has proposed with the Indian Tribes of North Dakota. Dr. Goodman explained that the overall scope is two part: 1) aircraft rehabilitation for DC-9, 727 and 737 aircraft here at the Airport and eventually larger aircraft; and 2) to include various Indian reservations in North Dakota. He explained that this would be the first partnership of its kind in the U.S. The reservations are also an asset as they have a bonding capacity and the BIA (Bureau of Indian Affairs) guarantees the bonds. He said the first stage of the project is to develop a land use plan.

Gershman questioned how many plants similar to this there are. Dr. Goodman said he thought there were 5-7 rehabilitation facilities in the U.S. and 3-4 in Europe.

Dr. Goodman anticipates starting work on August 15th and could be ready to look for a tenant and start bidding the project for spring construction. He projects starting with 150 employees and going as high as 500 employees. He explained that salaries will start at $25,000 and go as high as $60,000, so these positions will have a major impact on the community.

Selig asked Dr. Goodman to review the payment schedule for the Board. Dr. Goodman has asked for 1/3 of the Authority's contribution to the project up front. He will then give a report to the Board after 45 days and receive 1/3 also at that time. After 45 days the project should be complete and final payment will be made.

Unruh questioned how much land this facility would need. Selig said it would utilize 15-20 acres south of the air cargo ramp.

Gershman thanked Dr. Goodman for his presentation and for coming to the Airport Authority with this project.

## RESOLUTION #28-91
## AUTHORIZATION TO USE PASSENGER FACILITY CHARGES FOR CAPITAL IMPROVEMENTS

Selig explained that Passenger Facility Charges (PFC) are a method of funding authorized by Congress allowing a grant sponsor to charge up to $3 per person boarding at an airport. These funds are to be used in conjunction with existing grant funding. Selig said we would plan to use these funds to offset the Airport's matching funds for federal projects to free up tax money to use on non-grant projects. The FAA would still approve what the PFC money would be spent on.

Selig said that in order to be able to collect PFC money the large airports have to give up 50% of their entitlement funds. That money then goes into a discretionary pool for additional development at smaller airports.

Selig said that PFC is a user fee wherein the passenger is paying for improvements to the facility. He also explained that if the Board approves utilizing PFC today we then have to go through the application process with the FAA. The FAA has reported that everything won't be in place to collect this fee for approximately another year.

Mark Holy, Aero Center 1, questioned whether the user fees are limited to the scheduled carriers only. Selig stated he doesn't think it applies to charters but it may apply to 135 operators. He feels this is a gray area right now.

It was moved by Unruh and seconded by Weber to authorize the Executive Director to utilize Passenger Facility Charges, in accordance with FAA regulations, as a funding source for capital improvements projects at the Grand Forks International Airport. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #29-91**
**AUTHORITY'S SELF-OPERATION OF PAY PARKING FACILITY**

Selig explained that over the last couple of years there has been a lot of discussion on what to do with the pay parking lot. Board members have approached him regarding the Authority running the lot ourselves. The current contract with APCOA expires on November 30, 1991 and if this resolution is approved the Authority would take over operation on December 1st. Selig stated that according to staff's preliminary reports we feel we can operate the lot in a fiscally responsible manner. APCOA currently receives approximately $100,000 annually from the parking lot and staff estimates operating expenses of $60-65,000, leaving $35-40,000 additional revenue for the Authority.

Jim Istas, APCOA, was present to speak to the Board. He stated that very few airports use self-operation of their parking lots. They have found there are too many problems with day to day operation and cash control. Mr. Istas explained that APCOA has operated in Grand Forks almost 20 years collecting nearly $3 million in fees and can account for each dollar. APCOA has 40 years of experience in revenue control and auditing. Mr. Istas said he will submit a proposal to the Authority for alternate operation within the next 30 days. He said this management agreement proposal would allow the Authority to have all the control, most of the money and none of the headaches associated with self-operation.

It was moved by Weber and seconded by Unruh to direct the Executive Director to notify APCOA of the Authority's intent to self-operate the pay parking facilities at the Grand Forks International Airport effective December 1, 1991. In preparation for taking over this

enterprise, the Executive Director is directed to put together an operating plan for the facilities to include an enterprise budget and proposed work schedule. The enterprise budget and staffing plan for the parking facility is to be included as a part of the 1992 budget approval process. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #30-91**
**APPROVAL OF EMPLOYMENT AGREEMENT WITH EXECUTIVE DIRECTOR**

Gershman explained that he and Unruh had met with Selig and reviewed his work here. His current contract expires at the end of 1991. They feel Selig has been a tremendous asset to the region and the Airport. They would like to offer Selig a contract for three years. It was moved by Weber and seconded by Unruh to approve a three year employment agreement with Robert F. Selig as Executive Director of the Grand Forks Regional Airport Authority effective January 1, 1992. Unruh asked that he and Selig discuss a few grammatical corrections he would like to make to the employment agreement document but that they don't change the content of the contract. ACTION TAKEN: The motion carried unanimously.

**GERSHMAN REMARKS**

Gershman stated he would like to thank everyone. He said it has been a wonderful four years and the best part has been getting to know the other Board members. He also thanked Selig for all the support and Christensen for his help during his term as Chairman of the Authority Board.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

# PROCEEDINGS OF

# THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

# BOARD OF COMMISSIONERS MEETING

# Thursday, August 15, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, August 15, 1991 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Clint Rodningen, Tim Mutchler, and Jim Weber; Advisory member Richard Olson, Economic Development Corporation; and staff: Bob Selig, Steve Johnson, Candi Stjern, and Julie Churchill.

## APPROVAL OF MINUTES

It was moved by Weber and seconded by Mutchler to approve the minutes of the July 10, 1991 special Authority Board meeting and the July 18, 1991 regular Authority Board meeting. ACTION TAKEN: Motion carried unanimously.

## FINANCIAL REPORT

Stjern reported for the month of July 1991 a net operating income of $2,771.82 and a net revenue before depreciation of $46,801.25. This brings the year-to-date net operating loss to $130,254.96 and the year-to-date net revenue before depreciation to $161,500.01. The year-to-date operating expenses through July 31, 1991 were 56.96% of budgeted funds, or 1.37% under budget. The year-to-date operating revenues are at 51.5% of budgeted funds, or 6.8% under budget.

Rodningen questioned the continuing trend of an operating loss. Selig and Stjern pointed out that it is important to keep in mind that even though we are showing an operating loss, we are $161,500 to the good after considering the non-operating revenues and expenses. Rodningen also asked whether we had determined why our fuel sales are way down. Selig said he felt it was tied to the economy. Johnson also explained the decrease in airline jet fuel sales.

## OLD BUSINESS

Rodningen questioned why there is never any old business listed on the agenda.

Unruh asked where we currently stand on the matter with Nodak Rural Electric concerning the defective electrical meter and charges for that period. Selig said he is going to meet with the Mayor and City Auditor next week and then talk to the attorneys and let them review the legal aspect of this issue.

Rodningen questioned the status of the airline agreement with Great Lakes Aviation. Selig said he has not yet received a signed agreement from Great Lakes and will be following up with them today. They have requested a waiver for crash-fire-rescue fees based upon the fact that they do not use 30 seat aircraft that require CFR as referred to in FAR Part 139. However, they are operating at the same time CFR services are being provided for the other carriers. Selig's position will be that they may request we do not provide CFR service for any flight not operating during scheduled flights of the other carriers. Selig stated he is discussing this with FAA personnel and will make sure we are not violating any regulations before agreeing to anything.

Rodningen questioned whether charter flights pay for CFR. Selig explained that we charge them 125% of the airline fee.

## RESOLUTION #31-91
## "APPROVE AIR CARGO RAMP PARKING AND USE CHARGES"

Selig explained that this resolution pulls the air cargo ramp in with the other ramp areas as far as fee schedules are concerned. This resolution utilizes the same fees as currently charged on other ramps for aircraft parking. Selig stated that these fees pertain to commercial operators such as UPS, not the private pilot. Rodningen questioned how often the rates were reviewed as they seem low. Selig said they are reviewed yearly at budget time. It was moved by Mutchler and seconded by Weber to direct the Executive Director to utilize the existing schedule of aircraft parking and storage charges for the air cargo ramp as is used for all other ramp areas of the Airport. These charges only affect operators who do not have leases and/or operating agreements with the Airport Authority that provide for these collections of fees in other manners. ACTION TAKEN: The motion carried unanimously.

## CONGRATULATE AUTHORITY SOFTBALL TEAM

Selig suggested that the Airport Authority womens softball team be congratulated for their recent state championship title by a resolution recognizing this achievement. Unruh felt that a resolution was not necessary but wished to recognize the Airport people who played on the team at this meeting and in the minutes. Julie Churchill, an Authority employee, and Kathy Lind and Cindy Janzen, both employees of National Car Rental, all were members of the softball team. Selig stated that the trophy the team won will be displayed in the Administration Office.

## INTRODUCTION OF RICHARD OLSON, ECONOMIC DEVELOPMENT

Unruh introduced Mr. Richard Olson, the new Director of the Grand Forks Economic Development Corporation. Mr. Olson stated that he plans to attend Airport Authority Board meetings in the future as an advisory member.

ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

# PROCEEDINGS OF

# THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

## BOARD OF COMMISSIONERS MEETING

**Thursday, September 5, 1991**

The Grand Forks Regional Airport Authority Board of Commissioners met in a special Authority Board Budget Review Meeting on Thursday, September 5, 1991 at 8:00 A.M. Members present were: Chairman George Unruh, Jr., Clint Rodningen, Tim Mutchler and Hal Gershman; and staff: Bob Selig, Candi Stjern and Jackie Heidrich.

Unruh thanked Stjern and the staff for a nice job on the budget package.

Selig explained that Stjern will go through the operational budget and he will then review the capital budget.

Stjern stated that the 1992 budgeted operating revenue is $1,356,540, which represents a 13.01% increase. This is due in large part to taking over the parking lot operation. These revenues include a 3.8% increase in ARFF fees, or an additional $0.02 per 1,000 lbs. of landed weight. The landings fees will not increase. The terminal rental rate will increase 4.4%, or $0.62/s.f. The other fees were increased using 4.2% as a C.P.I. projection.

Stjern explained that the budgeted operating expenses are $1,478,520, a 12.4% increase, also due mainly to the parking lot operation. This expense budget includes a 4% wage increase for all full-time employees.

Stjern pointed out that she has added a line item titled "transfer to operating revenue" in the capital outlay section of the budget. The operating loss is covered by non-operating revenue so this shows more clearly how it actually happens. Unruh and Rodningen questioned whether this was a proper way to present this item. Unruh felt it was a meaningless number. Stjern explained that it is shown this way only for the budget summary but she will not show it on the monthly or year end financial reports.

Stjern also pointed out that the capital revenue section includes a new item, "PFC revenue", that will include the passenger facility charge revenue that we plan to begin to collect August 1, 1992.

Rodningen questioned how Great Lakes Aviation will affect the airline fees to Northwest. Stjern and Selig explained the year end adjustment written into the airline agreements and how the compensatory agreement works.

Mutchler asked for a family tree type diagram that shows what revenue pays for what expenses. Unruh suggested doing a one page comparison of income and expense cash flow for 1989, 1990 and 1991 might be helpful.

Unruh questioned what the net operating deficit was in 1989 and 1990. Stjern said 1990 was approximately $63,000 and thought 1989 was approximately $1,900. Stjern estimates a $125,000 operating loss in 1991 and is budgeting a $121,900 operating loss for 1992. Selig said Stjern can put together a comparison using the actual numbers for the last few years. Unruh stated the increasing operating loss is not a good trend. Selig said he agrees but we have had to hire additional staff and spend money to keep up the Airport operationally.

Gershman questioned where we could generate additional revenue. Selig said he likes to work toward additional ground site rentals. He is also going to explore the possibility of an advertising and promotion program. Unruh questioned how much the discount program on local fuel sales has cost the Airport. Stjern estimated it cost $5,600. Gershman asked whether fuel sales increased due to this discount program. Unruh said they had not.

Unruh said he felt it was a fairly lean budget. Gershman still feels a need to do something with the food operation. He said the Authority should work more closely with Ron Elder to try to help him develop the business. He suggested looking into a cafeteria style set up. Gershman also suggested taking down the doors to the restaurant for a more open look. Selig said Johnson & Laffen will be putting together a layout plan for some restaurant/bar changes for the October Board meeting.

Rodningen noted that the cost of the employee wages and benefits increased more than the overall revenue increase from 1989 to 1992 of $240,000. Selig said he feels we need to have good people at airports and salaries are the main motivator. Stjern pointed out that the 1992 salaries include the operation of the parking lot.

Unruh said his philosophy is to get the operating budget to break even to be able to start reducing taxes. Selig feels there is an opportunity to do this through passenger facility charges. Selig explained that we will use PFC money for our matching share on upcoming projects as you cannot use the PFC funds for operational expenses. Gershman suggested dropping the tax revenue and replacing that income with the PFC money so that it is actually supported by the user. Selig said ensuring the financial viability and growth of this airport is important and we get a good return on the investment the taxpayer makes to this facility. He feels a more important goal for the Airport Authority would be another Federal Express or an aircraft rehab facility so that we can show that the money we are getting is returned several times over to the community.

Selig said we are just getting to the point where we can consider doing the projects that we pay for 100%, such as redoing the restaurant, parking lot repairs, storm water drainage problems, and upgrading the fire hydrant system. We need the tax dollars to proceed on some of these project. With the passenger facility charge we may be able to consider tax reductions in five years after accomplishing these items. Unruh point out that reducing the taxes 1/4 mills per year would eliminate the taxes in 16 years without any large income reduction each year.

Selig pointed out that any future pavement development will require additional maintenance staff and operating expense for lights, mowing, snow removal, etc. Unruh felt this should be mentioned each time we are considering future expansion.

Bob Reis agrees that reducing taxes is an important goal but also sees this resulting in increased tenant fees. He sees the growth in expenditures increasing more quickly than the growth and use of the Airport. He also questioned the continuing decrease in airline fuel flowage fees. He feels it is better to look for additional revenues from the large users than the general aviation customers with smaller usage. Gershman said he doesn't know how to compete for airline fuel sales with Minneapolis with their bulk purchasing ability.

Selig stated that the staff is on record as exploring expansion opportunities and we are continuing to explore the fuel issue. Gershman would like to see a real investigation of the fuel purchasing issue and would like Canadian refineries contacted when looking for a supplier. Selig said he is aware of the Canadians and that UND has purchased fuel there from time to time.

Selig reviewed the capital improvements budget. $4,400 for a tank monitoring system for leak detection. Rodningen questioned the status of the Airport's tank leakage insurance. Selig said we have appropriate coverage and he will get him a report on this. $35,000 for a cargo/foreign trade zone development plan. Selig said he knows a good firm in Washington, D.C. that can do this plan that he would like to visit in November. Selig also pointed out that he plans to attend a Foreign Trade Zone seminar in San Diego in October. Gershman suggested Selig contact Harry Wood at Pembina regarding foreign trade zones and what is available with free trade. $3,200 for back up air tanks and harnesses for ARFF. $5,000 to reside the AFSS building where the cedar siding was treated incorrectly when installed. $2,500 for auto-cad computer equipment to be used with the software we received with the master plan project. $1,500 for ropes and stanchions for the ticket counter area. $5,000 for landscaping and a sprinkler system. $1,000 for artificial plants and trash receptacles for the terminal. $2,500 to replace the doors on the brick storage building that Northwest Airlines rents. $18,000 to seal the new asphalt area of the parking lot. $18,000 to replace concrete in the emergency access driveway. $10,000 for a drainage/stormwater plan. Selig explained that we need to show the FAA that we are

trying to remedy our drainage problem. Webster, Foster & Weston will do an overall plan that will define elevations. $20,000 for a parking lot booth, gate and computer. Selig stated that we plan to operate for 6 months under new management to determine if this expansion is needed.

Selig said the Executive Committee decided to put a resolution on the agenda for the September 19th Board meeting to go ahead and build hangars. They are proposing 10 large hangars. $300,000 has been budgeted for 1992 for these. $180,000 is budgeted to expand the terminal restaurant based on estimates by Johnson and Laffen.

Selig also reviewed the federally funded capital budget for a runway broom, terminal expansion and runway 8/26.

Reis questioned whether it wouldn't be prudent for the Board to consider a slower expansion of the terminal and questioned whether the restaurant can produce the volume to pay for this expansion. He also questioned whether fixing up runway 8/26 will help attract business. Gershman explained that it is not just a case of increasing business but of keeping the cafe operator in business. The last thing we want is to end up running the cafe ourselves.

Selig explained that the terminal expansion includes fixing up the front drive and adding a new overhang, as well as the expanded hold room area.

Selig reviewed the revised 5 year plan and will send out copies to the Board members. He explained that the FAA will only approve reconstructing runway 8/26, no lengthening. Selig said there will also be a list of alternate and back up projects to this list. Selig asked that if anyone has any additions or modifications to the current 5 year plan to please let him know.

Unruh asked what the mill levy is in this budget. Stjern said the current City mill rate is 4.65 and believes the County is using 4 mills. Stjern said she will verify this and get a report out. She pointed out that this budget includes no mill levy increase.

Selig said the budget will be on the September 19, 1991 agenda for approval and if anyone has any further questions to please call him.

ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

# PROCEEDINGS OF

# THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

# BOARD OF COMMISSIONERS MEETING

# Thursday, September 19, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, September 19, 1991 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Jim Weber, Hal Gershman, Tim Mutchler, and Clint Rodningen; advisory committee member Jack Lien; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, Candi Stjern, and Jackie Heidrich.

## APPROVE MINUTES

Gershman commented that he had read the minutes of the August 15th meeting that he was not present at and wished to suggest that the trophy won by the Authority's women's softball team be displayed in the terminal where people can see it. Selig said he plans to do that when a place can be found for it. It was moved by Gershman and seconded by Weber to approve the minutes of the August 15, 1991 Board meeting as presented. ACTION TAKEN: The motion carried unanimously.

