

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

Thursday, January 20, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, January 20, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Dave Molmen, Jim Weber, Doug Norby and Bill Coutts; Advisory Member Jack Lien; Authority Attorney Don Olson; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

APPROVAL OF MINUTES

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

FINANCIAL/OPERATIONAL REPORTS

Stjern explained that the numbers she will be presenting for 1993 are preliminary with year end adjustments still to come. She stated that the final 1993 audit report will be presented at the March meeting.

Stjern stated that total operating revenues were 2.4% above budget. The gross profit on cost of goods sold was 3% above budget. Fuel revenue was up 13.5% from 1992 and into-plane fees were 10% above budget. Parking lot commissions were 10% below budget. Commission revenues were 13% above budget. Overall, the 1993 operating revenues were 2.5% over budget.

Operating expenses came in very close to budget. Contractual services were 8% below budget. Maintenance of buildings/grounds and equipment were 6% over budget. Republic Parking expenses were 15% below budget, since the commission is based on gross receipts. Sundry items, including liability insurance that we received a very good price on last January, was below budget. This resulted in an operating loss of \$8,196, compared to a budgeted loss of \$74,342.

Stjern explained that interest revenue received was only \$70,000 with \$115,000 budgeted. Capital reimbursements are down because we are now buying the jetway. Overall the non-operating revenue was over budget and capital outlays are below budget.

Capital expenses are over budget because of \$8,000 work done to a fuel truck we acquired through surplus property at the Grand Forks Air Force Base.

The net revenue before depreciation is \$33,527 whereas \$1,600 was budgeted.

Stjern presented several historical graphs including a breakdown of into-plane fuel revenue that shows Federal Express as 51% in 1992 but down to 39% in 1993.

1993 enplanements were down 3% from 1992, but this drop mainly reflects reduced Canadian passengers.

Stjern explained that the cafe receipts were down 11% for the year but pointed out that the cafe was closed for 1-1/2 months for remodeling.

Johnson presented graphs depicting enplanements by carrier, pointing out that United Express more than doubled their 1992 enplanements in 1993.

Retail avgas fuel flowage was down for the third year but retail avjet sales increased again. Total gallons of fuel sold in 1993 were 1.8 million.

Air traffic operations were up 6,000 from 1992. Johnson stated that air carrier fuelings continue to increase, up 125% from 1991. General aviation fuelings have dropped 16% since 1991.

Johnson explained that in July 1993 he began computer tracking work orders. 506 work orders were written in the last half of 1993 with almost half of those being associated with the airfield cost center. 1,727 hours of repair and preventive maintenance were reported during this six month period.

**RESOLUTION #01-94
"APPROVE SUB-LEASE BETWEEN FAA & UND FOR OLD CONTROL
TOWER"**

Selig explained that in 1994 the FAA is putting a new cab on the tower. This work is scheduled to take approximately 60 days. UND and FAA worked out an agreement to sub-lease the old short tower for FAA use during that time. It was moved by Molmen and seconded by Norby to approve the sub-lease between the FAA and the University of North Dakota for the FAA's use of the old control tower for air traffic and weather observation purposes. ACTION TAKEN: The motion carried unanimously.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

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

Thursday, March 17, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, March 17, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Dave Molmen, Doug Norby and Bill Coutts; Advisory Member Jack Lien; Authority Attorney Don Olson; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

APPROVAL OF MINUTES

It was moved by Molmen and seconded by Coutts to approve the minutes of the January 20, 1994 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported record February enplanements, with total 1994 enplanements up 14% over 1993.

Year-to-date operating revenues and expenses are both 2% over budget. Stjern noted that some of the budget items are a little off as it was assumed Corporate Air would be taking over the fueling as of January 1994. Fuel revenue is up 10.8% over 1993. Net revenue before depreciation is \$117,414. Into-plane fees are 18% below 1993 but Stjern explained that Federal Express accounts for most of this. Parking lot revenues and commission revenues are both up substantially.

