

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

Wednesday, January 13, 1993

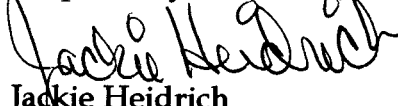
The Grand Forks Regional Airport Authority Board of Commissioners met for a special meeting in the Board Room of the Administration Building on Wednesday, January 13, 1993 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Jim Weber, Dave Molmen, Clint Rodningen and Tim Mutchler; and staff: Bob Selig, Steve Johnson, and Candi Stjern.

**RESOLUTION #02-93
AUTHORIZATION TO PROCEED WITH INTER MODAL/AIR CARGO
STUDY**

John Leeper of Leeper, Cambridge and Campbell, gave a detailed presentation on the inter modal interim report that was received by the Authority in November 1992. Through his presentation Leeper demonstrated that there was adequate interest and justification for continuing the study project. It was moved by Mutchler and seconded by Molmen to authorize the Executive Director and Leeper, Cambridge and Campbell to proceed with the last phase of the inter modal/air cargo study with completion of the proposed strategic plan, in accordance with the agreement between the Airport Authority and Leeper, Cambridge and Campbell. ACTION TAKEN: Motion carried unanimously.

ADJOURN

Respectfully submitted,


Jackie Heidrich
Board Secretary

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

Thursday, January 21, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, January 21, 1993 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Dave Molmen, Clint Rodningen and Tim Mutchler; Authority Attorney Don Olson; Advisory member Jack Lien; and staff: Bob Selig, Steve Johnson, Candi Stjern and Jackie Heidrich.

APPROVE MINUTES

It was moved by Mutchler and seconded by Rodningen to approve the minutes of the December 17, 1992 and January 13, 1993 meetings as written. ACTION TAKEN: Motion carried unanimously.

**RESOLUTION #01-93
APPROVE FUEL FARM PROJECT**

Selig presented an overview of the proposed above ground fuel farm project, which includes a provision for ground site for a future possible fixed base operator and the relocation of the car rental maintenance activities. Selig explained that the current design includes UND as a user, but the project will be reduced if they decide not to participate. Unruh stated that he would like the engineer to stay in contact with all tenant/users during the development of this project. Steve Synhorst, Ulteig Engineers, explained that a meeting has already taken place with Aero Center, UND and Northwest Airlines on December 18, 1992. Federal Express and the car rentals were also invited. He stated that additional meetings with the users will be scheduled.

It was moved by Molmen and seconded by Mutchler to authorize the Executive Director to proceed with the design, construction, and financing of the Authority's proposed new fuel farm in accordance with the attached report. It is understood that the estimated cost of the new fuel farm, and associated financing, will be approximately \$713,000.00. Fuel farm capacity to be constructed will be reduced if the University of North Dakota decides that it does not want to participate in the use of the facility. ACTION TAKEN: The motion carried unanimously.

Mutchler leaves the meeting.

OLD BUSINESS

HANGAR RENTAL RATE INCREASES

Rodningen stated that he had received calls about the \$12/month increase in hangar rent. He explained that when it was discussed he understood that the \$12/month would only be applied to mass hangar tenants and not T-hangar tenants, as only mass hangar tenants use the in/out service. Brian Pfeiffer, T-hangar tenant, stated that his rent increase was 17.68%. He does not feel this increase to the T-hangar tenants is fair and that he should not pay for problems in the mass hangars. Mr. Pfeiffer stated that he is also representing Gene Durieux who was unable to attend this meeting. Johnson explained that adding the \$12/month to the mass hangars only would bring the cost to as much per month as the more desirable T-hangars.

Molmen said that as much he thinks it's a poor precedent to continually revisit our decisions, he felt it may be worthwhile to put this on next month's agenda for further discussion. It was agreed to review this at the February meeting.

FINANCIAL REPORTS

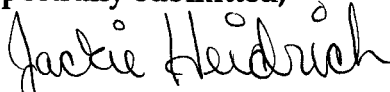
Stjern presented preliminary 1992 year end financial reports. She explained that there will be a few changes to these numbers after the audit is completed. Stjern noted that the 99,238 boardings in 1992 were the highest in the history of the Airport and represent a 6.4% increase over 1991. The net revenue before depreciation for the month of December was (\$68,724), bringing the year-to-date net revenue before depreciation to \$139,476. The year-to-date operating revenues were 1.4% over budget, and the year-to-date operating expenses were 1% under budget.

1992 YEAR END OPERATIONS REPORTS

Johnson presented several 1992 year end operations reports summarizing 1992 fuel sales, line services, aircraft rescue and fire fighting call outs, as well as maintenance activities.

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script that reads "Jackie Heidrich".

**Jackie Heidrich
Board Secretary**

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

Thursday, February 18, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, February 18, 1993 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Dave Molmen, Clint Rodningen and Tim Mutchler; Authority Attorney Don Olson; and staff: Bob Selig, Steve Johnson, Candi Stjern and Jackie Heidrich.

APPROVE MINUTES

It was moved by Mutchler and seconded by Rodningen to approve the minutes of the December 17, 1992 and January 13, 1993 meetings as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported net revenue before depreciation for the month of January of (\$1,740.00), which she felt was mainly due to slow tax collections. January enplanements were up 11.5% over January 1992, but parking lot revenues were down, due to a decrease in Canadian traffic. The year-to-date operating expenses were .6% under budget.

**RESOLUTION #02-93
"ACCEPT 1992 AUDIT REPORT"**

Jim McConnell of Brady, Martz & Associates presented the 1992 Audit and financial statements. He reviewed the balance sheet, statement of cash flows and various reports included in this audit. He stated that Brady, Martz feels the Authority's financial reports are fairly reported. It was moved by Molmen and seconded by Mutchler to accept the 1992 audit report as presented by Brady, Martz & Associates. ACTION TAKEN: The motion carried unanimously.

RESOLUTION #03-93
"APPROVE 1993 SPECIAL AIRPORT PROMOTION ACTIVITIES"

Selig said the Board has been discussing promotion of the Airport and how to proceed with this since the last Board retreat. He is now recommending Board member Jim Weber's idea to use part of the budgeted promotion funds to hire a part-time person to do sales calls to travel agents and business and industry to encourage use of the Grand Forks Airport and to let them know what the Grand Forks Airport. Selig said he would also use these funds to develop a professional brochure to promote air cargo, aircraft maintenance and other developments with a total estimated cost of \$20,000 in 1993. Selig also explained that the Chairman has suggested a follow up retreat be held in June and the Board could consider further ideas at that time.

Bob Reis, UND, questioned whether the Authority has discussed any interaction with the Grand Forks Development Corporation on this promotional effort.

It was moved by Molmen and seconded by Rodningen to authorize the Executive Director to hire a part-time promotional person and to develop professional promotional materials through the use of an advertising consultant. The Executive Director is also directed to check into any assistance the Grand Forks Development Corporation may be able to offer the Airport in our promotion efforts. It is understood that these activities do not require an increase in the 1993 Budget, and will not exceed a cost of \$20,000. Under these activities, the part-time promotional person will be one who has knowledge of the travel industry, computer reservation systems, and airline air fare structures. General duties will be to establish routine promotional visits and other activities with travel agents and businesses throughout the region to encourage their continued and hopefully expanded use of airline services at the Grand Forks International Airport. The professional promotional materials will be used to support the promotion of airline service along with air cargo, aircraft maintenance and inter modal developments. ACTION TAKEN: The motion carried unanimously.

RESOLUTION #04-93
"ACCEPT GRANT OFFER FOR RUNWAY BROOM"

Selig explained that we have received the grant from the FAA for the purchase of the runway broom. It was moved by Molmen and seconded by Mutchler to authorize the Executive Director to accept the FAA grant offer in the amount of \$176,760 to purchase a runway broom from Kodiak Northwest. ACTION TAKEN: The motion carried unanimously.

RESOLUTION #05-93
**"ADOPT RULES AND REGULATIONS/MINIMUM STANDARDS FOR THE
GRAND FORKS INTERNATIONAL AIRPORT"**

Selig stated that after talking with Don Olson, the Authority's attorney, he is recommending tabling this resolution until the April meeting. Mark Holy questioned whether the public comment period is then reopened. Selig said he is open to comments and since the meeting will be April 15th he would appreciate receiving any additional comments by April 1, to give the Board members time to receive and review those comments. After much discussion concerning the procedure for continuing with the adoption of the rules and regulations Don Olson, Authority Attorney, recommended that the Executive Director develop what he considers to be the final set of rules and regulations, distribute copies and give the public 30 days to review the rules prior to the scheduled meeting. He felt that we should start over with the whole adoption procedure. Selig stated that to go through the procedure again we would have to plan to bring this back to the May meeting instead of the April meeting as he originally proposed. Selig said he will put together a schedule for the adoption of the rules and regulations and distribute it in accordance with the procedure. It was moved by Rodningen and seconded by Mutchler to authorize the Executive Director to finalize the proposed rules and regulations, obtain approval of the Authority's attorney, and then proceed with reaccomplishing the remaining steps of the adoption procedure. ACTION TAKEN: The motion carried unanimously.

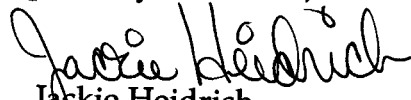
RESOLUTION #06-93
"APPROVE REVISION OF HANGAR RENTAL RATES FOR 1993"

Selig explained that he has recently met with the tenants regarding the 1993 hangar rental rate increase. He identified the costs associated with the hangars that should be attached to the hangar rents that justify this increase. Selig stated that Brian Pfeiffer and Gene Drye did a survey of hangar tenants concerning this increase that they would like to present to the Authority Board.