Gershman wished to clarify his comments concerning Harry Wood and the foreign trade zone. His point in suggesting talking to Mr. Wood was that he is aware of the possibly diminishing opportunities in free trade.

Selig pointed out that the proposed hangar construction is for 8 hangars, not 10 as noted in the draft minutes.

It was moved by Mutchler and seconded by Gershman to approve the minutes of the September 5, 1991 Board meeting as amended. ACTION TAKEN: The motion carried unanimously.

## OLD BUSINESS

Rodningen questioned the continuing absence of old business on the meeting agendas. Selig said that most questions from the Board are followed up with memos from the staff and don't reappear at a meeting. Unruh stated that we can review the minutes and see if there is any outstanding business. Gershman also pointed out that any Board member can bring agenda items to the Chairman. Rodningen asked, for example, what happened to the Board Retreat that was approved at a meeting earlier this year. Gershman said that since Rodningen had stated that it sounded boring to him the rest of the Board had decided to drop the retreat.

## MONTHLY FINANCIAL REPORT

Stjern reported a net revenue before depreciation of $26,679 for the month of August, bringing the year-to-date net revenue before depreciation to $188,179. The year-to-date operating expenses through August 31, 1991 were 64.7% of budgeted funds, or 2.0% under budget. The year-to-date operating revenues are at 59.9% of budgeted funds, or 6.8% under budget. She pointed out that the revenue is not reaching budgeted levels, mainly in the areas of fuel sales, commissions, and hangar rent. Hangar rents are low due to the fact that an additional $18,000 in hangar rent was budgeted under the assumption that new hangars would be producing revenue in 1991.

Gershman suggested Stjern include the percentage of the year that is appropriate to each month at the top of the reports so they know this for comparison on the reports.

Rodningen questioned whether the Board ever gets a list of the expenses paid monthly by the Authority, like the City and County get a list of bills to approve at their meetings. Selig said Rodningen can see the bills anytime he wants but this approval of a bill listing is not required of the Authority.

## RESOLUTION #36-91
## APPROVE 1992 BUDGET

Selig explained that the Board and staff went through the budget in detail at the September 5th meeting but will review any areas that anyone has any questions on. He feels it is a good budget that allows us to cover our needs. He also pointed out that this budget is based on a management-type agreement and associated expenses for the parking lot and requests a resolution today for the direction the Board wishes to take on the pay parking lot issue. Rodningen feels the parking lot and budget are separate items and need separate resolutions. Unruh agrees.

Unruh asked whether the Board agrees with going forward with contract janitorial and a management agreement for the parking lot. Gershman said he agrees with this.

Gershman noted that Selig is recommending Republic Parking which doesn't give the Authority the largest amount of money. He asked whether Selig feels they'll do the best with customer relations. Selig said he does as Republic is very professional and has a reputation for their quality of work and making sure the lot is run in a cost efficient manner. He was also impressed that they presented a budget for the operation, not estimates. Republic proposes hiring full-time personnel to avoid the turn over problem associated with part-time people. Selig also feels they provided the best proposal and best opportunities for the Authority under this kind of management agreement.

Jewell Doherty of Republic Parking was present. Mr. Doherty said Republic Parking has built their reputation on customer service. They know they're the last person the customer sees at the Airport. Under their proposal, the Authority would have absolute control of the type of service they want. Republic Parking has 57 airports and just took over the Memphis airport from self-operation. Unruh questioned where Republic's closest facility is. Mr. Doherty said they operate Rapid City, SD and Rochester, MN.

Selig explained the management agreement concept versus a concession-type operation. The management agreement increases the financial return and gives the Authority a greater level of control. Unruh feels if the parking lot was Authority-run we would make more money. Selig explained that the staff is not experienced in parking lot management. He pointed out that we are not familiar with theft control and could lose thousands of dollars before we figured it out.

Weber questioned whether three years is the shortest term we can enter into an agreement. Selig feels the operator needs that period to evaluate the operation.

Unruh questioned whether receiving proposals from three operators is the proper and legal procedure for bidding the parking lot. Selig said he has researched this and feels it was handled properly. Christensen recommends passing the budget conceptually and if the parking lot management agreement needs to be bid out that can be handled later. Selig said he can bring a resolution to the Board in October to begin working on a contract with Republic Parking if the Board passes the budget and decides to go with the management agreement.

It was moved by Gershman and seconded by Weber to adopt the Operating and Capital Budgets for the operation of the Authority and the Grand Forks International Airport as presented. Mark Holy, Aero Center 1, said he just saw a copy of the proposed budget and questioned whether the 7-31-91 figures listed are what was actually spent. Stjern pointed out that the numbers he is referring to are actual revenue received. Mr. Holy also questioned how the Authority can project doubling and tripling of income in such areas as the parking lot and terminal advertising. Stjern pointed out that this is an inaccurate statement. The terminal advertising revenue is projected to increase 18% due to several advertisers who received six free months of advertising to sign up this year and will begin their rent payments in 1992. Rodningen pointed out that he is still concerned with the continuing operating loss. He noted that he feels a big part of this is wages. Rodningen feels the Board should be furnished with detailed wage information and he has never received anything. He feels this area should be looked at. Rodningen also questioned the construction of hangars. He said he would like to see Aero Center involved with the hangar development and feels it should help their business. Rodningen also questioned why the Board never looks at the final results of the budget at the end of the year. Selig said the Board gets a monthly report and

a final year end report annually. Unruh reminded Rodningen that the staff presents the year end reports and has the auditors come in and make a presentation to the Board. ACTION TAKEN: The motion carried with Rodningen abstaining.

**RESOLUTION #35-91**
**APPROVE 1992 DBE GOALS**

Stjern explained that in accordance with the FAA's DBE program she has proposed an 18.1% overall contracting goal for 1992 and a leasing goal of 13.3%. She also reported that she is working on a revised DBE Program for the Authority and hopes to present it at the October Board meeting. Selig explained that this is really the first phase of our DBE Program. The program Stjern is working on will include a pre-bid conference primarily to go over the DBE process.

Unruh questioned what the goal was for 1991. Stjern said the overall goal was 11.4% after the FAA directed her to figure the goal differently. It was moved by Weber and seconded by Mutchler to adopt the Disadvantaged Business Enterprise (DBE) goals for 1992 FAA grant projects of 18.1% and Airport leasing goal of 13.3% in accordance with FAA requirements and guidelines. ACTION TAKEN: The motion carried with Rodningen abstaining.

**RESOLUTION #32-91**
**CHANGE ORDER ON FEDERAL EXPRESS BUILDING PROJECT**

Selig explained that this change order covers site development costs that went over estimate on the Federal Express building project. It was moved by Gershman and seconded by Weber to approve the change order for the Federal Express building project in the amount of $4,347.55 as detailed in the attached worksheet. Change order adjusts site work unit costs to reflect actual, thus closing out the site work portion of this project. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #33-91**
**SELECTION OF ARCHITECTURAL SERVICES FOR TERMINAL EXPANSION**

Selig explained that the Selection Committee made up of himself, Unruh and Mutchler, went through the FAA's selection process and interviewed three architectural firms. The Committee recommends selecting Johnson and Laffen as the architect for the 1992 terminal expansion project. Mutchler said all the presentations were impressive but felt Johnson and Laffen were best qualified in light of the small size of the project and their previous involvement in the terminal expansion. It was moved by Weber and seconded by Gershman to authorize the Executive Director to enter into an agreement with Johnson and Laffen for the design and construction of the expansion to the Airport's passenger terminal subject to FAA approval. Rodningen said he has questioned the Board involvement in the selection process but just heard about the interviews for this project last Friday. Unruh explained that the Selection

Committee made the decision following FAA guidelines. Rodningen asked whether they used the same criteria for this selection as the last time. Unruh said they did. ACTION TAKEN: The motion carried with Rodningen abstaining and stating he did not have enough information to make a decision.

**RESOLUTION #34-91**
**APPROVAL OF AGREEMENT WITH GREAT LAKES AIRLINES**

Selig explained that Great Lakes Airlines has agreed to sign a standard operating agreement with a 2-1/2 year term, versus the 3-1/2 term with Northwest and Mesaba Airlines, and with the addition of an exhibit sent as a letter to Mr. Frazier regarding the billing and application of ARFF fees. Selig has discussed the ARFF fee issue with Northwest Airlines and they are satisfied. It was moved by Gershman and seconded by Mutchler to authorize the Executive Director to execute the standard airline agreement with Great Lakes Airlines, having an initial term of 2-1/2 years and adding Exhibit G clarifying the procedure for administering ARFF charges. Rodningen questioned whether our attorney has read this agreement. Christensen stated he had not read this particular agreement but Selig has told him it is just a name change and adjustment in fees so there would be no need for him to review it. Selig explained that he submits any agreements to Christensen that have not been previously reviewed by him, but not again when signing the same agreement with a different tenant. ACTION TAKEN: The motion carried with Rodningen voting no.

**MARK HOLY COMMENTS**

Mark Holy, Aero Center 1, asked if there was any consideration given to having someone from the business faction at the Airport as a Board member at the time the Authority was formed. Christensen explained that the City and County's appointing official is given a list of recommendations as to the pool they are to look to when making their decision, such as businessmen like Gershman or accountants like Unruh. Christensen stated that the procedure for appointment to the Board is outlined in the statutes creating the Authority. Gershman said there is nothing to prevent an Airport tenant from seeking appointment to the Board but there is a provision in the statute addressing conflict of interest.