**RESOLUTION #04-94
"ACCEPT AND APPROVE SECURITIES PLEDGED FOR REPAYMENT OF
DEPOSITS"**

Stjern explained that the auditors pointed out that we should be accepting and approving pledged securities at least twice a year and anytime we accept a new security. She explained that she will be making this a monthly resolution so that we cover this requirement. It was moved by Molmen and seconded by Norby to accept and approve the attached securities pledged for repayment of deposits. ACTION TAKEN: Carried unanimously.

RESOLUTION #02-94
"ACCEPT BIDS FOR FUEL FARM PROJECT"

Selig explained that this fuel farm project was bid last summer and the bids came in too high. The bids received this time total \$799,000 compared to over \$1,000,000 previously. The project, including alternates, will include removal of all the Authority's old Avgas and Jet A tanks and building the new facility. Selig stated that the completion of the fuel farm will be to add a 12,000 gallon diesel tank and a 12,000 automotive fuel tank in 1995 or 1996. It was moved by Molmen and seconded by Norby to authorize the Executive Director to accept bids and enter into contracts with the following firms for the construction of the new fuel farm at the Airport: General Construction: Smith Construction Co. - \$114,980; Mechanical: Lunseth Plumbing & Heating Co. - \$293,280; Electrical: Midstates Electric, Inc. - \$87,239; and Tank Removal: Mark II - \$38,890. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #03-94
"ACCEPT 1993 AUDIT REPORT"

Selig introduced Roy Lunde of Brady, Martz Associates and explained that he has been working with the Authority since the beginning of the Board. Mr. Lunde reviewed the independent auditor's report explaining that in their opinion the financial statements are fairly presented.

Mr. Lunde pointed out that the total assets were \$23,668,000 in 1993 compared to \$23,359,000 in 1992. Total revenue was down \$125,000 due mainly to fuel sales and total expenses dropped from \$2.3 million to \$2.2 million. Net income for 1993 after adding back depreciation on facilities funded by grants was \$175,000 compared to \$121,000 in 1992.

Mr. Lunde noted two instances of immaterial non-compliance. Stjern already explained the need for twice yearly approval of pledged securities and they have also requested a change in the handling of credit card receivables. He stated that these changes have already been made.

It was moved by Molmen and seconded by Coutts to accept the 1993 audit report a presented by Brady, Martz & Associates. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #05-94
"AUTHORIZE THE ISSUANCE AND AWARD THE SALE OF \$855,000
AIRPORT REVENUE BONDS OF 1994 TO FINANCE THE UNDERTAKING
OF IMPROVEMENTS TO THE REGIONAL AIRPORT FACILITY"

Selig explained that this bond issue of \$855,000 is made up of Phase I and Phase II of the fuel farm, refinancing the UND hangar, and the parking lot for the aircraft maintenance facility.

Myron Knutson of Evenson-Dodge, bond consultant, explained that the Authority is issuing \$855,000 of airport revenue bonds for 10 years with the first principal payment due 4-1-95. The bond issue was rated "A", an excellent rating, which results in a better interest rate. They received two bids on this bond issue yesterday with Piper Jaffrey the lowest bidder at 5.0943%.

It was moved by Norby and seconded by Molmen to accept the bid of Piper Jaffrey for the sale of the \$855,000 Airport revenue bond issue. ACTION TAKEN: Motion carried unanimously.

5-YEAR CAPITAL IMPROVEMENT PLAN UPDATE PRESENTATION

Selig explained that he has an updated capital improvement plan that he would like to go over with the Board. Scheduled projects eligible for 90% funding include:

- 1995 - Expand equipment storage/maintenance building
- Update Airport Master Plan/Part 150 Noise Study
- 1996 - Expand air cargo apron
- 1996-97 - Extend Runway 8/26
- 1998 - Replace snow plow
- 1998-99 - Extend and overlay Runway 35L/17R
- 2000 - Reconstruct A apron
- Reconstruct B apron
- Reconstruct and widen Airport entrance road

Unscheduled projects eligible for FAA funding include: rehab ARFF vehicle, expand Airport perimeter fencing, reconstruct C apron, expand C apron, high-speed exits on Runways 35R/17L and 8/26, and Runway 8L/26R.