Brian Pfeiffer explained that they formed a five person committee of hangar tenants to discuss this increase in rates. They formulated a survey and received 23 replies. The results of this survey indicate clearly that most tenants are not in favor of the \$12/month increase but feel the CPI increase is fair. They also surveyed other airports for their hangar fees and ramp charges. They found that 7 Grand Forks aircraft are based at Crookston and 9 Grand Forks aircraft are based at Warren. The survey indicated that 15 of 23 said they would consider looking elsewhere for hangars if the increase remains, 3 said they would not. Gene Drye felt that this could indicate long-term losses of based aircraft and revenues for the Airport. It was moved by Molmen and seconded by Mutchler to roll back the \$12/month hangar increase and continue the 2.95% CPI increase for 1993 hangar rental rates. ACTION TAKEN: The motion carried with Rodningen abstaining from voting.

ADJOURN

Respectfully submitted,


Jackie Heidrich
Board Secretary

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

Thursday, March 25, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, March 25, 1993 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Clint Rodningen and Jim Weber; Authority Attorney Don Olson; and staff: Bob Selig, Steve Johnson, Candi Stjern and Jackie Heidrich.

APPROVE MINUTES

It was moved by Rodningen and seconded by Weber to approve the minutes of the February 18, 1993 meetings as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported enplanements for February 1993 were up 5.4% over February 1992. She also stated that parking lot revenues are down 16% from this time last year, reflecting a continued decrease in Canadian traffic. The year-to-date operating revenues were .9% under budget and operating expenses were .6% under budget. The net revenue before depreciation for the month of February was \$67,450 which brings the year-to-date net revenue before depreciation to \$65,709.

**RESOLUTION #07-93
"APPROVE PURCHASE OF JETWAY FROM NORTHWEST AIRLINES"**

Selig explained that this jetway was purchased by the City of Grand Forks through an independent bond issue with the agreement that Northwest Airlines would retire the debt and then own the jetway. Selig recommends assuming the debt responsibility with the Airport Authority then owning the jetway resulting in no possibility that this jetway could be removed by the airline. The total cost of the debt is \$129,415, with the debt paid off in 1995. After much discussion, Weber requested delaying action on this Resolution until the April 15, 1993 meeting when the full Board could be present. ACTION TAKEN: Held until April Board meeting.

RESOLUTION #08-93
"SELECT ULTEIG ENGINEERING TO PROVIDE ENGINEERING
SERVICES FOR 1993 FAA PROJECTS"


Unruh explained that the staff made a national solicitation for engineering firms and received only three applications: Webster, Foster & Weston, Ulteig Engineering, and Kadrmas, Lee & Jackson. All three firms then went through the interview process and the selection committee recommended Ulteig Engineer. It was moved by Weber and seconded by Rodningen to approve the selection of Ulteig Engineering to provide engineering consultant services for the Authority's 1993 FAA grant funded projects. The projects include construction of an East Airfield G.A. aircraft parking apron (adjacent to and north of Cirrus), construction of an East Airfield taxiway (to Cirrus and adjacent development), construction of a service road (south edge of Cirrus site), construction of a T-hangar access taxiway, and construction of a southward extension of "A" apron. ACTION TAKEN: The motion carried unanimously.

TOUR OF TERMINAL CONSTRUCTION

Selig invited the Board and any interested parties to tour the terminal construction project.

ADJOURN

Respectfully submitted,



Jackie Heidrich
Board Secretary

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

Thursday, April 15, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, April 15, 1993 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Clint Rodningen, Tim Mutchler and Jim Weber; Authority Attorney Don Olson; and staff: Bob Selig, Steve Johnson, Candi Stjern and Jackie Heidrich.

APPROVE MINUTES

It was moved by Weber and seconded by Mutchler to approve the minutes of the March 25, 1993 meeting as written. ACTION TAKEN: Motion carried unanimously.

**FINANCIAL REPORTS/QUARTERLY FINANCIAL & OPERATIONAL
REPORTS**

Stjern reported that enplanements are up 6.4% over the same first quarter of 1992. United Express had a record month with 1,119 passengers. The year-to-date operating revenues were 1.4% under budget and year-to-date operating expenses were 1% under budget. The net revenue before depreciation for the month of March was \$78,800, which brings the year-to-date net revenue before depreciation to \$144,510. Stjern stated that parking lot revenues were down 8.9% from this time last year.

Stjern presented several graphs depicting into-plane fuel revenue, fuel revenue by air carrier, operating revenue, net operating income, enplanements, cafe receipts, and parking lot revenue as well as long-term parking lot use by origin.

Johnson presented quarterly operational reports. He stated that United Express enplanements are up 400% from the same first quarter of 1992. Air traffic operations have remained fairly steady from 1991 thru 1993. Johnson explained

that fuel flowage has decreased for general aviation avgas but increased for general aviation avjet. The number of aircraft refuelings performed by the Operations staff has increased but the number of general aviation fuelings and in/out service has decreased. Johnson also pointed out that the number of maintenance work orders has increased significantly which reflects better documentation of work done.

RESOLUTION #07-93
"APPROVAL OF JETWAY BOND ASSIGNMENT AGREEMENT WITH
NORTHWEST AIRLINES"

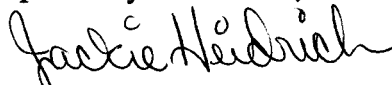
Unruh explained that this item was deferred from the March meeting so that more Board members could be present when action is taken. Selig explained that he had received a letter from Northwest Airlines stating that there are no liens or obligations against the jetway. Selig stated that the advantage to the Airport Authority of owning this jetway is we will have a complete terminal building with two jetways we own so a departing airline cannot take a jetway with them. It was moved by Mutchler and seconded by Rodningen to authorize the Executive Director to execute a bond assignment agreement regarding the jetway on gate #2 of the terminal between the Airport Authority and Northwest Airlines in accordance with the attached report. ACTION TAKEN: Motion carried unanimously.

TOUR OF TERMINAL CONSTRUCTION

Selig invited the Board and any interested parties to tour the terminal construction project.

ADJOURN

Respectfully submitted,



Jackie Heidrich
Board Secretary

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

Thursday, May 20, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, May 20, 1993 at 8:00 A.M. with Chairman George Unruh, Jr. presiding. Members present were: Clint Rodningen, Tim Mutchler, Jim Weber and Dave Molmen; Authority Attorney Don Olson; Advisory members Jack Lien and Bob Reis; and staff: Bob Selig, Steve Johnson, Candi Stjern and Jackie Heidrich.

APPROVE MINUTES

It was moved by Weber and seconded by Rodningen to approve the minutes of the April 15, 1993 meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported April 1993 enplanements were up 33.4% over 1992, with year-to-date enplanements up 11.8%. Parking lot revenues were down 5% from April 1992. The year-to-date operating revenues were 1.5% under budget and the year-to-date operating expenses were 1.2% under budget. The net revenue before depreciation for the month of April was (\$89,100) due to the Terminal bond payment, which brings the year-to-date net revenue before depreciation to \$41,485.

Stjern explained that the fuel revenue was up 3% over the first four months of 1992 with into-plane fees 13% higher than April 1992. Fuel flowage fees are running 25% higher than 1992.

**RESOLUTION #08-93
"PROPOSED SMOKING POLICY"**

Selig explained that the staff brought the proposed smoking policy to the Board because it is a health concern and the Board should consider if they want to change the existing policy which prohibits smoking except in designated smoking areas, other than exclusively leased buildings such as Federal Express

who may make their own smoking policies. Unruh stated that he would now allow a public comment period concerning the proposed smoking policy.

Ellen Auyong stated she is a frequent flyer and smoker who requests the continuation of indoor, comfortable, convenient designated smoking areas that includes the terminal, restaurant, bar and Administration Building. She suggested it would be best to maintain the designated smoking areas currently used but also to establish signs on all exterior doors indicating that designated smoking areas are provided in the building.

John Salter, UND professor, stated that he supports Ellen Auyong's position and hopes that smokers rights are protected at the Grand Forks International Airport.

Christine Delea said she is a frequent flyer that hates flying and becomes very nervous and needs to be able to smoke.

Gary Pawluk stated he works at UND Aerospace and their outside smoking area is always filthy.

Don Newberry explained he is a graduate student at UND and his main contact with the Airport is in picking up incoming passengers and would hate to have to stand outside to smoke while waiting.

Ron Elder, restaurant operator, said that he personally does not care if the terminal is non-smoking but has to consider his potential customers and would like to maintain a designated smoking area in the restaurant. He explained that the Fargo terminal is no smoking but kept a smoking area in their restaurant and lounge.

ACTION TAKEN: Unruh stated that the Board will take no action on implementing the proposed smoking policy at this time but will be studying this issue on an on-going basis. The existing policy will remain in place.

RESOLUTION #09-93A

**"NOTICE OF PUBLIC HEARING ON THE PROPOSED ISSUANCE OF
AIRPORT REVENUE BONDS PURSUANT TO CHAPTER 2-06, NORTH
DAKOTA CENTURY CODE"**

RESOLUTION #09-93B

**"RESOLUTION RELATING TO AIRPORT REVENUE BONDS;
AUTHORIZING THE ISSUANCE THEREOF AND SETTING A DATE FOR
A PUBLIC HEARING THEREON AND THE PUBLIC SALE THEREOF"**

RESOLUTION #09-93C
"RESOLUTION RELATING TO FINANCING OF PROPOSED FUEL FARM
PROJECT TO BE UNDERTAKEN BY THE GRAND FORKS REGIONAL
AIRPORT AUTHORITY ESTABLISHING COMPLIANCE WITH
REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL
REVENUE CODE"

Selig explained that Resolution #09-93A sets a public hearing on the bond issue, Resolution #09-93B authorizes the issuance of bonds, and Resolution #09-93C authorizes reimbursement for the tax exempt projects. Selig presented the annual obligations for the proposed projects.