**ADJOURN**

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

PROCEEDINGS OF

THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

BOARD OF COMMISSIONERS MEETING

Thursday, October 17, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, October 17, 1991 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Tim Mutchler, and Jim Weber; Advisory member Jack Lien; Travel Agent Representative Dorothy Radi; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, Candi Stjern, and Jackie Heidrich.

## APPROVAL OF MINUTES

It was moved by Weber and seconded by Mutchler to approve the minutes of the September 19, 1991 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

## FINANCIAL REPORT

Stjern reported for the month of September 1991 net revenue before depreciation of ($171,388). This brings the year-to-date net revenue before depreciation to $16,791. Stjern explained that the negative amount for the month is largely due to a bond payment on the 1990 bond issue of $166,906. The year-to-date operating expenses through September 30, 1991 were 73.7% of budgeted funds, or 1.3% under budget. The year-to-date operating revenues are at 75.8% of budgeted funds. Stjern also noted that there is additional parking lot revenue earned to date but not yet recognized on these financial reports. She said she expects to end the year near budget.

## RESOLUTION #37-91
## "AMENDMENT TO ULTEIG ENGINEERING CONTRACT"

Selig explained that there are several grant projects currently open that the FAA wants to have closed out. The FAA used to do this work but is now putting this work onto the sponsors. The Authority currently has an open contract with Ulteig Engineering and they are capable or doing the grant close out work. The FAA will pay for 90% of the costs. It was moved by Weber and seconded by Mutchler to authorize the amendment of the existing Ramp C expansion project contract with Ulteig Engineering to include FAA grant project close out work recently required by the FAA. Estimated additional cost for this work is approximately $11,267 for the close out of seven (7) Airport grants. The grant close out description and cost estimate are attached. ACTION TAKEN: The motion carried unanimously.

## RESOLUTION #38-91
## "APPROVAL OF TERMINAL PARKING LOT OPERATION"

Selig reported he and the attorney had reviewed the Authority's Policy and Procedure Manual and found no required bid or selection process for this type of management agreement. It was moved by Mutchler and seconded by Weber to direct the Executive Director to operate the Authority's paid parking facility through the use of a professional parking lot management firm. Resolution authorizes the Executive Director to enter into an agreement with Republic Parking to provide the above-mentioned services based upon Republic's "Management and Operation" proposal of September 6, 1991. ACTION TAKEN: The motion carried unanimously.

## RESOLUTION #39-91
## "ACQUISITION OF JET FUELING TRUCKS"

Selig reported that the Authority has an opportunity to acquire two surplus 5,000 gallon jet fueling trucks from an Air Force Base in Nevada. They are now located in Bismarck and Chuck Korsmoe and Howard Freije will be going there on Tuesday to evaluate them before we purchase them. We have only 14 days to complete the transaction for these trucks so this is why Board action is being requested today. The Authority currently spends $20,000 annually to lease fuel trucks with less capacity and these trucks could be acquired and refurbished for $25,000. Johnson explained that a similar truck purchased new would cost $150,000. It was moved by Mutchler and seconded by Weber to authorize the Executive Director to negotiate with the State of North Dakota Surplus Property Agency for purchase of two jet refueling trucks and to subsequently retrofit those vehicles for Authority use. Total cost is estimated to be $25,000. ACTION TAKEN: The motion carried unanimously.

## TERMINAL EXPANSION PRESENTATION BY JOHNSON & LAFFEN

Selig distributed a proposed Terminal Building Master Plan Summary. He explained that this summary determined the main congestion areas in the terminal are the security hold area, lobby waiting area, and the bag claim area. He explained that second level boarding was rejected. Selig stated that the final concept for the terminal building expansion is to expand the bag claim with bag belt, expand the security hold area with a jetway, and expand terminal drive to three traffic lanes. The expanded bag claim and bag belt have already been completed.

Gary Johnson and Scott Meland of Johnson & Laffen Architects appeared to present drawings of the proposed remodeling. Mr. Johnson explained the plan would lower the jetways and replace the elevators with ramps. The boarding point would be 3'4" above floor level. The seating in the hold room would increase from 60 presently to 182.

Bob Bauer, Northwest Airlines, questioned whether the lowered jetways would reach a DC-10. Mr. Johnson said it would not. Mr. Bauer explained that this airport is set up as a weather alternative for DC-10s and Northwest would need to get the passengers off these airplanes. Mr. Bauer also questioned whether it wouldn't be less expensive to install the new jetway where there previously was a jetway and is set up at approximately 10' above floor level.

Mark Holy, Aero Center 1, stated he thinks the overall design is pretty good, but thought it would be cheaper to build a square addition for the hold room than a rounded one. He also questioned whether this type of design attempts to get the passengers into the hold area faster and could take business away from the cafe for which an expansion is also proposed. Mr. Holy also sees a snow removal problem with the rounded design, possibly even shutting down the lefthand jetway.

Mr. Bauer also felt Northwest Airlines would need another computer terminal in the hold room. He also stated that Northwest hires the security personnel and the expanded area could mean additional employees and/or backlogging passengers into the hold room.

Unruh felt that Johnson & Laffen need to address some of the concerns addressed here by the tenants. He also felt we should look at whether we really need a second jetway. Selig explained that if we want to attract a second westbound carrier as the community seems to want, a second jetway will make Grand Forks a more attractive location. Mutchler pointed out that Minot and Bismarck both have two jetways.

Weber asked if Johnson & Laffen have looked at other airports. Mr. Johnson said they have and they have also talked to the architects for Minot's new terminal who used a consultant early on for the basic concept and then did the rest of the work themselves.

Selig said he will get a report to the Board and plan to bring this back to the next regular meeting or schedule a special meeting if necessary.

**HANGAR CONSTRUCTION DISCUSSION**

Selig reviewed the proposed layout for an additional eight hangars. He stated that his plan is to now aggressively go out and find tenants for these hangars. He has three people right now that are interested in this facility and one more that won't commit yet. Selig said he will bring this issue back to the November meeting with a report as to now many hangars are spoken for. He stated that new hangars end up being a subsidized operation, but hopefully we sell these tenants fuel and other services.

Unruh explained that the hangar construction was part of the bond issue last year. The Authority got very favorable financing to do this and if we don't do it we have to give back some of that bond issue money.

Mark Holy agrees that commercial type aircraft would like this type of hangar set up but suggested possibly half of the proposed hangars be constructed as T-type hangars for the general aviation aircraft. Unruh said he understood that the concrete for the T-type hangar adds a substantial amount to the cost. Mr. Holy stated that from the feedback he has received from general aviation a T hangar would be a better way to go, at least for part of the hangars.

**MARK HOLY, AERO CENTER 1, REMODELING OF HANGAR #3**

Mr. Holy stated that his prime concern since taking over Aero Center 1 a little over a year ago has been the size of the maintenance facility. He presented graphs showing that Aero Center's shop labor revenues are up approximately 18% over 1990. He feels that Aero Center has experienced steady growth with charter revenues also increasing. Mr. Holy also announced that Aero Center won a contract with UPS yesterday.

Mr. Holy explained that he needs a facility where they can get the aircraft in, repaired and out again quickly so Federal Express can meet their timetable. He presented a videotape segment showing the 20 minute procedure his employees must go through to get a Federal Express caravan into their shop since the door opening is not high enough to pull it straight in. Mr. Holy estimated that out of an eight hour day they spend approximately two hours just moving the airplanes.

Mr. Holy felt that the expansion into hangar #3 is not a long-term solution but could last Aero Center from 3 to 5 years. Selig questioned whether he would need to increase his staff with this expansion. Mr. Holy said he has recently laid off two mechanics but if he had this facility he would have to hire more staff.

Mr. Holy stated he would like the Authority to fund the remodeling of hangar #3 and he would enter into a lease for the hangar. Unruh said he would like Stjern to look at Aero Center's financial situation and this can be brought back to the Board at the November meeting. He also said that Selig did offer to install the new door and lease hangar #3 to Aero Center but Mr. Holy wants us to do the entire remodeling including heating and insulation at a total cost of approximately $60,000. Unruh explained that his personal preference is for Aero center to accept a lease on the hangar and do their own improvements. We are not bankers and have to move cautiously on this.

Christensen suggested looking at a situation where Mr. Holy invests his own money in the remodeling and if the business doesn't make it the Authority would then reimburse him for what value is left unamortized in the hangar. Mr. Holy stated that financial institutions in Grand Forks are not interested in financing building improvements on Authority-owned buildings. Unruh said he feels it would be in Mr. Holy's best interest if he handled the financing himself. He feels the Authority would have to charge him

more than a bank would. He also pointed out that the Authority would have to bid a project this size, which Mr. Holy himself has told the Authority before just brings up the cost of the project. Stjern will work with Mr. Holy on evaluating Aero Center's financial situation and this issue will be brought back to the Board in November.

ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

# PROCEEDINGS OF

# THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

# BOARD OF COMMISSIONERS MEETING

## Thursday, November 14, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, November 21, 1991 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Tim Mutchler, Hal Gershman, Jim Weber, Clint Rodningen; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, Candi Stjern, and Julie Churchill.

## FINAL REVIEW

## 1992 TERMINAL EXPANSION PROJECT

Selig explained the purpose of calling the special board meeting was to review the final plans for the 1992 Terminal Expansion including the Security Hold Room, Airport Cafe, and Curb-side access. Selig asked that Lonnie Laffen begin with his presentation on the Security Hold Room expansion.

Using drawings, Laffen explained the concept of the "bubble" for expanding the Security Hold Room. Laffen stressed the importance of determining the need for elevators or ramps for handicap access. Laffen illustrated the ramp concept, comparing the similarities to the Minneapolis terminal. He reviewed the hold room arrangement - leaving security as is and the existing hold room stays about the same. He explained the increase in seating to 144 seats with the possibility of more. There would be two ticket agent booths and one emergency exit. Included in the design is a janitor room and a furnace room.

In reviewing the jetways, Laffen explained the use of second-level boarding over the baggage make-up area. This concept was cost-prohibitive. Another solution expanded the hold room to the north, but this limited the access to the baggage claim area and was ruled out due to inconvenience. Laffen asked Steve Synhorst to discuss aircraft utilization on the ramp.

Using drawings, Synhorst explained aircraft positioning and movement on the ramp if the expansion is completed. Synhorst discussed a workable solution that allows aircraft to turnout under their own power while still maintaining wingtip clearance. Synhorst said this design would work using dual jetways.

John Stimpert questioned certain aircraft's ability to turnout under their own power. Synhorst assured him they could. Hal Gershman asked if Synhorst was sure of his calculations. Synhorst assured him, according to the drawings, that this solution would work. Stimpert reported that, due to new noise laws, larger aircraft are more likely to be used in the future and he questioned the ability, again, of enough room with dual jetways. Synhorst and Selig both commented, saying that larger aircraft would decrease room, however, both questioned the likelihood of a number of larger aircraft on the ramp at the same time.

George Unruh asked that, if the "bubble" was not present in the design, could the Airport get by with one jetway serving three aircraft. Synhorst thought no, that due to the movement ability of the jetway, one would not be able to serve all three aircraft. John Stimpert confirmed Synhorst's answer. There was general discussion regarding different size aircraft and ramp movement including sequencing aircraft to allow movement of at least four (4) large aircraft. Selig explained that the focus of this expansion is to create a facility that will meet the expected norm over the next five to ten years.

Stimpert commented that Northwest Airlines does not feel an added jetway is necessary, nor does Northwest feel the hold room expansion is needed. Stimpert informed the Authority that, with his calculations, it will cost Northwest an additional $50,000 per year for this expansion. Stimpert explained that it would be Northwest's position that they would not allow passengers into the hold room regardless of the expansion.

Selig commented that the determination on use of this area is an Airport Management decision, and he felt that no Airline, including Northwest, had the right to deny access to Airport customers as long as safety is not a concern. Selig said that the plan is to restore the Airport to its original use and that is, until two years ago, that all airport customers were able to go into the secured hold area. Selig explained that the practice was stopped, temporarily, due to overcrowding of the hold area. Selig also informed the audience that the Authority has received complaints about passengers not being allowed in the hold area to see their families off. He said that Airport users expect that convenience strictly as good customer service.

Stimpert said that he had taken a survey of the Dakota Security employees to find out what they thought of letting non-ticketed persons into the hold area. Stimpert said it was the feeling of Dakota Security employees that most people just want to know when the plane takes off so that they can leave. Stimpert then suggested that the Authority build an observation deck and that the it be an Authority expense rather than a tenant expense.

Mark Holy explained that Aaron Ham, Great Lakes Aviation, commented to him that this expansion does not take into consideration regional type carriers such as Mesaba and Great Lakes.

Tim Mutchler asked John Stimpert how he came up with the $50,000 figure. Stimpert explained that the figure he received from the Authority was $17,000 and added to that would be increased security personnel at a cost of $26,000. Mutchler asked who, in larger Airport's where security is out in the middle of the terminal, took care of the expenses. Stimpert explained that it was pro-rated out between the different Airlines. Mutchler felt that people in Grand Forks know they aren't allowed in the hold room, so they don't even challenge the security personnel. Stimpert replied that Security personnel usually don't challenge whether or not someone is a ticketed passenger if that person doesn't volunteer the information. Stimpert brought up the issue of decreased Airport Cafe revenue if the expansion was approved.

Laffen commented on the small size of the holdroom in comparison to other North Dakota Airports. Stimpert gave his views on the comparison, saying all exits not just jetway gates must be considered.

Hal Gershman asked John Stimpert what Northwest's views were on the expansion at Minot, and why exactly Northwest is opposed to the expansion in Grand Forks. Stimpert said Northwest was opposed to the expansion because of the potential cost to Northwest Airlines, a cost, Stimpert says, Northwest doesn't want or need. Gershman asked how these costs compare to Northwest's cost in Minot. Stimpert replied that, while he does not have the exact figures for the new terminal, Minot's rates have been the same for years and years. Stimpert commented that Northwest's corporate office would possibly see things differently if there were another airline in Grand Forks to share the cost, but he cannot see Northwest paying $50,000 per year on the off-chance another carrier would come in.

Selig stated that in the Passenger Facility Charge meeting held on October 30, 1991, Larry McCabe, Vice President of Properties at Mesaba Airlines, reviewed the expansion plans and the current hold room and indicated that the he generally supported the expansion. Selig reported that McCabe also stated, over the phone, that the current holdroom was too small.

Selig said that it was important to know that the $17,000 in rent is a figure that we can calculate and put a firm number to and that, from an Airport Management point of view, Selig wasn't sure Management could agree with the $50,000 figure established by Northwest. Selig disagreed with the increase in security costs, stating that the same level of staff was used to process more passengers and all the visitors before the practice was stopped in 1989. Selig commented that, with fewer passengers now, unless there was more information brought in to consider, he doesn't see why security would have to be increased. Unruh asked Stimpert who decides on the number of security staff needed. Stimpert replied that there are FAA guidelines involving the number of security personnel, and that in 1992, due to an increase in the sensitivity of screening equipment it will take quite a bit longer to screen passengers, and the added congestion of screening visitors would cause delays in flights.

Stimpert, in response to Larry McCabe's comment of the holdroom being too small, presented a letter to the Authority Board from Northwest Airlines, opposing the expansion. Gershman commented that he wasn't able to address the increase in security costs, but it was his experience that if you don't allow the non-traveling public into the hold room, there are people standing all over the place because of lack of seating. Gershman said he understood Stimpert's concerns about letting non-ticketed passengers into the hold room. Stimpert commented that there was an average of 74 passengers per flight in 1987, which at the time was more than the present seating allowed, however in 1991 there is an average of 60 passengers per flight which leaves approximately 45 extra seats with the current seating capacity. Gershman disagreed with Stimpert's comment that things should be built based on averages. Gershman felt that there should be a balance, and that the current facility is on the negative side with regards to current peak times.

Stimpert explained that while he does generally agree with Gershman on that point, he has to look at Northwest's 55% increase in operating costs since 1989. Stimpert said that the Board needs to look at who should pay for all of this passenger convenience. Stimpert commented that the real problem needs to be defined. Stimpert explained that the Security employees said that the passengers really aren't concerned with getting into the hold room, they just want to be able to see when the plane takes off so they can leave. Stimpert also brought up the suggestion of an observation deck where passengers could watch the plane depart.

Mark Holy suggested postponing the expansion until the industry stabilizes as far as the size of aircraft being used. Holy explained that if the expansion is completed now, it may possibly be obsolete years from now due to the changes in the aircraft being used.

Stimpert suggested moving security closer to the ticket counter and adding seats in that area rather than doing the whole remodeling.

Unruh commented that there were many good points being made. Gershman commented that moving security was already looked at but was decided against due to traffic flow. Gershman suggested some type of compromise and asked if Stimpert had the authority to suggest alternatives. Stimpert said that he really didn't have authority to make any proposals, but when the discussions on expansion began, he was told that it was because of lack of seating. Stimpert explained that Bismarck has more traffic than GFK does, but the same amount of seating. Stimpert said he then was told the expansion was needed because the Board members were receiving complaints that people can't go into the hold room. Stimpert said that it was his experience that people really didn't care about getting into the hold room as much as they just wanted to be able to see the flight depart. Based on this information, Stimpert asked what type of survey was done to warrant this type of expansion.

Unruh wondered what conditions would be like if all of the non-ticketed customers waiting for people were allowed in the hold room. Stimpert commented that they would be crowded around at the bottom of the stairs. Gershman commented that his experience has been that people aren't complaining so much about getting into the hold room as they are about not having enough seating available.

Stimpert commented that there was at one point discussion about rearranging the seating to put seats along the windows, but that it hadn't been done. Gershman agreed that there had been discussion to that effect but that it had been decided that Northwest needed the room for check in. Gershman said it was his opinion that the general consensus was that there just wasn't enough space in the hold room and whether the expansion was more than needed, he wasn't sure. Gershman acknowledged Northwest's concern for elevated costs. Stimpert wanted to know how many seats we were short and was it worth $50,000 per year to do the expansion.