Scheduled non-FAA projects are:

- 1995 - Remodel Admin. Bldg. for accessibility and landscaping
- 1995-96 - Relocate rental car facilities
- 1996 - Terminal area stormwater drainage
- Terminal area landscaping and signage
- 2000 - Bury main electrical service along Airport Drive (Airport share)
- Parking lot perimeter barrier

Unscheduled non-FAA projects include a consolidated Airport telephone system.

Mutchler questioned if there were any new hangars scheduled. Selig explained that at this time there are not.

Selig pointed out that when the Master Plan Update and Part 150 Noise Study are done the Board will probably be quite involved and have a lot of input.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

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

Thursday, April 21, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, April 21, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Dave Molmen, Doug Norby, 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 Molmen and seconded by Coutts to approve the minutes of the March 17, 1994 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported enplanements for the first quarter of 1994 of 25,388, up 14% from 1993. Operating revenues are 3.7% over budget and operating expenses are 3.5% over budget. Into-plane fees are down 16%, mainly due to Federal Express. Parking lot revenues are up 9% from last year. Cafe commissions are up 18% and rent-a-car receipts are up 32%.

**RESOLUTION #06-94
"ACCEPT AND APPROVE SECURITIES PLEDGED FOR REPAYMENT OF
DEPOSITS"**

Stjern stated that there was no change to the pledged securities since last month. It was moved by Molmen and seconded by Norby to accept and approve the attached securities pledged for repayment of deposits. ACTION TAKEN: The motion carried unanimously.

OPERATIONAL REPORTS

Johnson reported that fuel flowage was down overall for the first quarter of 1994, due mainly to a decrease in Federal Express usage.

Johnson noted that United Express was the only carrier with a decrease in passenger enplanements for the quarter.

Air traffic operations are down almost 10,000 for the first quarter, after three steady years.

The number of aircraft fuelings continues to grow, due to cargo carriers, such as Federal Express and Bemidji Aviation.

Selig said he talked to Frontier Airlines yesterday and they are still on track, and have asked us for additional cost information such as for catering. Letters of intent to operate are due out to the airports next week. They are still focusing on the aircraft maintenance facility. Selig has offered to meet with them again to see how the Authority can help them move forward with that facility and they say they will want that meeting in approximately 30 days. Their planned start up date is July 1st.

RESOLUTION #07-94

"ACCEPT BIDS FOR TAXIWAY 'A' WIDENING AND OVERLAY PROJECT"

Selig explained that the areas involved in this project are original pavement from the 1970's on the main taxiway "A" and will involve replacing portions and repairing others. This project funding is tied up in the AIP bill that is going through Congress right now but there are indications that Grand Forks will probably be one of the first projects that is approved. It was moved by Weber and seconded by Norby to authorize the Executive Director to accept bids and enter into contracts with the following firms for the widening and overlay of Taxiway "A" at the Airport, contingent on receiving an FAA grant offer. Resolution also authorizes the Executive Director to accept such a grant. General Construction: Nodak Strata Contracting, Grand Forks \$2,587,771.88 and Electrical: Northern Electric Construction, Fargo \$188,385.00 ACTION TAKEN: Motion carried unanimously.

Mark Holy questioned whether this project includes apron access on the diagonals and high-speed exits. Selig said it wasn't bid that way.

RESOLUTION #08-94

"APPROVAL OF FULL SERVICE FBO AGREEMENT WITH GFK FLIGHT SUPPORT, INC."

Selig stated that he has received a business plan and financial projections, along with a signed agreement from GFK Flight Support, Inc. Tim Bergstrom is the President and Orvis Kloster is the Vice-President of the group that will merge Aero Center into this new corporation and expand the facility. Selig explained that this group would like some commitment from the Authority that this, in fact, can go forward, as they have other negotiations going on, and need our commitment to support those negotiations.