It was moved by Molmen and seconded by Rodningen that notice is hereby given that the Grand Forks Regional Airport Authority, Grand Forks, North Dakota (the Authority), will meet on June 17, 1993, at 8:00 o'clock A.M., at the Authority Board Room, 2787 Airport Drive, Grand Forks, North Dakota, for the purpose of conducting a public hearing on a proposal that the Authority issue its revenue bonds in one or more series under Chapter 2-06, North Dakota Century Code, to finance the following projects: (i) acquisition and installation of fuel storage tanks; (ii) construction of public parking lots; (iii) acquisition of a building from the City of Grand Forks, which is currently leased to the University of North Dakota; (iv) acquisition and construction of a general aircraft maintenance facility; and (v) construct an expansion to the Federal Express facility, all located at the Grand Forks International Airport, 2787 Airport Drive, Grand Forks, North Dakota. The buildings and improvements will be owned by the Authority. Portions of the facilities will be leased to, or used by, various users, including commercial aviation operators and other private users. The Authority may issue bonds in one or more series in an aggregate principal amount up to \$4,100,000 to finance these projects. All persons interested may appear and be heard at the time and place set forth above or may file written comments with the Executive Director prior to the date of the hearing set forth above. ACTION TAKEN: The motion carried unanimously.

It was moved by Molmen and seconded by Rodningen that the Authority hereby authorizes the issuance of Airport Revenue Bonds in a principal amount not exceeding \$4,100,000 and maturing in not to exceed 20 years. Authority staff is hereby authorized and directed, in cooperation with Evensen-Dodge, Inc., financial consultants to the Authority, and Dorsey & Whitney, bond counsel to the Authority, to take the necessary steps and cause the necessary documents and resolutions to be prepared for the approval of the bond issue by the City and County of Grand Forks and the sale and issuance of the Bonds. The Bonds will be used to finance the following projects: (i) acquisition and installation of fuel storage tanks; (ii) construction of public parking lots; (iii) acquisition of a

building from the City of Grand Forks, which is currently leased to the University of North Dakota; (iv) acquisition and construction of a general aircraft maintenance facility; and (v) construct an expansion to the Federal Express facility. The Bonds will constitute "private activity bonds" within the meaning of the Internal Revenue Code of 1986, so that a public hearing must be held on the Bonds and the financing of the projects prior to the issuance thereof. A public hearing for this purpose shall be held on June 17, 1993, at 8:00 A.M., in the Authority Board Room; notice of the public hearing, in substantially the form attached hereto, shall be published not less than 14 days prior to that date. The Board shall also receive bids for the purchase of the Bonds on the same day. Authority staff and the Authority's financial consultants and bond counsel are hereby authorized and directed to prepare the necessary documentation, including notices of public hearing and notices of bond sale, and to cause such notices to be published in accordance with law. ACTION TAKEN: The motion carried unanimously.

It was moved by Molmen and seconded by Rodningen that it be resolved by the Authority Board (the Board), of the Grand Forks Regional Airport Authority (the Authority), as follows: 1) Recitals: a) The Internal Revenue Service has issued Section 1.103-18 of the Income Tax Regulations (the "Regulations") dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse the Authority for project expenditures made by the Authority prior to the date of issuance. b) The Regulations generally require that the Authority make a prior declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within one year of the payment of the expenditure or, if longer, within one year of the date the project is placed in service, and that the expenditure be a capital expenditure. c) The Authority desires to comply with requirements of the Regulations with respect to certain projects hereinafter identified. 2) Official Intent Declaration: a) The Authority proposes to undertake the following projects described on Exhibit A attached hereto. b) Other than (i) expenditures to be paid or reimbursed from sources other than a borrowing or (ii) expenditures permitted to be reimbursed pursuant to the transition provision of Section 1.103-18(1)(2) of the Regulation or (iii) expenditures constituting preliminary expenditures as defined in Section 1.103-18(i)(2) of the Regulations, no expenditures for the foregoing projects as identified on Exhibit A have heretofore been made by the Authority and no expenditures will be made by the Authority until after the date of this Resolution. c) The Authority reasonably expects to reimburse the expenditures made for costs of the designated projects out of the proceeds of debt (the "Bonds") to be incurred by the Authority after the date of payment of all or a portion of the costs. All reimbursed expenditures shall be capital expenditures as defined in Section 1.150-1(h) of the Regulations. d) This declaration is a declaration of official intent adopted pursuant to Section 1.103-18 of the Regulations. 3. Budgetary Matters: As of the date hereof, there

are no Authority funds reserved, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the projects, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the Authority's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof, all within the meaning and content of the Regulations. 4. Filing: This resolution shall be filed within 30 days of its adoption in the publicly available official books and records of the Authority. This resolution shall be available for inspection at the office of the Authority Board Secretary at the Airport Authority Administration Office during normal business hours of the Authority, every business day, until the date of issuance of the bonds. 5. Reimbursement Allocations: The Authority's Director of Finance and Administration shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the Authority to make payment of the prior costs of the projects. Each allocation shall be evidenced by an entry on the official books and records of the Authority maintained for the Bonds, shall specifically identify the actual prior expenditure being reimbursed or, in the case of reimbursement of a fund or account in accordance with Section 1.103-18, the fund or account from which the expenditure was paid, and shall be effective to relieve the proceeds of the Bonds from any restriction under the bond resolution or other relevant legal documents for the Bonds, and under any applicable state statute, which would apply to the unspent proceeds of the Bonds. ACTION TAKEN: The motion carried unanimously.

REPORT ON PROMOTIONAL ACTIVITIES

Selig explained that Dorothy Radi was recently hired as the Authority's Promotional Representative. She makes travel agent visits airfare surveys, visits area businesses and is introducing a corporate parking program.

Selig stated that he and John Stimpert visited Northwest headquarters yesterday and got a commitment to keep Grand Forks air fares in line with fares out of Fargo.

Dorothy Radi said she has received good responses from the travel agents and area businesses and is enjoying her work with the Airport Authority.

SUMMER BOARD MEETING SCHEDULE

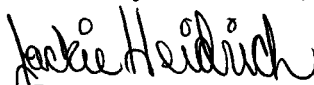
Unruh said he would like the farmers on the Board to let us know if an adjustment in the Board meeting time would be more convenient for them for the summer months. Mutchler stated that he is through the busiest times for now and doesn't feel a time adjustment is necessary. Weber agreed.

TOUR TERMINAL REMODELING

Selig invited the Board to visit the newly remodeled restaurant that has reopened this week.

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jackie Heidrich".

Jackie Heidrich
Board Secretary

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

Thursday, June 17, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, June 17, 1993 at 8:00 A.M. with Vice - Chairman Tim Mutchler presiding. Members present were: Clint Rodningen, Jim Weber and Dave Molmen; Authority Attorney Don Olson; Advisory members Bob Reis; and staff: Bob Selig, Steve Johnson, Candi Stjern and Julie Arel.

APPROVE MINUTES

Molmen asked Selig to clarify the projects in last month's minutes and review which are covered by the bond issue. Selig noted the bond issue includes the construction of a fuel storage facility, construction of public parking lots, acquisition of a building from the City of Grand Forks, construction of an aircraft maintenance facility, and the expansion of the Federal Express building (Selig gave a short description of what each project entails). Rodningen asked what schedule the Authority was following for the bonds. Selig stated that the only schedule change was the date for selling the bonds which has been moved to July 15th.

Molmen motioned approval of the minutes, Weber seconded the motion. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported May 1993 enplanements were up 15.2% over 1992, with year-to-date enplanements up 12.5%. Parking lot revenues were down 1% from May 1992. The year-to-date operating revenues were 1.8% under budget and the year-to-date operating expenses were 2% under budget. The net revenue before depreciation for the month of May was (\$26,690), which brings the year-to-date net revenue before depreciation to \$11,818.

Stjern explained that the fuel revenue was down 3.5% for the year with into-plane fees 12% higher than May 1992. Fuel flowage fees are running 9% higher than 1992.

Stjern stated that next month she would present the second quarterly report which would go into more detail.

Rodningen asked Stjern to review the Summary of Income/Expenses and explain the definitions of the different fees. Selig explained what an into-plane fee is and what fuel storage and flowage fees are. Rodningen also inquired about the transfer of the bond funds. Stjern explained what the transfer entailed.

Jim Johnson, City Council member, inquired about the expenses surrounding the new UND fuel agreement. Selig clarified the fees UND will be paying under the proposed agreement. Johnson asked if a comparison was done with other Airports and that the proposed \$.03 fee seemed low. Selig commented that UND is being charged a fee that would offset the cost of the fuel farm and that he saw no reason to charge a higher fee when it wasn't necessary.

RESOLUTION #10-93
"APPROVE FUEL STORAGE AGREEMENT WITH UND"

Selig reviewed the contents of the Resolution in detail. Mutchler asked what the timeline was for the University with regard to tank removal. Selig explained that UND is planning to start the removal process as soon as the fuel farm is operational. Selig also stated that removal and clean-up is at the sole expense of UND. Selig noted that the fuel farm bids were taken off the agenda and asked that Resolution #10-93 be contingent upon the award of the fuel farm bids. Rodningen asked the reason for delaying the awarding of the fuel farm bids. Selig stated that he did not have all the information with him and that he would go over it with Rodningen at a later date.