Gershman asked if the Airport Cafe and Terminal front can be done as independent projects. Lonnie Laffen explained they could be done as three separate projects, but stressed that there would be a cost premium associated with bidding the projects separately. Laffen said there would be probably about a 10% premium to bid the jobs separately.

Selig explained the funding background. Selig explained that the FAA funding program expires the end of September 1992. He explained that at the end of every year the FAA explains that it's a "use it or lose it" proposition. Selig explained that the Airport has approximately $600,000 to $700,000 in entitlement funds that must be used by September 30, 1992. Selig explained that the expansion project was chosen because it benefited the community more than any other project. Selig commented that the Authority has received many good comments regarding the 1991 expansion of the bag belt. The Authority Board agreed. Selig commented that he has a letter from Dan DeBord at Northwest Airlines objecting to the bag belt remodeling and felt that the expansion will be the same type of thing. Selig thinks that the expansion is a comfort issue for passengers.

Weber asked what the match was on the $600,000 from the FAA. Selig explained that it's a combination of 10% and 25% so he is guessing that the average will be about 15% of the total project. Selig explained that if the money isn't spent to remodel the terminal, it will be spent on another project. Gershman commented that we have until September of next year to decide. Selig disagreed, saying we need to have our requests for reimbursement in by September of next year which means the building project has to be started in the summer of 1992.

Christensen asked if the project can be bid in three separate phases. Laffen said you can for approximately a 10% increase. Rodningen commented that that cannot be said for sure. Laffen explained that the contractor will make his bid higher so he doesn't lose money in case one phase of the project doesn't go through. Christensen suggested bidding the project as A - With the terminal expansion and B - Without the terminal expansion. Selig commented that he doesn't understand what that has to do with today's meeting. Gershman explained that it gives the Authority time to explore alternatives to the hold room expansion with Northwest and check some more things out. Gershman felt that Stimpert is making some strong points, especially the fact that allowing people into the holdroom could hurt business in the restaurant. Gershman commented that he wasn't sure he liked the idea of expanding the holdroom to allow non-ticketed people in when the FAA could come out with a ruling anytime that bans non-ticketed people from being in the secure area. Selig commented that would only happen in an emergency situation. Gershman disagreed, saying the FAA could come out with a directive any time they wanted. Selig commented that the FAA received so much resistance over the last directive that he feels that would be remote. Stimpert commented that the only reason they received so much resistance was that the Airport vendors were losing business.

Selig began discussions on the Airport Cafe remodeling. Selig stated that the restaurant remodeling may relieve some of the concerns over the hold room expansion. Selig commented that by providing quick food service, we're accomplishing a primary concern. Selig said he doesn't have the intention of leaving the holdroom as is to force customers into sitting in the cafe so they may spend some money. As a customer, Selig said he would be offended by that. Stimpert commented that we're not talking about customers, we're talking about sightseers. Selig explained that those sightseers are potential customers, and if they have a bad experience at the Airport, people are going to hear about it due to word of mouth. Stimpert commented that by allowing people into the holdroom, the security check will take longer and that will delay flights which will also cause bad experiences. Selig commented that the security issue is totally under Northwest's control and that the flights don't have to be delayed. Selig said that if there are delays in flights, it will be because of Northwest operational problems, not because of the facilities. Stimpert commented that it would be the facility that would cause the problem in the first place. Christensen commented that Northwest has the ability to allow or not allow ticketed passengers into the holdroom, therefore it would not be a problem because of the facility but because of how Northwest chooses to handle the increase in traffic that would cause the delays. Stimpert agreed, saying however, that because of how the facility was expanded, Northwest would have to increase security to make that facility work. Christensen asked Stimpert why he would need to increase security when there are the same number of flights and the same people coming through if Northwest is not going to allow people to observe. Stimpert commented that if non-ticketed passengers are

not allowed through, there would be a better chance that increased security would not be needed, but he won't know for sure until March of 1992. Christensen explained that if Northwest makes the decision not to allow non-ticketed passengers in the holding area, Northwest will not have an increase in operational cost.

Unruh moved the meeting on to the next project and commented that he viewed this as an input meeting. Unruh asked if there were any other comments concerning the hold room. Stimpert offered to be a part of a committee, along with someone from the Authority, to organize a survey to pinpoint the real feelings of the consumer. Unruh asked Weber how he felt about this project. Weber said he felt there were many problems to be worked out yet. Unruh acknowledged Weber's past suggestion that a consultant be brought in on the project. Weber commented that he hadn't seen anything on the project from a consulting firm. Selig explained that it was still in the process. Weber commented that the final plans were already presented and that the only consultant brought in was Ulteig's. Selig disagreed, saying that the final plans are subject to a consultants review. Selig explained that the final plans have to be approved before they can be taken to a consultant, otherwise, we'd be paying the consultant to design the whole thing rather than review a simple remodeling. Weber acknowledged Stimpert's concern that the Authority is over-building and feels that there is more ground work to be done. Weber also felt that bidding the projects in phases is the route to take, commenting that there is no guarantee it will cost the Authority 10% extra. Laffen disagreed. Selig was under the impression that it should be designed the way it is, and then go out for bids. Weber disagreed with leaving the design as is because no consultant has been brought in to review it.

Rodningen remarked that he was present at the Passenger Facility Charge meeting, and he doesn't remember Larry McCabe saying that he was in favor of the project but that he did say he was concerned with Airports that overbuild. Rodningen said it was his opinion that there is a compromise out there somewhere to please everybody. Selig commented that he wasn't trying to be difficult, but from an architectural point of view, the project cannot be bid until a design has been approved. Weber said he understood that, but the design that has been submitted is unacceptable to the majority. Rodningen commented that there is no rush to accept a design at this point. Selig recommended that the holdroom should be left as is. Weber agreed, saying more discussion is needed. Weber asked again for a consultants review. Selig remarked that that was the plan. Laffen explained that Northwest's main objection to the project was the cost, not the design. Laffen explained that they went through a number of designs with Northwest, and this design was considered the best solution by Stimpert.

Selig commented that there is a timeline involved and that the Authority needs to move ahead, if not with this, with other projects. Selig recommended holding off on this project if there are that many objections. Unruh commented that he liked Stimpert's idea of doing a survey. Stimpert explained that the Airlines probably wouldn't agree to any expansion without a survey being performed to provide additional data. Stimpert commented that he would have liked to have gotten involved six months ago so the information would have been available at this meeting.

Selig asked if the Authority wanted to add the jetway to the existing site. Selig explained that if another carrier looked at coming into Grand Forks, they would have to supply $300,000 to build their own jetway. Selig explained that if an air carrier agreed to come in in three months, there is no way a jetway could be purchased and installed in that short of time period. Stimpert asked Selig why another carrier would not have to purchase their own jet bridge when Northwest had to purchase theirs. Selig remarked that he disagreed with management practices of the past and explained that he feels that airport should be designed to benefit the community, not to give one airline an edge over another. Stimpert asked about the obligation the Airport should have to the carrier that has been at the Airport for sixty years.

Holy commented that when he was running Dakota Sky, he had the opportunity to discuss fee structures with different Airport Managers and Grand Forks has the highest fee structure in the State of North Dakota. Holy explained that the higher the fee structure that more difficult it would be to get another carrier into Grand Forks and going ahead with the remodeling would increase the fee structure even more, defeating the purpose of trying to bring in another carrier.

Unruh commented that what interested him the most was having another way of getting out of the airplane rather than using the dark, dreary steps. Unruh asked Stimpert what he thought of that. Stimpert agreed that personally, he liked the idea. Laffen commented that architecturally, that probably couldn't be done without doing the rest of the remodeling. There was general discussion on some alternatives for the hold room. Unruh commented that there were some very good ideas regarding the hold room and that it should be put on hold. Weber asked what would be changed if the project was put on hold. Unruh said a survey should be done. Stimpert said that it's possible to look at a whole new terminal building. Selig guaranteed that Northwest would not support the building of a new terminal. Christensen explained that there is a fixed cost of about $17,000 based upon a fee structure, and probably won't be changed. The other cost is hypothetical -- an assumed cost based on Northwest's claims of increased operating cost. Christensen said that the only actual known cost is $17,000, after that it is up to Northwest.

Christensen questioned if it was possible to make the restaurant the main observation place, increasing business in the restaurant. Weber agreed.

Selig commented that the "bubble could be cut back" reducing costs to Northwest and still maintain the main design of the project, including the ramps. Weber suggested to the Chairman that the project be put on hold and taken back to the drawing board.

Laffen explained that the restaurant's space is very limited and there really isn't room left to do anything.

Unruh suggested discussing the terminal awning. Laffen explained that the present awning will be removed and replaced with a space frame canopy creating three full lanes of traffic. Laffen explained that the concept is very close to Fargo's except for the cover on the canopy. Laffen suggested using skylights to let more light in. Laffen explained that about 3/4 of the first lane will be covered. Selig explained that it allows truck traffic and the snow plows to go underneath with no clearance problems. Laffen explained that the terminal has never been a main focus and using a lighted space-frame canopy will draw attention to the terminal. Weber asked if the canopy will protect against rain and snow. Laffen explained that there is a roof over the very top and the back of the canopy which will allow all the moisture to divert to the lawn rather than drip on customers. Laffen explained that there will be a flagged area warning people to slow down and pointing them in the general direction for parking.