It was moved by Molmen and seconded by Norby to authorize the Executive Director to execute a full service FBO agreement with GFK Flight Support, Inc., with the Authority's standard agreement, subject to the following conditions: 1) The

completion of business plan and financial reviews by the Airport Authority's auditor, demonstrating compliance with Subsection 2.01, G., Subparagraphs 2,3, and 4 of the Authority's Standard Full Service FBO Agreement. 2) The completion of incorporation papers for "GFK Flight Support, Inc." and the review of those documents by the Authority's attorney. 3) The receipt of additional information demonstrating that GFK Flight Support, Inc. will be able to meet the five year experience requirement detailed in Subsection 2.01, G., Subparagraph 1 of the Authority's Standard Operating Agreement. The Authority's commitment in this Resolution shall not extend beyond June 15, 1994. ACTION TAKEN: The motion carried unanimously.

RESOLUTION #09-94
"ASSIGNMENT OF AERO CENTER 1 LEASE/OPERATING AGREEMENT
TO GFK FLIGHT SUPPORT, INC."

Selig explained that this resolution approves the assignment of the existing ground site agreement from Aero Center 1 to GFK Flight Support, Inc. It was moved by Coutts and seconded by Norby to authorize the Executive Director to execute the attached assignment of the existing Aero Center 1 lease agreement to GFK Flight Support, Inc. ACTION TAKEN: The motion carried unanimously.

OPEN DISCUSSION

Mark Holy said he previously sent letters to the Board and Mr. Selig requesting a meeting with the appropriate committee members or the full Board regarding his application for a full-service FBO. He feels most of his paperwork has been submitted and would like to expedite progress on this request for a meeting. Mutchler stated that he understood previously all the necessary information was not submitted, but if it is then he would direct Selig to arrange a meeting.

Brian Pfeiffer questioned whether the Authority was going to continue to do the fueling. Selig explained that Corporate Air should be operational in August or September and they would take over the fueling at that time. Pfeiffer also asked whether they would be getting electric doors for the T-hangars this year. Selig said that it is budgeted but the expenditure hasn't been authorized yet.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY**

BOARD OF COMMISSIONERS MEETING

Thursday, May 19, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, May 19, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Doug Norby, Jim Weber and Bill Coutts; Advisory Members Jack Lien and Bob Wood; Authority Attorney Don Olson; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

RECOGNIZE JOHNSON

Mutchler noted that congratulations are in order for Steve Johnson who just passed testing in Seattle to become an Accredited Airport Executive.

APPROVAL OF MINUTES

It was moved by Weber and seconded by Coutts to approve the minutes of the April 21, 1994 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported that April 1994 enplanements were down 28 passengers from April 1993 but the year-to-date total is up 10.6% over 1993. Year-to-date operating revenues were 5% over budget, operating expenses were 3% over budget, with the year-to-date net revenue before depreciation of \$122,782.

Stjern stated that the retail fuel revenue was up 23% from last year, but the into-plane fees are down 13%. Parking lot revenues are up 9% and commissions are up 23% from last year. Line service revenue is up 17%, due largely to more aircraft heating.

RESOLUTION #12-94
"ACCEPT AND APPROVE SECURITIES PLEDGED FOR REPAYMENT OF DEPOSITS"

Stjern noted one new variable rate FNMA for \$1,000,000 on the pledged securities listing. It was moved by Norby and seconded by Coutts to accept and approve the attached securities pledged for repayment of deposits. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #13-94
"CERTIFICATION OF 1995 MILL LEVY/DEVELOPMENT PLAN"

Selig explained that each year the Authority has to certify the mill levy for the next year to the City and County. Over the last five years we have only certified a mill levy increase in 1990. Selig feels that now due to the hold up in Federal funding and a long list of non-fundable maintenance and repair projects it is appropriate to request approval of a 5% increase in the mill levy for next year. Selig estimates that this would bring in approximately \$17,000 more per year. Weber stated that he doesn't feel the Board should depend on running this airport on increased tax dollars. Norby said he too is not comfortable with a tax increase at this time.

Wood pointed out that the 1993 legislature capped the increase to 2% on all levies that are at the maximum. Selig said he was not aware of that and would check into it further.