Molmen asked Don Olson, Authority Attorney, if the proposed agreement with UND was consistent with the current agreement with UND as far as time frame terms go and if Olson felt the \$.03 fee being proposed was sufficient. Olson concurred on both. Selig explained how the Authority reached the \$.03 fee. Rodningen asked if the agreement was done. Selig confirmed that it had been signed by UND.

It was moved by Molmen and seconded by Weber to authorize the Executive Director to enter into a Fuel Storage Agreement with the University of North Dakota in accordance with the attached terms. The agreement has been reviewed and approved by the Authority's attorney. Rodningen asked how many gallons of fuel UND went through in a year. Bob Reis, UND Foundation, stated approximately 700,000. Rodningen asked if the UND Foundation used the fuel as well. Selig responded no. Mutchler called a vote. ACTION TAKEN: Molmen, Weber, Mutchler in favor. Rodningen against. Resolution passed.

RESOLUTION #11-93 and #12-93
"AWARD BID FOR '93 AIP PAVING AND ELECTRICAL PROJECT"

Mutchler called for Resolutions #11-93 and #12-93 to be passed jointly. Selig explained what both resolutions cover and recommended the approval of both resolutions. Mutchler asked if the Board had any objections to voting on the resolutions jointly. Weber questioned whether the bids were close to the estimates. Steve Johnson explained that bids were over slightly but felt the FAA would accommodate the difference. Rodningen asked if there was any tie-in between these resolutions and the bond resolution. Selig stated that the fuel farm was tied into both resolutions. Rodningen asked if these resolutions could be made contingent upon the passing of the bond resolutions. Attorney Olson reviewed Rodningen's comments and saw no problem with the contingency. Selig asked that it be more specific and allow the Authority to go ahead with the FAA portion of the projects and make only the fuel farm portion contingent upon passage of the bond resolution. It was moved by Mutchler and seconded by Molmen to award the bid to Nodak Contracting in the amount of \$1,208,733.30 for construction of the 1993 AIP Paving Project (T-hangar access taxiway, A apron expansion, A-4 taxiway extension, and fuel farm paving). Fuel farm paving is non-participatory for FAA funding. Award of the contract is contingent on the offer and acceptance of an FAA grant. The non-participatory (Fuel Farm) portion of this award is contingent upon the issuance of bond funding. Resolution further authorizes the Executive Director to accept a subsequent FAA grant offer in the amount of \$978,429 according to the a worksheet attached to the resolution. It was also moved to award the bid to Northern Electric in the amount of \$47,047.50 for construction of the 1993 AIP Project - Electrical (A4 Taxiway edge lighting and A apron lighting). Award of the contract is contingent on the offer and acceptance of an FAA grant.

RESOLUTION #13-93
"APPROVAL OF BOND REIMBURSEMENT"

Selig explained that only tax exempt projects are eligible for reimbursement and that both the Federal Express addition and the aircraft maintenance facility were determined to be potentially tax exempt and must be added to the resolution so that any expenses incurred prior to the sale of the bonds can be reimbursed by the bond money when it is received.

Holy commented that the Authority was possibly setting a precedent by using public money for private enterprise. Selig commented that this procedure has been used in the past but bond counsel must be convinced that the eligible client has a solid financial background. Rodningen asked if the Authority should advertise business opportunities if bond money is available. Selig explained the procedure for acquiring bond money and the factors that must be in place before bond counsel will agree to sell bonds. There was further discussion about the use of bonds for other operators. Holy inquired as to Aero Center 1's involvement in the aircraft maintenance facility. Selig commented that discussions between Aero Center 1 and Corporate Air are private but that Aero Center 1 was aware of the situation with Corporate Air.

It was moved by Weber and seconded by Molmen that it be resolved by the Authority Board (the Board), of the Grand Forks Regional Airport Authority (the Authority), as follows: 1. Recitals: a) The Internal Revenue Service has issued Section 1.103-18 of the Income Tax Regulations (the "Regulations") dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse the Authority for project expenditures made by the Authority prior to the date of issuance. b) The Regulations generally require that the Authority make a prior declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within one year of the payment of the expenditure or, if longer, within one year of the date the project is placed in service, and that the expenditure be a capital expenditure. c) The Authority desires to comply with requirements of the Regulations with respect to certain projects hereinafter identified. 2. Official Intent Declaration: a) The Authority proposes to undertake the following projects described on Exhibit A attached hereto. b) Other than (i) expenditures to be paid or reimbursed from sources other than a borrowing or (ii) expenditures permitted to be reimbursed pursuant to the transition provision of Section 1.103-18(1)(2) of the Regulation or (iii) expenditures constituting preliminary expenditures as defined in Section 1.103-18(i)(2) of the Regulations, no expenditures for the foregoing projects as identified on Exhibit A have heretofore been made by the Authority and no expenditures will be made by the Authority until after the date of this Resolution. c) The Authority reasonably expects to reimburse the expenditures made for costs of the designated projects out of the proceeds of debt (the "Bonds") to be incurred by the Authority after the date of payment of all or a portion of the costs. All reimbursed expenditures shall be capital expenditures as defined in Section 1.150-1(h) of the Regulations. d) This declaration is a declaration of official intent adopted pursuant to Section 1.103-18 of the Regulations. 3. Budgetary Matters: As of the date hereof, there are no Authority funds reserved, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the projects, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the Authority's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof, all within the meaning and content of the Regulations. 4. Filing: This resolution shall be filed within 30 days of its adoption in the publicly available official books and records of the Authority. This resolution shall be available for inspection at the office of the Authority Board Secretary at the Airport Authority Administration Office during normal business hours of the Authority, every business day, until the date of issuance of the bonds. 5. Reimbursement Allocations: The Authority's Director of Finance and Administration shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the Authority to make payment of the prior costs of the projects. Each allocation shall be evidenced by an entry on the official books and records of the Authority maintained for the Bonds, shall specifically identify the actual prior expenditure being reimbursed or, in the case of reimbursement of a

fund or account in accordance with Section 1.103-18, the fund or account from which the expenditure was paid, and shall be effective to relieve the proceeds of the Bonds from any restriction under the bond resolution or other relevant legal documents for the Bonds, and under any applicable state statute, which would apply to the unspent proceeds of the Bonds. ACTION TAKEN: The motion carried with Rodningen abstaining from voting.

PUBLIC HEARING ON ISSUANCE OF BONDS

Rick Wockovich, Authority employee, asked if the FBO was just discussed. Molmen stated that no, it had not come before the Board yet. Mutchler added that it would not come before the board today. Wockovich stated that, as an employee, he would like to make a statement concerning the FBO. Mutchler explained that the public hearing would be next and Mr. Wockovich was free to make a statement at that time and that hopefully it would pertain to the bond issue.

Mutchler proceeded to read a statement regarding the purpose of the public hearing. Mutchler then opened the floor for comments by asking that speakers please state their name and address.

Paul Smith, Minnkota Power, inquired about the cost effectiveness in doing the projects piece by piece as compared to completing all aspects of the projects at once.

Mutchler stated that there will not be any discussion concerning the comments heard today but that all comments would be taken into consideration. Molmen explained that the Authority Board intends to review all comments made today.

Tom Hagness, Chairman of the City Council's Public Service Committee, asked the Authority Board if they would mind introducing themselves. Each member did so. Hagness stated that he was attending the meeting to understand the new transition that the Authority was proposing. Hagness explained that he was concerned about the affect the passage of the bond issue would have on employees at the Airport Authority. Hagness referred to a copy of a 1989 letter from Selig guaranteeing the jobs of Airport employees. Hagness also stated that there is concern with at least five (5) council members with regard to employee jobs and asked that the Authority Board take this into consideration.

Jim Johnson, City Council member, said he has had calls from employees that are concerned for their jobs. Johnson said he understood the Authority was involved in a time line but felt they owed it to the employees to inform them ahead of time when it involves their jobs. Johnson also commented that he was concerned about the safety issue out at the Airport if positions were cut. Johnson also inquired as to whether the Authority had considered the reduction of management salaries due to a decrease in managerial responsibilities if the proposed cuts are approved. Johnson concluded by saying he would not go ahead with the bond issue until the issues regarding employee jobs had been addressed.

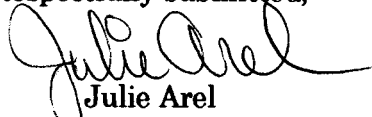
Wockovich stated he had been asked to speak for the Operations and Maintenance employees of the Airport Authority. Wockovich commented on the efficiency and the safety with which the Airport is run and referred to a handout that was given out regarding the loss of Airport positions. Wockovich stated that the employees understood that there is potential for competition for the fueling operations. He felt the employees would welcome the competition and would do well against any other fueler. Wockovich discussed the affect of the proposed lay-offs on various employees and how those lay-offs would compromise the safety and efficiency of the Airport. Wockovich stressed the importance of having a fully staffed Airport with regard to safety and urged the Authority Board to look for another option.

Mark Holy stated he had concerns with regard to how the bond money is being used. Holy said he felt there was confusion surrounding the bond issue and there were too many gray areas. Holy wondered if the proposed projects were in the best interest of the Airport users. Holy discussed the maintenance agreement between UND and Great Lakes and inquired as to the relationship between UND and Aero Center 1. Holy said these issues should be brought to the table before any further decisions are made regarding the bond issue. Holy asked about the fees that are to be paid by UND in the fuel farm agreement.

Molmen thanked everyone for coming as did Mutchler who proceeded to adjourn.

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Julie Arel".