Unruh asked if it was a $250,000 awning. Laffen answered yes. Selig explained that much of the cost is in removing the present awning. Laffen explained that there will be some aesthetic work to the terminal to prepare it for the construction. Laffen, using the drawings, explained how the roof and the skylights would slope to cover the sidewalk. Unruh asked what happened to the canvas awning idea. Laffen said, in his opinion, canvas does not belong on an airport. Laffen felt that the space frame gave the terminal a high-tech image and canvas also won't light up as well as the space frame would. Unruh asked Selig what the match is on this project. Selig reported that the match on the front drive is 10%, the holdroom was 25%, the jetway is 10%, and the restaurant is 100%.

Kathy Lind commented that the car rentals would like a feasibility study done in regards to moving the car rental lots to the other side of the parking lot with the feeling that it would cut down on traffic in front of the terminal. Unruh commented that that was a good idea. Laffen agreed. Selig commented that it was a good idea and that it can be looked at but was not within the scope of the current project. Unruh asked how much of the car would be covered under the new awning. Laffen answered approximately 90%. Unruh asked why it couldn't be covered 100%. Laffen said it could. Unruh commented that for a quarter of a million dollars, 100% of the car should be covered. Laffen stated that the awning is made

Unruh asked why it couldn't be covered 100%. Laffen said it could. Unruh commented that for a quarter of a million dollars, 100% of the car should be covered. Laffen stated that the awning is made from aluminum and answered Unruh's question that it is free - standing. Christensen asked if all the support in front is needed, saying that personally, he feels it looks cluttered. Laffen answered that while a space-frame looks light and airy it does need that support. Selig asked if the Board would make a decision regarding the awning, commenting that Staff needs some type of direction today. Unruh commented that this was simply a final review and that no decisions need to be made today. Selig asked when the project could be brought before the board for review, stating that Authority staff had to put together their schedule. Mutchler stated that, in reviewing Northwest's letter, they are against the awning project as well. Stimpert stated that from Northwest's letter they are against all of the current projects but from a personal point of view, Stimpert doesn't have enough information to know how this project would affect his costs. Selig explained that he doesn't anticipate the jetway or the awning affecting any tenant's costs.

Weber asked Laffen if, in his mind, the awning design is the best way to go -- other than the jet-age look. Laffen explained that they have looked at over a dozen ideas and he feels that this is the best design. Rodningen asked about the cost of a canvas awning. Laffen explained that a structural system would still be needed and the cost difference would not be significant. Selig stated that canvas would also be a maintenance issue. Laffen stated that, in his opinion, canvas is also a trendy thing that will probably go out of style after a few years.

In answer to Selig's question of board approval, at the next meeting or in the near future, Unruh requested Selig bring back a report stating project cost breakdown for the Authority. Selig asked if the Board would like to see an amended holdroom expansion that cuts back square footage while saving the ramps. The Board agreed. Selig agreed to bring back an amended project design to the Board on November 21, 1991. Unruh asked if there would be time to conduct a survey before the next meeting. Stimpert and Selig agreed to conduct a survey. Christensen said the real issue is deciding how many seats to add. Selig stated that there are really two issues, one being the seating, the other being convenient access to and from the aircraft. The general consensus agreed that the focus has changed and Selig agreed to bring back a new design to the board at the November 21, 1991 meeting.

Selig asked for a decision concerning the awning. Selig agreed to cover the entire first lane. Mutchler stated that he was not against proceeding with the awning project. Unruh asked Rodningen's opinion on the awning. Rodningen wanted to know if the Authority is really addressing Northwest's concern of increased operating costs. Christensen explained the breakdown of cost will not affect Northwest's operational costs. Laffen mentioned that eventually, Northwest's costs may go down, due to the removal of the elevators which generate a maintenance cost.

Laffen explained the restaurant design. The lounge has been taken out and adds a wider entry with much more glass. There will be an area for signage that will set it off more. Laffen stated that the gift shop will be enlarged, there will be a fast food section and a sit-down dinner section. Laffen explained that the restaurant will be on the order of the shopping mall concept. Laffen explained that there will be two areas for cash registers as well as a waitress station. There is a possibility to make the entire restaurant a buffet type restaurant if it is decided later that is how it should be. Laffen stated that liquor will be served throughout the restaurant rather than having a separate lounge area (a Ground Round type principle). Laffen asked if there were any questions. Initially, Laffen stated he didn't think that it was possible to get everything into one design, but feels this design works well. Christensen asked if the booths would stay the same. Laffen answered that Elder didn't really want to do that. Laffen suggested adding that as an alternate project if the first project comes in under budget. Christensen stated that the new restaurant would look better with updated booths. Weber asked how big the restaurant will be. Selig answered about 3 times the size it is now. Selig explained that Elder will be able to increase his profits with a larger gift shop.

Unruh agreed with Weber's suggestion of having an outside consulting firm look at the designs. Selig stated that all three projects will be sent to a consultant for their review before being brought back to the board.

ADJOURN

Respectfully submitted,

Julie Churchill
Administrative Secretary

F:\WP50\2MINUTES

PROCEEDINGS OF

THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

BOARD OF COMMISSIONERS MEETING

Thursday, November 21, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, November 21, 1991 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Tim Mutchler, Hal Gershman and Clint Rodningen; Advisory members Jack Lien and Bob Reis; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, Candi Stjern, and Jackie Heidrich.

## APPROVAL OF MINUTES

Gershman suggested changing the phrase "appeared to present drawings" to "presented drawings" in the second paragraph of the terminal expansion presentation by Johnson & Laffen. It was moved by Mutchler and seconded by Gershman to approve the minutes of the October 17, 1991 Authority Board meeting with the aforementioned change. ACTION TAKEN: Motion carried unanimously.

## FINANCIAL REPORT

Stjern reported for the month of October 1991 net revenue before depreciation of $39,751. This brings the year-to-date net revenue before depreciation to $56,542. She explained that there were no major changes from last month. The actual ten month operating revenues and expenses are within 2% of the ten month budget. Stjern also noted that the Airport has earned an additional $65,735 in parking lot commissions that have not yet been recognized as revenue.

## RESOLUTION #40-91
## AUTHORIZATION TO PROCEED WITH 1992 TERMINAL BLDG. EXPANSION

Selig explained that at the last meeting Weber asked management to look at another plan with reduced square footage. Selig presented a scaled down plan that maintains the same jetway and ramping plan. It also reduces the seating by 32 seats. Selig estimates a cost decrease of approximately $30,000. The plan originally presented was 2700-2800 s.f. and the newest plan is approximately 2100 s.f.

Selig also reported he had asked AvPlan to do a detailed review of the proposed expansion. They had no objections to the hold room and jetway situation and felt the apron utilization was fine. They did feel the gift shop may be too small.

Gershman stated he would be more comfortable with this expansion if it could be done at no additional cost to the airlines. Christensen explained that the lease would have to be amended to allow that. Christensen said he understood that the larger plan could cost an additional $17,000 per year maximum to be divided among the airlines and the smaller plan would probably be half that amount. Selig pointed out that the rent payments are a separate issue from the terminal building expansion. He also stated that AvPlan has ideas on how to hold down the costs to the airlines.

Rodningen stated that he feels there are still a lot of unanswered questions.

It was moved by Gershman and seconded by Mutchler to approve in concept the hold room expansion with the provision there will be no additional costs to the airlines and subject to the proper surveys and discussions taking place as to true need and scope of the project.

John Stimpert, Station Manger for Northwest Airlines, said that the Properties Department of Northwest Airlines, had sent a letter to the Authority opposing this project. Mr. Stimpert stated he feels the present plan poses safety hazards such as passengers by the tug traffic. He also questioned if any consideration had been given to whether handicapped people prefer to use ramps or elevators. Mr. Stimpert stated they currently have enough staff to help the handicapped customer but if the elevators are removed they would have to take the stand that they would take control of the passengers once they get to the jet bridge.

Harley Lind, Northwest Airlines, stated he felt the jetway is not designed to load off of a lower level. He explained that he did some experimenting with the present bridge last night. The slope level deactivators would have to be disconnected in order to load at a lower level. He also felt that the bridge head tilt is a serious problem. Mr. Lind suggested checking with Jetway Company to verify whether the current jetway can be operated as proposed. Selig stated that Johnson and Laffen had checked with Jetway Company and they were told there would be no problem with lowering the present jetway. Selig also suggested leaving Northwest's jetway as is and just remodeling Gate #2 and expanding the hold room.

Mr. Stimpert said that doing a survey was discussed at the meetings held last Thursday and Friday and so far no one has done anything on these surveys but himself. He said he called a disabled center and they told him they felt a handicapped person would prefer an elevator over a ramp. They also said the elderly prefer elevators as they have problems judging ramps. The person he talked to suggested calling Mr. Jay Johnson for further information concerning the handicapped. Mr. Stimpert said he turned this name in to Selig on Tuesday and questioned whether he called Mr. Johnson.