After much discussion, Mutchler felt that the Board was not ready to take any action on this. Norby stated that he would like this brought back to the next meeting when all the Board members could be present to discuss it further.

RESOLUTION #14-94
"DEVELOPMENT OF AIR CARGO/INTERMODAL PROMOTIONAL MATERIAL"

Selig explained that he estimates spending \$16,000 to start putting together a good promotional brochure to be used on a nationwide basis that focuses on Grand Forks being the center of the North American continent, that promotes cargo development and can be used to attract other cargo carriers. Coutts questioned whether this item was budgeted. Selig stated that the funds would come out of 1993 retained earnings. It was moved by Norby and seconded by Weber to authorize the Executive Director to spend not to exceed \$16,000.00 of 1993 retained earnings for the development of a four color promotional brochure for air cargo/intermodal development at Grand Forks. ACTION TAKEN: The motion carried unanimously.

DISCUSSION OF SMOKING IN TERMINAL

Selig explained that he brought back a discussion of smoking in the Terminal to the Board because in the past year we have received some complaints regarding this issue. Selig reminded the Board that they discussed this last May and decide to keep the smoking area. Mutchler asked what other airports are doing about this. Selig explained that it is mixed with Minneapolis having gone non-smoking now. Stjern said that Minot is no smoking and Fargo and Bismarck have smoking in a section of the restaurant only.

Weber stated that he sees no reason to eliminate the smoking area. Norby said he feels the building is big enough to accommodate both. No action was taken.

UPDATE ON GFK FLIGHT SUPPORT

Mutchler explained that at the Special Board Meeting held two weeks ago the Board took action requesting special research concerning GFK Flight Support being able to begin fueling. Olson reported that he contacted a Washington, D.C. law firm specializing in aviation law. Olson received a response from them yesterday that supported his and Selig's earlier opinion that to be in compliance with grant assurances the Airport cannot discriminate and that legally we cannot grant any kind of preference to an incumbent such as GFK Flight Support to allow them to begin fueling until they have met all conditions of the agreement that are also required of their competitor, Corporate Air.

Patrick Morley, attorney for GFK Flight Support, stated that he understood the three requirements due from GFK Flight Support were: 1) approval of financial and business plan, 2) approve corporate status, and 3) though the team approach for meeting the 5 years experience requirement has been approved by the Board, the individual members of the team still need to be approved. It is his understanding that the first two have been accomplished and are here today to get approval of the team members and get a lease signed. Selig explained that according to the lease GFK Flight Support has until September 1, 1994 to begin construction of their building and by June 15, 1994 must have their management team approved. Selig recommended approving a resolution to waive the June 15 date for demonstrating the experience requirement of the management team. Morley stated that they are prepared now to have the team approved and the June 15th date is satisfactory.

Tim Bergstrom explained that the management team will consist of himself, Dave Ramage and Orvis Kloster as management, Brent Siefert as chief pilot and Director of Ops, Doug Schommer as Director of Maintenance, and a line supervisor for the fueling operation that has 16 years of experience. Bergstrom questioned whether the Board has a problem with the management team as presented. Selig explained that he has some question as to whether Siefert and Schommer have five years experience in those positions. Norby stated that it was his understanding at the last meeting that the Board agreed to the team having a total of five years experience, not each individual having five years experience. Norby requested a transcript of the discussion concerning the experience requirement from the May 5, 1994 special meeting.

RESOLUTION #15-94
"AMEND RESOLUTION #08-94 TO EXECUTE FULL-SERVICE FBO
AGREEMENT WITH GFK FLIGHT SUPPORT, INC."

It was moved by Coutts and seconded by Weber to amend Resolution #08-94 authorizing the Executive Director to execute the full-service FBO agreement with GFK Flight Support, Inc. subject to demonstration that their management team meets the five year experience requirement no later than June 16, 1994. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #16-94
"AMEND SIZE OF LOT 'I' AS REFERENCED IN FULL-SERVICE FBO
AGREEMENT WITH GFK FLIGHT SUPPORT, INC."