Julie Arel
Administrative Secretary

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

Thursday, July 22, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, July 22, 1993 at 8:00 A.M. with Vice - Chairman Tim Mutchler presiding. Members present were: Clint Rodningen, Jim Weber, Dave Molmen and Bill Coutts; Authority Attorney Don Olson; Advisory members Jack Lien and Bob Wood; and staff: Bob Selig, Steve Johnson, Candi Stjern and Jackie Heidrich.

NEW AUTHORITY BOARD MEMBER

Mutchler welcomed Mr. Bill Coutts, recently appointed by the City Council to serve out George Unruh, Jr.'s unexpired term.

APPROVE MINUTES

Mutchler asked if there were any comments on the minutes as presented. Rodningen asked that the minutes regarding Resolution #10-93 "Approve Fuel Storage Agreement with UND" include the length of the agreement. Rodningen also questioned whether Don Olson had agreed that \$0.03 was sufficient to cover the cost of the fuel farm. It was also noted that Mutchler did not vote on Resolution #10-93. It was moved by Weber and seconded by Molmen to approve the minutes as corrected. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported that year-to-date operating revenues were 1.5% under budget, but the operating expenses are 2.5% under budget. The net revenue before depreciation for the month of June was \$45,219, which bring the year-to-date net revenue before depreciation to \$57,036. She noted that the cash is down \$275,000 so far this year, but most of that is due to capital expenditures that we are awaiting reimbursement.

Rodningen questioned whether the bond status could be footnoted on the financial reports. Molmen agreed that it would be helpful to have an addendum showing this information for the Board members.

MID-YEAR FINANCIAL REPORTS

Stjern presented graphs comparing enplanements for 1991 thru 1993, with year-to-date 1993 up 7% over the same period of 1992.

Stjern explained that the net revenue before depreciation is down largely due to capital expenses earlier this year.

She pointed out that into-plane revenue is up 10%. Stjern stated that Federal Express is still the largest fueler, but United Express is gaining.

Stjern stated that the overall commission revenue is up 18.2%. Parking lot revenues are down 1.5% for the year.

MID-YEAR OPERATIONAL REPORTS

Johnson presented a graph showing enplanements by air carrier year-to-date. He pointed out that the air traffic operations are up 3,000 year-to-date over 1992.

The fuel flowage graphs pointed out that avgas sales are down and avjet sales are up slightly. Federal Express usage is down due partially to weather problems. 950,000 gallons of fuel have been pumped year-to-date, down from 1992.

AUTHORITY/EMPLOYEE/TENANT MEETINGS

Molmen stated that he wished to propose scheduling meetings with the Authority employees and the Airport tenants. He feels it is important to make sure they have the forum to have input with the Board.

Selig stated that the next scheduled tenant meeting is August 26th at 7:00 P.M. Selig said he would coordinate a date for a meeting with the Authority employees, probably Monday, August 9th at 7:00 P.M.

RESOLUTION #14-93 "REJECT BIDS FOR FUEL FARM PROJECT"

Rodningen said that he felt the Authority Board should either award or reject the bids for the fuel farm project, and not just wait on it. Selig stated that he is not ready to recommend awarding the bid. It was moved by Rodningen and seconded by Molmen to reject all bids for the fuel farm project. ACTION TAKEN: Motion carried unanimously.

CONCEPT OF PRIVATIZING RETAIL FUEL SERVICES

Mutchler explained that Rodningen had requested that a discussion of the concept of privatizing the retail fuel services be discussed at today's meeting and turned it over to him.

Rodningen stated that he feels the Board needs to evaluate: 1) financial analysis projected out; 2) applicable legal issues, possible conflicts with existing contracts; 3) impact on employees; 4) analyze alternatives such as hybrid management structures; 5) analyze whether this is the best thing for the Airport ten years from now; and 6) does the public value having public involvement or are we just looking at the dollars.

Rick Wockovich, Authority employee, explained that the Airport has been doing the fueling for 60 years and has done competitive fueling in the past with Northern Airways. He feels the present employees are very well trained. He also felt that bringing in private retail fuel sales could raise the fuel prices at Grand Forks and they may not operate 24 hours a day, 365 days a year as is currently done. He explained that other airports have call out fees after hours.

Kevin Kiconas, American Federal State County and Municipal Employees (AFSCME), stated that with privatization there tends to be a loss of accountability, an overall loss of revenue, for-profit organizations don't necessarily reinvest in safety, etc., and the short-term benefits tend to be very good but costs go up quickly after 3-4 years.

Selig explained that in 1992 the fuel cost center lost \$10,402 and the projected figures for competitive fuel sales would be (\$91,984). He stated that the original concept for turning the fueling over to Corporate Air would result in a loss of \$8,716. Selig also pointed out that there is an opportunity to expand the services available at Grand Forks with Corporate Air operating the FBO, such as an aircraft maintenance facility, or possibly a DC-9/727 maintenance facility.

Mutchler felt it was important to mention that several years ago this Board wanted to be aggressive in other areas besides public transportation.

Larry Gebhardt, Minnkota Power, stated that fuel is the second highest budget cost in his department. He feels that privatization really translates into higher fuel prices for the tenants. The trained personnel and quality 24 hour service is very important to their business. Gebhardt also stated that they have several 6 a.m. departures and are concerned with the quality of Authority services such as snow removal and crash/fire/rescue if employees are reduced.

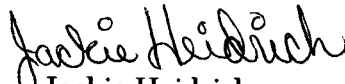
Rodningen stated that as a pilot he can't emphasize enough how good our service is and cannot believe a private FBO can match that.

Mark Holy stated that he too feels the service has always been very good at this airport.

Wayne Wetzel, Authority Employee, said that FBOs traditionally pay minimum wage with no benefits and doesn't feel it helps the community by eliminating good paying jobs that allow those employees to buy houses, cars, etc.

ADJOURN

Respectfully submitted,


Jackie Heidrich
Board Secretary

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

Thursday, August 19, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, August 19, 1993 at 8:00 A.M. with Vice - Chairman Tim Mutchler presiding. Members present were: Jim Weber and Doug Norby; Authority Attorney Don Olson; Advisory member Jack Lien; and staff: Bob Selig, Steve Johnson, Chuck Korsmoe, Candi Stjern and Jackie Heidrich.

NEW AUTHORITY BOARD MEMBER

Mutchler welcomed Mr. Doug Norby, recently appointed by the City Council to serve a five year term.

APPROVE MINUTES

It was moved by Weber and seconded by Norby to approve the minutes as written.
ACTION TAKEN: Motion carried unanimously.

APPOINTMENT OF AUTHORITY BOARD OFFICERS

It was moved by Weber and seconded by Norby to appoint Mutchler as Chairman and Molmen as Vice-Chairman. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported that July enplanements were down almost 26% from July 1992 resulting in a .6% decrease for the year. She stated that the year-to-date operating revenues were .4% under budget and year-to-date operating expenses were 2.7% under budget. The net revenue before depreciation for the month of July was \$16,397, which brings the year-to-date net revenue before depreciation to \$73,438.

Fuel revenue is down 3.8% from this time in 1992. Weber questioned where the fuel revenue is decreasing. Selig explained that there is a situation with Federal Express wherein they are purchasing the majority of their fuel in South Dakota as the state fuel tax is lower there. Selig said he is communicating with Federal

Express officials to make sure they are aware that a good portion of the North Dakota fuel tax is refundable if a request is made. He explained that they had been purchasing approximately 20,000 gallons per week and now are around 3,000 per week.

Stjern reported that the parking lot revenues were down 7% from this time last year and fuel flowage fees are running 9% higher than 1992.

RESOLUTION #15-93
APPROVE CHANGE ORDER ON PAVEMENT PROJECT/DESIGN AND
REBIDDING OF FUEL FARM PROJECT

Selig asked the Board not to consider this Resolution today as he has been in the budget development process and is concerned about the potential impact this project would have on future budgets. ACTION TAKEN: Resolution withdrawn.

RESOLUTION #16-93
AUTHORIZE DISPOSITION OF SURPLUS PROPERTY

Selig explained that we annually review the old equipment inventory and have put together a list of equipment to be auctioned. Selig stated that the 1982 pickup may be removed from the list if a replacement has not been leased by the date of the auction, September 11th. It was moved by Weber and seconded by Norby to authorize Airport staff to advertise for the auction sale and disposition of surplus property as itemized on the attached list. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #17-93
APPROVE ROOF REPAIRS TO MAINTENANCE BUILDING

Selig explained that with all of the rain this summer it was discovered that the roof of the maintenance building has significant problems. These repairs are not covered as part of the 1993 budget. It was moved by Weber and seconded by Norby to authorize the Executive Director to accept Riske's rubber roof proposal in the amount of \$9,162 for repairs to the maintenance building roof and to review the provisions of the additional warranty and purchase it at a cost of \$400 if it appears to be worthwhile. ACTION TAKEN: The motion carried unanimously.

RESTAURANT NAME RECOMMENDATION

Selig reported that during the grand opening for the remodeled terminal building a "name the restaurant" contest was held. Over 100 entries were received and reviewed by the staff and the Elders. The name "Crosswinds" was selected. Ron Elder, Cafe Operator, explained that he would like a name selection finalized so they can get signage up and menus printed. Mutchler questioned how the new cafe style is doing. Elder stated that the express area meets a need that wasn't there a few years ago and the gift shop is doing well.

PROJECT STATUS REPORT

Mutchler suggested that we review the project status report for Norby's benefit. Johnson summarized the progress on the airfield signage, airport fuel farm, and T-hangar taxiway projects. Johnson explained that discussions are on-going with Corporate Air and the aircraft maintenance facility project hinges on that agreement. Selig pointed out that there is a good possibility of a need for a special Authority Board meeting concerning the aircraft maintenance facility agreement within the next two weeks.