Mr. Stimpert quoted the fees Northwest pays in Minot since they built their new terminal and pointed out that they are lower than is being paid at Grand Forks. Mr. Stimpert feels the costs here are high and asks the Board to put the expansion on hold and talk to the tenants concerning the design and to work to get the properties department's approval for this project.

Rodningen pointed out that AvPlan based their opinion on projected 2008 boarding of 148,000, 17 years away, when the 1990 boardings were 94,000 and 1991 boardings are declining from that. Selig stated that we have to build based on this statistical forecasting. He also pointed out that Minot worked out an agreement not to increase their airline costs and Northwest objected to their new terminal building project initially also.

Selig stated that the bottom line is that there is a perception that Airport management and airline management are in conflict concerning this project and they're not. He explained that he has not yet been able to talk to Dan DeBord of Northwest Airlines Properties Department about this. He has made an effort to talk to the tenants. He also stated that he feels Johnson & Laffen know what is involved with the handicap codes. He felt a passenger survey may help but needs time to put it together. Mr. Stimpert stated he asked the Authority for help in doing a survey so it doesn't look like it is slanted to favor Northwest but has received no help. Selig explained that it is Northwest's company opinion that they do not want this project to proceed and expecting Northwest Airlines to sign off on this project is unrealistic.

ACTION TAKEN: The motion carried unanimously.

Chairman Unruh stated he would like to appoint a committee made up of Selig, Mr. Stimpert and Lonnie Laffen of Johnson and Laffen and asked that they come back to the Board with a final design recommendation when it is appropriate.

**RESOLUTION #41-91**
**APPROVE EXTENSION OF CAR RENTAL AGREEMENTS**

Selig explained that the existing agreements with the car rental agencies have no automatic extension clause like we have with all other agreements. This would extend the current agreements for another year and allow them to be automatically renewed from year to year. The car rentals have already signed copies of this agreement that was prepared by Christensen. It was moved by Gershman and seconded by Mutchler to authorize the Executive Director to execute an "Extension of Term" agreement with National, Hertz and Avis car rental concessions at the Grand Forks International Airport. The extension agreement renews the term of the existing concession agreements and provides for automatic annual renewals. ACTION TAKEN: The motion carried unanimously.

## RESOLUTION #42-91
## APPROVE PROFESSIONAL SERVICES FOR 1992

Selig explained that according to the Policies and Procedures Manual he is to recommend professional service providers on an annual basis. He recommends we continue with the existing professional services. It was moved by Gershman and seconded by Mutchler to confirm the Executive Director's appointment/selection of professional service providers for FY 1992 as follows: Financial Audits: Brady, Martz & Associates; Attorney: Douglas Christensen; Civil Engineering: Webster, Foster, Weston, Inc.; Architectural: Johnson & Laffen, Inc.; Bank Services: First National Bank - Grand Forks; Authority Treasurer: Candi Stjern, Director of Finance/Administration; and Authority Secretary: Jackie Heidrich, Administrative Assistant.

Rodningen stated he understood the Board would advertise for or talk to other firms about doing such things as the audit or legal services. Unruh said he expected a recommended on-going schedule for bidding these services. Selig said he would have this schedule by next month.

Gershman and Mutchler withdrew their motion. It was moved by Mutchler and seconded by Rodningen to confirm the Executive Director's appointment of Authority Treasurer: Candi Stjern, Director of Finance/Administration and Authority Secretary: Jackie Heidrich, Administrative Assistant. ACTION TAKEN: The motion carried.

Unruh asked Selig to bring to the next meeting a schedule for bidding these services and a history of the professional service providers.

## RESOLUTION #43-91
## AUTHORIZATION TO PROCEED WITH AIR CARGO DEVELOPMENT PLAN

Selig said Brian Campbell is an air cargo development consultant with Leeper, Cambridge, and Campbell of Alexandria, VA. His firm has the ability to assist us in moving forward on a rapid basis on foreign trade zone development. Selig would like to invite them here in January to meet the Board. He would present an agreement with them at that time. It was moved by Mutchler and seconded by Rodningen to authorize the Executive Director to negotiate an agreement with Brian Campbell of Leeper, Cambridge, and Campbell of Alexandria, VA for the development of an Air Cargo/Foreign Trade Zone Development Plan as budgeted in the 1992 budget. Fee shall not exceed the $35,000 budgeted for this project. The agreement shall be returned to the Authority Board for final approval. ACTION TAKEN: The motion carried unanimously.

## HANGAR CONSTRUCTION REPORT

Selig explained that he is currently looking at building eight corporate type aircraft hangars. He has done a phone survey and found five people that are strongly interested in renting them. Selig plans to meet with those people in the near future and will bring more detail to the Board in January or February. Mutchler questioned what rent figure was proposed to these people. Selig said he estimated $250 to $300 per month.

## ADJOURN

Respectfully submitted,

Jackie Heidrich

Jackie Heidrich
Board Secretary

PROCEEDINGS OF

THE GRAND FORKS REGIONAL AIRPORT AUTHORITY

BOARD OF COMMISSIONERS MEETING

Thursday, December 19, 1991

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, December 19, 1991 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Tim Mutchler, Jim Weber, Hal Gershman and Clint Rodningen; Authority Attorney Doug Christensen; and staff: Bob Selig, Steve Johnson, Candi Stjern, and Jackie Heidrich.

## APPROVAL OF MINUTES

It was moved by Weber and seconded by Gershman to approve the minutes of the November 14, 1991 and November 21, 1991 Authority Board meetings as written. ACTION TAKEN: Motion carried unanimously.

## FINANCIAL REPORT

Stjern presented the financial reports for the month of November 1991. Rodningen requested a report on the Board expenses for the year and a bond account detail with the commitments remaining.

## RESOLUTION #40-91
## AUTHORIZATION TO PROCEED WITH 1992 TERMINAL BLDG. EXPANSION

It was moved by Gershman and seconded by Mutchler to approve the proposed design of the 1992 terminal building expansion project to include: A) Widening of Airport Drive and the addition of an awning to the front of the terminal, B) The remodeling of the Airport restaurant, and C) The expansion of the terminal's security holding room to include the addition of a new jetway on gate #1. Basic design shall be in accordance with drawings attached to the Resolution. ACTION TAKEN: The motion carried unanimously.

## OLD BUSINESS

Rodningen requested that the issue of hangar agreements and minimum standards be considered at a future Authority Board meeting. He feels there may be conflicts and would like to address some of these issues. Selig agreed to make a presentation on Grant Assurances at a future meeting.

## RESOLUTION #44-91
## SELECTION PROCEDURE FOR PROFESSIONAL SERVICES

It was moved by Mutchler and seconded by Gershman to confirm the Executive Director's proposed selection schedule for professional service providers presented in accordance with Section 100.07 of

the Authority's Operational and Policy Manual utilizing three (3) year and five (5) year terms initially to allow Airport Administration to transcend to a point where one professional service is selected every five (5) years. It is understood that even with the five (5) year selection term, the Executive Director is still required to present all professional service providers to the Airport Authority Board for confirmation annually in accordance with Section 100.07. The selection schedule does not prohibit the Executive Director from initiating the selection process for a particular service in the event of poor performance during the five year term. Service providers appointed by the Executive Director and confirmed by the Airport Authority Board shall begin their three (3) or five (5) year terms of service on January 1st of the next full year following their selection. ACTION TAKEN: The motion carried with Rodningen voting no.

**RESOLUTION #45-91**
**CONFIRM SELECTION OF PROFESSIONAL SERVICE PROVIDERS FOR 1992**

It was moved by Weber and seconded by Gershman to confirm the Executive Director's appointment of the following professional service providers for 1992: Legal Services - Douglas Christensen; Engineering Services - Webster, Foster, Weston; Architectural Services - Johnson and Laffen, Inc.; Banking Services - First National Bank of ND; and Certified Public Accounting Services - Brady, Martz & Associates. The above appointments are made in accordance with Section 100.07 of the Authority's Operational and Policy Manual. Rodningen requested that staff insure that such appointments are in accordance with the Authority's DBE Program, if applicable. ACTION TAKEN: The motion carried unanimously.

**RESOLUTION #46-91**
**APPROVE JANITORIAL SERVICES AGREEMENT**

Selig recommended selecting Servicemaster of Grand Forks for janitorial services. They were not the lowest bidder but are recommended due to their training program, quality assurance program, and reference checks. Selig stated that this janitorial services contract will save about $3,000 per year compared to current costs. Rodningen questioned whether this agreement could be considered an employment agreement by the IRS and be subject to employment taxes. It was moved by Gershman and seconded by Weber to authorize the Executive Director to sign an agreement with Servicemaster of Greater Grand Forks Inc. to provide janitorial services, subject to confirmation by Brady, Martz & Associates that this is considered a management agreement by the IRS. The annual fee is $26,150 in accordance with the bid tab attached to the Resolution. ACTION TAKEN: The motion carried unanimously.

ADJOURN

Respectfully submitted,
Jackie Heidrich
Jackie Heidrich