Morley stated that the proposed lease with GFK Flight Support, Inc. does not provide enough space at the one location, but understands that the square footage requirement can be met at more than one location. Selig said that is true, but we could also make existing Lot "I" as referenced in the agreement bigger. Bergstrom stated that they would like 300' frontage. It was moved by Weber and seconded by Coutts to amend the size of Lot "I" from 120' x 300' to 300' x 300' as referenced in the full-service FBO agreement with GFK Flight Support, Inc. ACTION TAKEN: The motion carried unanimously.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

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

Thursday, May 5, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, May 5, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Dave Molmen, Doug Norby, Jim Weber and Bill Coutts; Authority Attorney Don Olson; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

Chairman Mutchler explained that this special meeting was called for one specific purpose - to attempt to further define the full-service FBO agreement so that everyone can understand what the Authority's goals are.

Selig explained that the Authority Board has gone through a long development process for this management plan designed to develop the FBO industry. He stated that the Airport having the exclusive fueling in essence ties up an enormous revenue source and has a negative effect on FBO development at Grand Forks. The existing FBO facilities can barely accommodate the Caravans, cannot accommodate the Beech 1900s and has no inside facilities for jets. Selig said that the history of FBO management has basically been inexperienced management, never having anyone who had operated a full-service FBO at any other airport. He explained that the Authority determined in 1992 that the solution to these problems would be to privatize the fuel in exchange for full-service FBO services that meet the needs of the public, provide adequate space and facilities for the Caravans, Beech 1900s and for jets if possible. He stated that at that time the Board discussed that the experience requirements and the general agreement was that with the level of Federal regulations that impact airports and FBOs in any aviation situation, along with the diverse mixture of operations that an FBO has to provide, it was necessary to require at least five years of experience to meet customer needs.

Selig explained that the original FBO development discussions were in November 1992 at which time it was determined that the best direction to take was to set the standards and put the fuel services out for bids. The Authority was then approached by Corporate Air in February 1993 with an interest in building a maintenance facility. Selig said he then inquired as to whether they were interested in doing a full-service FBO operation also. During these negotiations they included Aero Center 1 management to see if they could bring about a merger. Selig stated that in September 1993 the Authority approved an agreement with Corporate Air. the merger negotiations between Corporate Air and Aero Center 1 continued until December 1993 but were unsuccessful. In February 1994, the Authority concluded negotiations with Corporate Air, without Aero Center 1 being involved. Aero

Center 1 and the Bergstroms reached an agreement in April 1994 and submitted their request for a competitive full-service FBO agreement. Selig explained that now that we have two operators it becomes a whole new situation, having to maintain a level playing field for everyone.

Mutchler stated that at that meeting a year and a half ago they never dreamed that they would have competition for this operation, hoping only to find one good FBO.

Orvis Kloster, Aero Center, stated that they have every intention of following the agreement to the letter. Kloster said that it was his understanding that when Corporate Air was negotiating with Aero Center for a merger that Selig had indicated they could start fueling as soon as the new corporation took over the existing Aero Center 1 building, not having to wait for the new building to go up.

Kloster explained that they have lined up a fueler with 16 years of experience. They have also been talking to Kay & Associates concerning working on 727s. Kloster also said the Bergstroms know they have to put up the new building to make this whole thing work.

Kloster stated that Tim Bergstrom has been working with the hobby flyers and plans to purchase an amphibious plane to be able to give lessons since he found there was a lot of interest out there.

Kloster stressed that he, Dave Ramage and the Bergstroms are all local taxpayers with a definite community interest in making this work.

Norby stated that at the last meeting he thought the deal was done. He felt the inference was made that GFK Flight Support, Inc. would get the fuel, were set up and ready to go. Norby said he is not happy that now GFK Flight Support has been told they have to have the building done before getting the fuel. Bergstrom pointed out that the agreement he has with the Authority refers to "future" construction with start and completion dates, which gives him the impression that he does not need the building today but must follow those dates.