PROMOTIONAL UPDATE

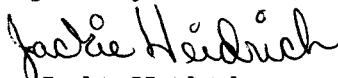
Weber requested an update from Dorothy Radi, Promotional Representative. Dorothy reported that she visited a new travel agency that opened recently in Langdon. She said she found UND very interested in the permit parking program and will be following up with a letter to President Baker.

LETTER REQUESTING OPPORTUNITY TO BID FUELING OPERATION

Larry Gebhardt, Minnkota Power, stated that he had a letter from a group of individuals that he would like to read to the Board. It stated: "Dear Tim: The discussion at last month's Board meeting has stimulated quite an interest in the possibility that our Airport might be transferring retail sales of Airport fuel to private industry. Several citizens of the Airport region are willing to invest in this opportunity if that decision is ever made. They are able to offer 20 years experience in aircraft fueling, aircraft maintenance, charters, pilot training, as well as other related full FBO services to our Airport region. These persons have in excess of \$500,000 in cash, aircraft, and related equipment to place in this kind of venture. They would need a building that would cost somewhere over \$1 million. This group would also be able to guarantee their rent for 20 years. I ask that you put together a request for proposals that could be acted on at your regularly scheduled meeting in September. This should include the Airport's minimum standards, standard building and ground site agreements, insurance requirements, and whatever requirements that you ask for with this proposal. If you still want all this to happen on January 1, 1994 then time is of the essence. Signed: Clint Rodningen, Jr., P.S.: The group could also work with a national FBO chain if that was necessary to meet with the Airport's minimum standards." Chairman Mutchler received and filed this letter.

ADJOURN

Respectfully submitted,



Jackie Heidrich
Board Secretary

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

Thursday, September 16, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, September 16, 1993 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Jim Weber, Bill Coutts, Dave Molmen and Doug Norby; Authority Attorney Don Olson; Advisory member Jack Lien; and staff: Bob Selig, Candi Stjern and Jackie Heidrich.

APPROVE MINUTES

It was moved by Norby and seconded by Molmen to approve the minutes of the August 19, 1993 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported August enplanements of 8,456, down 23.6% from last August, but 3% ahead of 1991 enplanements. The year-to-date operating revenues were .66% over budget. The year-to-date operating expenses were 2.6% under budget. The net revenue before depreciation for the month of August was \$29,315, which brings the year-to-date net revenue before depreciation to \$101,797. Retail fuel sales were up 3.5% from this time in 1992. Into-plane fees are 3.8% higher than August 1992. Parking lot revenues are down 12% from last year, due mainly to the 1992 fare war and Canadian traffic continues to be down. Fuel flowage fees are 9.3% higher than 1992 and commission revenue is up 8.9% from 1992.

STAFF REDUCTION PLAN/FBO TRANSITION

Selig presented staffing levels for the FBO development transition. He explained that we currently have a vacant position and it will be eliminated. There are also two possible early retirements proposed. Selig said that one position will be assigned to cover the janitorial and the contract with Servicemaster will be terminated. He also plans to retain one position for janitorial/operations relief for a total staff reduction of three positions.

Selig explained that the shift dispatcher will be the first responder for crash-fire-rescue and will assign duties to the other personnel on their shift. Mutchler questioned what the response time is for the Grand Forks Fire Department. Chuck Korsmoe, Operations Manager, stated that they have an actual 9 minute response time.

Selig compared the current organizational chart with an organizational chart including the changes proposed for January 1, 1994.

RESOLUTION #22-93
AUTHORIZE EARLY RETIREMENT EXPENDITURES

Selig explained that he is proposing early retirement offers for two employees. This has already been discussed with the two gentlemen eligible and one is very committed while the other one is thinking about it. Mr. Harris has indicated that due to financial planning he has made for the next two years an early retirement would strap him financially. For these reasons he has asked that the Board consider offering him a cash settlement that would enable him to pay off these debts. This would result in a lesser annual retirement payment but he is willing to accept this. Selig is still discussing this with Don Olson, Authority Attorney, and will be meeting with Don Tingu, City Auditor and the Aetna representative of the pension plan. Selig would like to amend the resolution to allow us to offer Mr. Harris the cash settlement if everything is approved with all parties involved.

It was moved by Molmen and seconded by Norby to amend the resolution to include authorizing management to make a cash settlement with Mr. Harris if deemed appropriate and to take other measures as appropriate to create a fair situation for the employees involved.

Selig explained that the payment involved for Mr. Kjorlien would be paid to Aetna and would buy down his retirement program from age 62 to age 55 so that he could retire now with full benefits. This would be a one time payment. Norby questioned whether these employees were restricted from getting other work. Selig said they are not, and could find other jobs if they so desired.

Selig pointed out that in this situation we are setting a precedent that we could possibly have to live with in the future. The situation is that we have two elderly employees and have increased the training requirements for these new positions to the point where they may not qualify. Olson stated that precedent is definitely an issue for the Board to consider. The issue he is most concerned about is whether we are discriminating by not offering early retirement to the other employees. Molmen said that this seems that it is a fair accommodation to make and that this Board and future Boards faced with a similar situation we would want to do the same kind of thing. Coutts said these incentives are fairly common throughout industry and government.

ACTION TAKEN: Carried unanimously to amend the resolution.

ACTION TAKEN: Carried unanimously to authorize the Executive Director to contribute the following early retirement amounts to each employee's retirement program should they elect to take early retirement as part of the FBO transition: a) Wayne Kjorlien - \$12,846.02, b) Reuben Harris - \$10,141.91. Resolution also authorizes management to make a cash settlement with Mr. Harris if deemed appropriate and to take other measures as appropriate to create a fair situation for the employees involved.

Molmen questioned whether the salaries for the remaining employees would be protected. Selig stated that this was correct.

ADJOURN

Respectfully submitted,


Jackie Heidrich
Board Secretary

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

Thursday, October 7, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, October 7, 1993 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Bill Coutts and Doug Norby; and staff: Bob Selig, Steve Johnson, Candi Stjern and Jackie Heidrich.

BUDGET WORK SESSION

Selig presented an overview of the proposed 1994 budget. He presented the actual operating revenue versus budgeted for 1989 thru 1993. He stated that the staff has done an excellent job of budgeting over the past five years, with budgeted and actual figures always being very close. He explained that budget management responsibilities are handled not only by the Director staff but also by the Operations Manager and they have to watch their budgets very carefully.

Selig stated that the 1994 budget is down, starting a new era of not handling the fuel sales.

Selig presented graphs depicting the operating expenses, operating revenues by source, operating revenues and expenses by cost center. The 1994 budget includes an operating decrease of 5.4% from estimated year end 1993, operating expense decrease of 9.5% from 1993, operating income of \$7,050 compared to (\$62,083) in 1993. The 1994 budget shows a net revenue before depreciation of \$71,360 versus \$7,207 for 1993. The 1994 budget includes an estimated C.P.I. increase of 2% for fee adjustments. Landing fee rates increase from \$0.80 per 1,000 pounds of certificated landed weight to \$0.815/1,000 lbs. ARFF fees increase from \$0.57/1,000 lbs. to \$0.58/1,000 lbs. landed weight. Terminal rental rates will increase from \$13.94/s.f. to \$15.35 due to an increase in janitorial costs, utility costs, and debt service. The 1994 budget also reflects the transfer of aviation fuel sales to Corporate Air Dakota.

Selig reviewed the airline fee calculation methods, taken directly out of the airline agreement.

Selig explained that this budget does not include any consideration for employee wage and salary increases. Normally these figures are included in the budget but Selig has a recommendation concerning salaries that he will go over at a later point in this meeting.

Selig presented the following capital items that will be funded 100% by the Airport:

- Hot water pressure washer
- Silver pants for ARFF
- Electric door openers for T-hangars
- Walk-behind paint striper
- Convert HVAC to automatic
- 21' flail mower with tractor
- Copy machine

Selig also stated that reconstruction and widening of taxiway A is the only grant funded capital item planned for 1994.

He explained that the bond funded capital items scheduled for 1994 include: fuel farm, Corporate Air facility, and an expansion to the Federal Express building.

Using the numbers presented, the budget reflects a net revenue before depreciation of \$71,360. Assuming a 2% merit increase for employee wages, the net revenue before depreciation would then be \$60,561.

Coutts asked for an explanation of "prior year expenses". Stjern explained that from 1986-1991 Nodak Rural Electric had a meter here that was not working properly and we negotiated a settlement for the unbilled electricity for that time period and are paying it over a five year period.

Selig presented fee comparisons for 1993 and 1994. Norby questioned whether Selig had told Brian Pfeiffer at a previous meeting that hangar rates would not increase. Selig believed that what he told Mr. Pfeiffer was rates wouldn't increase more than the C.P.I.

Selig explained that he would like to discuss a Merit Based Compensation Plan. The goals associated with this plan would be:

- 1) Insure that all pay increases are tied to personal employee performance.
- 2) Reward employees based upon merit in 1994.
- 3) Revise the step increase pay schedule.

This proposed plan:

- 1) Establishes a "merit based compensation plan".
- 2) Reduces the rate of step increases to 2-1/2% between steps for all new hires after January 1, 1994.
- 3) Authorizes merit increases up to 2% under the new merit based plan.

Selig stated that he does realize that the best merit program is one that is as objective as possible, realizing also that you cannot eliminate all the subjectivity out of it, because some of it is based on the relationship between the employee and the supervisor. The present performance evaluation system has several levels of review so one supervisor really can't hold back an employee because ultimately the division director reviews all the evaluations and can intervene.