Molmen felt that the Resolution passed at the last meeting empowered the Executive Director to make this effective when the standards were met. He explained that at a legal seminar he attended recently it was strongly stressed for airports to have minimum standards and absolutely live by those standards.

Weber questioned the wording of the agreement. Mutchler read from the Agreement under Required Facilities, Item #2, Buildings: A minimum of 17,000 s.f. of building space is required to include hangar, shops, offices, classrooms, a pilot lounge, public restrooms, flight planning, weather information area, and public telephone.

Olson explained that the real issue is that an agreement has been signed with Corporate Air with requirements set forth for a full service FBO that do not allow them to fuel until they meet all of those standards, including having a building. Now we have another FBO who wants to do the same thing as Corporate Air and

the Authority is forced to say they both have the right to sell fuel at the Airport provided they meet the full service FBO standards. If one of the two businesses gains an advantage over the other because of something the Board does, the Board is exposed to a potential litigation.

Dave Ramage questioned why Corporate Air would have been allowed to have the fuel January 1, 1994 if they had merged with Aero Center 1 and had the same building GFK Flight Support, Inc. has now, but GFK Flight Support can't fuel until they get the required building square footage. Selig explained that there was no competitive situation at that time and more flexibility. Two competing organizations creates a more complex situation with more stringent rules.

Molmen suggested getting an opinion from some nationally recognized authority concerning where we are in our standards and what our ability is legally to try to do something to help meet GFK Flight Support's desire to take over the fueling.

Norby questioned whether we could amend the agreement so they can start selling fuel immediately and do the same for Corporate Air. Olson stated that we cannot unilaterally change the contract.

Weber stated that it bothers him as a Board member that we have a signed agreement from an out-of-state company that we don't even know will ever come here and this is holding back an aggressive local company. Coutts questioned whether the Board thinks the minimum standards are biased or unfair. Norby said he does. Coutts said if this is so then the Board needs to amend the standards.

Bergstrom stated that he has a contract with Frontier Airlines for maintenance, is supposed to be in Toronto tomorrow to buy a float plane, and has \$100,000 into this business already and wants to know what he's supposed to do without the fueling situation settled.

RESOLUTION #10-94

"SEEK OPINION ON TURNING OVER GAS CONCESSION TO GFK FLIGHT SUPPORT, INC."

It was moved by Molmen and seconded by Norby to direct the Executive Director to seek a noted national authority on airport law for an opinion of whether the gas concession could be turned over to GFK Flight Support, Inc. and stay within the confines of the Airport's Minimum Standards. ACTION TAKEN: Motion carried unanimously.

Ramage questioned whether the Authority can lease the gas concession to Bergstrom until the building is built. Olson stated that we could look at that as an option.

RESOLUTION #11-94
"ACCEPT TEAM MANAGEMENT CONCEPT FOR THE OPERATION OF
GFK FLIGHT SUPPORT, INC."

Mutchler stated that it was brought up that the experience that GFK Flight Support, Inc. is presenting possibly isn't totally within the criteria of the contract. Selig explained that the contract says the operator and/or key management personnel assigned to the Airport shall have a minimum of five years experience in the successful operation of an FBO facility as its primary business at an airport the same size and activity complexity of the Grand Forks Airport. Selig said he understands that Tim Bergstrom has himself as the Business Manager, a maintenance chief with 5 years experience, a chief pilot with 5 years experience, and is hiring a fuel operator with 16 years experience. Selig explained that the question is whether that management team meets the contract requirement. Selig said he is comfortable with it. It was moved by Norby and seconded by Molmen to accept the management team concept submitted by Tim Bergstrom for the operation of GFK Flight Support, Inc. to meet the experience requirement of the full-service FBO agreement. Olson explained that taking this action commits the Board to considering such concepts with other operators in the future. **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, June 16, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, June 16, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Doug Norby, Jim Weber, Dave Molmen and Bill Coutts; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

APPROVAL OF MINUTES

It was moved by Weber and seconded by Norby to approve the minutes of the May 5, 1994 special meeting and the May 19, 1994 regular meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported May enplanements up 5.4% over May 1993 and up 9.6% year-to-date. Operating revenues and expenses are both over budget, due to the budget assumption that we would not be fueling. Year-to-date net revenue before depreciation is \$143,849. Revenue from retail fuel is up 14% over 1993, into-plane fees down 12%, line revenues up 15%, and the parking lot revenues are up 8%. Commission revenue is up 15%.