Selig explained that we would continue to use the present pay scale for all current employees but they would be merit increases and would no longer be automatic. All pay increases, under either pay scale, would be merit based. Coutts questioned why we need either pay scale if all increases would be merit based. Norby stated that he has a hard time tying a percentage into something over a period of years when we don't know what is going to happen in the economy. He said that even 2-1/2% per year is well over what people in private business are getting for increases now. He doesn't like saying it's 2-1/2% and it's automatic because he feels you're stuck with that once it's published. Selig stated that it wouldn't be automatic. Norby said he realizes that but feels that psychologically people believe it is. Selig said it is a preapproved increase if the employee is doing a good job. Coutts felt that if we base all increases on merit then he doesn't see a need for any sort of schedule. Norby agreed with this.

Coutts questioned how far along Selig is in researching the merit system. Selig said he hasn't started researching it at all. As a part of this proposal he is asking for direction from the Board to go forward and begin that process to establish the merit based compensation program. He would then bring it back to the Board for approval. Selig felt he may have to use a consultant to make sure what we want to do is current and in accordance with labor laws. Norby feels merit based pay is the way to go, you can have wide salary ranges for the various positions so that you have flexibility. Norby said he does not want to see Selig in a position where he has a bad employee that he can't terminate, which is an issue and a problem at places such as the City and UND.

Stjern stated that there are only five employees who are not at the top end of the current pay scale. Coutts said he would like to get rid of both pay scales. He sees no reason for the staff to spend months developing a merit based compensation program when there are consultants to do this type of thing. Mutchler thought Selig should pursue the merit based compensation plan. Coutts said we could add to this budget before it's approved for a consultant for the merit based compensation plan. Selig said he would contact consultants that do this type of work before the next Board meeting to see what it would cost.

1994 ADMINISTRATIVE PRIORITIES

Selig reviewed the following list of administrative priorities as developed by the staff for 1994:

- 1) Air service development - continue communication efforts with the airlines.
- 2) Continue airport marketing program.
- 3) Continue aggressive airport development program to include:
 - a) air cargo inter modal expansion
 - b) finalize transition to new general aviation FBO facility
 - c) Continue working with the Economic Development Corp.
- 4) Begin research planning on relocation of car rental maintenance facility.
- 5) Establish airport shuttle (limo) concession.
- 6) Complete process of adopting Rules & Regulations/Minimum Standards to govern the operation of the Airport.
- 7) Complete a revision of Authority's Personnel Management Plan.
- 8) Initiate and complete a revision of the Authority's Operational/Policy Manual.
- 9) Widen & reconstruct taxi way A through the FAA grant program.

Selig stated that he thought Item #8, initiate and complete a revision of the Authority's Operational/Policy Manual, should probably be a Board work session-type topic. Norby said he thinks that's Selig's job, doesn't think it's a Board member's job to get involved in the day to day business of the Airport, only make approvals. Mutchler stated that he felt these work sessions are an educational time for many of the Board members.

- 10) Coordinate and complete an update of zoning around the Airport with City and Council officials.
- 11) Establish a merit based salary plan.
- 12) Complete the 1994 bond sale.
- 13) Assist Grand Forks region in Air Base retention efforts.
- 14) Participate in development of the Red River Trade Corridor.
- 15) Study methods of further expanding general aviation at this Airport.
- 16) Consider special celebration of the Airport's 30th anniversary in 1994.
- 17) Establish a business center/travel agency in the terminal.

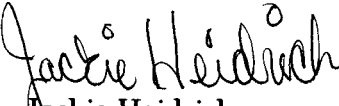
Mutchler questioned whether there are any funds available for other general aviation expansion, beyond Corporate Air Dakota. Selig said we haven't exhausted our funding abilities, there is always ways of finding money if the business looks good. He stated that we are always open to any viable business.

Selig explained that he is changing the focus of the monthly tenant meeting. These meetings will now be called general aviation meetings and always be held in the evening. He plans to use the Friday morning coffee meetings in the cafe as tenant meetings.

Coutts questioned when the Board certifies the mill levy. Selig explained that the City and County do their budgeting earlier in the year than the Authority and that the feeling of past Authority Boards has always been that we don't increase the levy. Stjern stated that she would check on mill levy certification and report back.

ADJOURN

Respectfully submitted,


Jackie Heidrich
Board Secretary

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

Thursday, October 21, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, October 21, 1993 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Jim Weber, Bill Coutts, and Dave Molmen; Authority Attorney Don Olson; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

APPROVE MINUTES

It was moved by Weber and seconded by Coutts to approve the minutes of the September 16, 1993 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

It was moved by Coutts and seconded by Weber to approve the minutes of the October 7, 1993 Budget Work Session as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL/OPERATIONAL REPORTS

Stjern explained that she will cover the September monthly report along with the quarterly financial reports.

Stjern reported that the September enplanements were down almost 8% from September 1992, and year-to-date total enplanements are down 4.5%.

Operating revenues are up 12.6% from 1992 and operating expenses are up 6.7%, resulting in a net operating income of \$695, versus (\$61,000) in 1992. The net revenue before depreciation is down due to taking over the jetway payment and interest income being down.

Stjern stated that fuel sales to Federal Express were 51% of total fuel sales in 1992 but have dropped to 40% for 1993. Federal Express fuel sales are rebounding but Stjern doesn't expect them to reach the same level they were at.

Parking lot revenue is down 12.8% from 1992 when Canadian traffic was 45% of the total and now accounts for 18%.

Stjern reported that the cafe revenue is down 3.3% for the year but was closed for a month during the remodeling. Management has reported that the gift shop is doing really well.

The car rental agencies commissions are up 5.4% from 1992.

Stjern reported that the promotional representative, Dorothy Radi, has visited travel agents in Grand Forks and the surrounding area. A travel agent reception and open house was also held. Informational packets were mailed to 164 Winnipeg travel agents including parking coupons. The first corporate parking permit was recently sold. The Airport has also participated in Business After Hours, Primetime Expo '93, the "Save the Base" Rally, and produced the Airport's first t.v. commercial.

Johnson reported there have been no real changes in the trend of the first half of the year operationally. United Express has tripled their enplanements from last year. Year-to-date enplanements are down 3,000 passengers from 1992.

Air traffic operations of 191,000 through the third quarter of 1993 are up 5,000 from the same period in 1992.

Johnson reported that avgas sales remain down and avjet sales have increased, with United Express purchases up significantly.

Johnson stated that the number of aircraft fuelings is up significantly as a result of United Express increased fuelings and Federal Express adding a Caravan. General aviation fuelings are down.

Johnson reviewed maintenance work orders completed. Selig explained that the work order system was implemented about 4 years ago but we have only gotten it going well over the last year or so.

CORPORATE AIR DAKOTA UPDATE

Selig reported that the final terms of the agreement with Corporate Air Dakota were put together this week and he will be reviewing this with the attorney. Reportedly, they are finalizing their negotiations with Aero Center 1. The transition date is still planned for January 1, 1994. He explained that he has agreed to a transition period where Authority staff will work side by side with Corporate Air's employees to ensure that the transition of services goes smoothly for the customers.

RESOLUTION #23-93 "APPROVE 1994 DBE GOALS"

It was moved by Molmen and seconded by Coutts to adopt the Disadvantaged Business Enterprise (DBE) goal for 1994 FAA grant projects of 14.6% and Airport leasing goal of 17.4% in accordance with FAA requirements and guidelines, subject to FAA approval. ACTION TAKEN: Motion carried unanimously

RESOLUTION #24-93
"SELECT ULTEIG ENGINEERS TO PROVIDE CONSULTING SERVICES
FOR 1994-1996 FAA PROJECTS"

Selig explained that the selection committee was made up of himself, Johnson and Coutts. Five firms submitted proposals and the committee interviewed four of these engineering firms, recommending selection of Ulteig Engineers. It was moved by Weber and seconded by Molmen to approve selection of Ulteig Engineers to provide engineering consultant services for the Authority's 1994 through 1996 FAA grant funded projects. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #25-93
"APPROVE 1994 BUDGET"

Selig reviewed the revisions made to the 1994 budget as a result of the budget work session held earlier this month. These included a 2% merit increase for the employees, subject to development of a Merit Based Compensation Plan and \$15,000 for the development of the Merit Based Compensation Plan.

Selig noted the following highlights of the proposed 1994 budget:

- Operating revenues down 5.1% from 1993.
- Operating expenses down 7.9% from 1993.
- Operating deficit of (\$14,920) compared to (\$62,083) estimated 1993.
- Net revenue before depreciation of \$49,390 vs. \$7,207 in 1993.
- Estimated 2% C.P.I. for '94 fee adjustments.
- Landing fee of .80/1,000 lbs. increases to .815/1,000 lbs.
- ARFF fee of .57/1,000 lbs. increases to .587/1,000 lbs.
- Terminal rental rate of \$13.94/s.f. increases to \$15.49/s.f.
- 1994 Budget reflects the transfer of aviation fuel sales to Corporate Air Dakota.

Selig explained that the Directors realizes that 1994 is a transition year and will have to watch the budget carefully. They plan to hold capital expenditures until mid-year to see how everything is going.

Selig stated that if the Board agrees he would start working with the consultant right away on the Merit Based Compensation Plan, planning to bring the Plan back to the Board for consideration at the January or February meeting. Molmen said he feels that the Merit Based Compensation Plan would be an advantage to the employees in the long run.

It was moved by Molmen and seconded by Coutts to adopt the 1994 Operating and Capital Budgets for the operation of the Grand Forks Regional Airport Authority and the Grand Forks International Airport as presented. ACTION TAKEN: The motion carried unanimously.

LONNIE LAFFEN PRESENTATION

Lonnie Laffen, Johnson & Laffen Architects, stated that the North Dakota Chapter of the American Institute of Architects has an annual awards program for which they submitted the terminal remodeling project for consideration. He said he is proud to announce that this project has won the state's top design award. Mr. Laffen explained that though the award means a lot to them as architects they feel the award belongs to the owner of the building because it's really their vision and they carry out that idea. He presented the plaque to Chairman Mutchler. Mutchler stated that the Board is just as proud of the project as they are and have had only good comments about it.

ADJOURN

Respectfully submitted,


Jackie Heidrich
Board Secretary

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

Thursday, November 18, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, November 18, 1993 at 8:00 A.M. with Vice-Chairman Dave Molmen presiding. Members present were: Jim Weber, Bill Coutts, and Doug Norby; Authority Attorney Don Olson; Advisory member Jack Lien; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

**RESOLUTION #26-93
"APPROVE FOREIGN TRADE ZONE GRANTEE DESIGNATION"**

Selig explained that Dick Olson from the Economic Development Corporation is present today to speak regarding Resolution #26-93 and has another meeting to attend so would appreciate it if this item could be moved to the top of the agenda. Vice-Chairman Molmen agreed to do so.

Mr. Olson explained that there is a Foreign Trade Zone facility operated in the Industrial Park by Mr. Steinke and the Airport Authority became a licensed Foreign Trade Zone about a year ago. He explained that a Foreign Trade Zone allows someone who is importing goods to bring them into the Country without paying duty on them until they are sold. Manufacturing is also allowed in a Foreign Trade Zone. Though Mr. Olson believes the Foreign Trade Zone has many possibilities he has not yet been able to sell it. He felt because Mr. Selig attends many more transportation oriented meetings where you can find people who are moving goods back and forth that it makes sense to designate the Airport Authority the Foreign Trade Zone Grantee in place of the Economic Development Foundation. He explained that this would make the Airport Authority the Federal contact regarding Foreign Trade Zones in Grand Forks and require that an annual report be prepared. He noted that Mr. Steinke supplies the information for the Industrial Park Foreign Trade Zone and the Authority would prepare the report from that information.

Molmen questioned why this might be a better fit for the Airport Authority than the Economic Development Corporation. Olson explained that people who might use a foreign trade zone are people moving things into and out of the region. The Federal Express hub operation is ideally situated to move things out of a duty free warehouse that could be located on the Airport to the whole region.

It was moved by Coutts and seconded by Weber to authorize the Executive Director to work with the Economic Development Foundation in designating the Airport Authority as "Grantee" of Foreign Trade Zone #103, in accordance with the attached letter. ACTION TAKEN: Motion carried unanimously.

APPROVAL OF MINUTES

It was moved by Norby and seconded by Coutts to approve the minutes of the October 21, 1993 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported enplanements through October 1993 are down 4.5% from 1992, but 1.8% higher than 1991 enplanements.

The year-to-date operating revenues are 2.4% over budget, year-to-date operating expenses are 2.8% under budget. The net revenue before depreciation for the month of October was \$33,267, which brings the year-to-date net revenue before depreciation to \$228.

Stjern stated that this was one of the best months in recent years for fuel sales, selling almost 12,000 gallons of retail avjet to Phoenix Air, Air National Guard Lear jets.

Into-plane fees are about equal to last year. Parking lot revenues are down 16% from last year. Fuel flowage fees and commission revenues are both approximately 2.5% higher than 1992.

Stjern stated that operationally overall we are ahead of budget.

Selig reported that he talked with Northwest Airlines representatives in Minneapolis regarding the decrease in passengers from Canada. They explained that the Winnipeg airfares are now less than the Fargo and Grand Forks airfares when you convert them to American dollars. Selig understood that American Airlines lowered their airfares from Winnipeg and Northwest followed to be competitive. The Canadian market is regulated allowing them to lower airfares but they cannot raise the fares without justification so the fares from Winnipeg will be increased gradually.

DISCUSSION OF SERVICE PROVIDERS

Selig reviewed Resolution #44-91 "Selection Procedure for Professional Services" which directs that in 1993 the Authority select CPA and banking services. When Selig brought this to the attention of Coutts he questioned whether anything is accomplished by going through a selection process for these particular services since you develop a relationship with these people who come to know your business.

Coutts stated that he feels if you're receiving good service from a provider you shouldn't feel a need to change just because a particular date has arrived. Weber said he feels if a bank wants our business they should go after us, not us going to them.

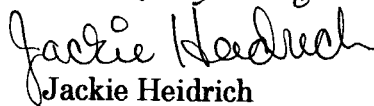
Selig suggested the Board could consider amending this resolution to exclude CPA and banking services. After discussion the Board agreed to reconsider this resolution at the December meeting.

FBO UPDATE

Coutts requested an update on the FBO situation. Selig reported that the agreement is in the final stages and that he expects to hear something by the end of the week. They are currently setting up the ND corporation. Selig feels they are ready to move forward and the project is still on schedule.

ADJOURN

Respectfully submitted,


Jackie Heidrich
Board Secretary

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

Thursday, December 16, 1993

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, December 16, 1993 at 8:00 A.M. with Vice-Chairman Dave Molmen presiding. Members present were: Jim Weber and Bill Coutts; Authority Attorney Don Olson; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

APPROVAL OF MINUTES

It was moved by Weber and seconded by Coutts to approve the minutes of the November 18, 1993 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported November enplanements of 8,195, or 8% above last November resulting in a 3.4% decrease for the year, but 4% ahead of 1991 enplanements. Year-to-date operating revenues were 3% over budget, and operating expenses were 2% under budget. The net revenue before depreciation for the month of November was \$22,611, which brings the year-to-date net revenue before depreciation to \$22,247.

Stjern stated that fuel revenues are up 10.5% from 1992 and into-plane fees are 3.6% ahead of 1992. She said that Federal Express increased their fuel purchases again in November.

Parking lot revenues were down 13% from this time last year. Fuel flowage fees are running 2% lower than 1992 and the commission revenue is up 7% for the year.

Stjern stated that she expects to finish the year ahead of budget.

Weber questioned what percent of the cost of maintenance of equipment is preventive and what percent is for repairs. Johnson estimated that 90% is repair. Weber felt that the breakdown should be 70% repair/30% preventive maintenance. Selig stated that it is our goal to change this not only on equipment but also on buildings and heating and air conditioning systems.

TENANT RELATIONS

Molmen asked Johnson for a report on tenant relations. Johnson stated that he felt things are going really well but there has been a very low turn out at the monthly general aviation meetings. He said that the Friday morning tenant meetings have been good. John Stimpert, Northwest Airlines Station Manager, agreed that things have been going well.

RESOLUTION #27-93 "APPROVE INFORMAL/FORMAL PROBLEM SOLVING PROCESS"

Selig explained that he is recommending replacing the existing employee grievance procedure with a formal/informal problem solving process. He stated that the "grievance procedure" has negative connotations on the relationship between employees and supervisors. The existing procedure also does not have an informal process, only a formal process written in an adversarial form.

It was moved by Coutts and seconded by Weber to approve a Resolution to replace the existing Section 500.08 of the Authority's Personnel Management Plan titled "Employee Grievance" with a new Section 500.08 titled "Problem Solving Process" in accordance with the attached text. ACTION TAKEN: Carried unanimously.

RESOLUTION #28-93 "CONFIRMATION OF PROFESSIONAL SERVICE PROVIDERS FOR 1994"

Selig stated that along with this Resolution is a review of the professional service providers selection procedure where he included excerpts from the Operational Policy Manual that discuss the staff's ability to select service providers. His analysis of this policy is that the Executive Director and Director's staff has the flexibility to decide whether competitive selection is necessary or not and can bring any recommendation to the Authority Board. He recommends the Board accept this report and confirm the selection of providers for 1994. He also suggested that in 1994 the Board go through the complete Policy and Procedures Manual. Coutts agreed that the manual is 4-5 years old and it is probably time to look at it and see if it has evolved with the Authority.

It was moved by Weber and seconded by Coutts to confirm the Executive Director's appointment of the following professional service providers for 1994: Legal Services - McElroy, Camrud, Maddock and Olson, Ltd., Engineering Services - Webster, Foster & Weston, Architectural Services - Johnson and Laffen, Inc., Banking Services - First National Bank of ND, Certified Public Accounting Services - Brady, Martz & Associates, Treasurer - Candi Stjern, and Secretary - Jackie Heidrich. The above appointments are made in accordance with Section 100.07 of the Authority's Operational and Policy Manual. Accordingly, the Executive Director may designate

a person or firm to serve in the capacity of any of the above positions in the event of conflicts of interest, in situations requiring specific experience, or any situation involving the absence of a confirmed service provider, with the confirmation of the Chairman and Vice-Chairman. ACTION TAKEN: Motion carried unanimously.

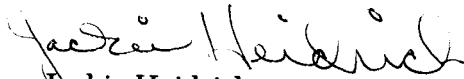
FBO UPDATE

Mark Holy requested an update on the proposed FBO project. Selig stated that Corporate Air and Aero Center 1 are still considering offers back and forth. The State wouldn't accept the name of the new corporation but that is now moving forward. Selig hopes to have the agreement signed by the end of the month.

Mr. Holy requested a meeting with the Authority Board's committee to discuss a new business venture. Selig stated that we can schedule this and that Mr. Holy has already received the criteria to be met.

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jackie Heidrich".

Jackie Heidrich
Board Secretary