**RESOLUTION #17-94
"ACCEPT AND APPROVE SECURITIES PLEDGED FOR REPAYMENT OF
DEPOSITS"**

Stjern reported no changes in the pledged securities from last month. It was moved by Norby and seconded by Weber to accept and approve the attached securities pledged for repayment of deposits. ACTION TAKEN: Motion carried unanimously.

RECOGNIZE INTERNS

Chairman Mutchler introduced Andrea Heinz and Daryl Berg, UND students working as interns with the Airport Authority for the summer.

RESOLUTION #13-94
"CERTIFICATION OF 1995 MILL LEVY/DEVELOPMENT PLAN"

Selig explained that this item has been brought back from the last meeting. He verified that the State Statute this year allows a 2% increase in the mill levy. Selig felt it was important for the Board to look at this as the Authority receiving contributions from all levels. Selig reminded the Board that we regularly review and adjust fees to other Airport users. The Airport currently receives 4.67 mills, and a 2% increase would mean approximately \$7,000 more. He explained that we have a significant list of improvements that need to be done that are not eligible for federal funding.

Weber stated that he was opposed to a mill levy increase to run the Airport at the last meeting and has not changed his opinion. It was moved by Norby and seconded by Coutts to authorize the Executive Director to certify to the City and County of Grand Forks a 2% increase in tax levy dollars for fiscal year 1995. The Executive Director may plan to certify an increase in tax levy dollars for the years 1996-1999, in accordance with State Statutes, subject to annual Authority Board approval. The additional funds are intended to be used for capital improvement projects as approved by the Airport Authority Board annually in its budget process. ACTION TAKEN: The motion was defeated with Coutts, Weber and Norby voting "no", and Molmen voting "yes".

RESOLUTION #18-94
"APPROVE LIMOUSINE/SHUTTLE/DELIVERY AGREEMENT WITH FIRST CLASS LIMO, INC."

Selig explained that Kraig Kuhl of First Class Limo has submitted a request to operate a limousine/shuttle/delivery service at the Airport. He explained that they have a mixture of vehicles and have received a license from the City Council. Mr. Kuhl stated that they have a 15 passenger van with handicap access and three stretch limos. It was moved by Norby and seconded by Molmen to authorize the Executive Director to execute an agreement with First Class Limo, Inc. to provide limousine, shuttle, and delivery services at the Grand Forks International Airport. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #19-94
"AUTHORIZATION TO ACCEPT GRANT FOR AN AIRPORT MASTER PLANNING UPDATE"

Selig explained that Federal Express has notified us that they are moving towards eliminating 727s and using Airbus aircraft. This requires an eventual lengthening of our primary runway. In talking to the FAA about these needed changes the FAA told Selig they would require a Master Plan Update. The funding for this project is still pending in Congress. It was moved by Molmen and seconded by Norby to authorize the Executive Director to accept a grant from the FAA for an update of the

Master Development Plan for the Grand Forks International Airport in an amount not anticipated to exceed \$250,000. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #20-94

"APPROVE OFF-AIRPORT AGREEMENT WITH ENTERPRISE RENT-A-CAR"

Selig explained that we have contracts with both on-airport and off-airport car rental agencies and standard agreements for both. It was moved by Weber and seconded by Norby to authorize the Executive Director to execute the Authority's standard off-airport rent-a-car agreement with Enterprise Car Rental. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #21-94

"APPROVE HIGHWAY 2 BEAUTIFICATION EASEMENT"

Selig stated that the City of Grand Forks and the Department of Transportation have received a grant for a highway beautification project from Airport Drive east to town. The project involves the planting of trees on Airport property and would require a temporary 3 year 50' easement. It was moved by Norby and seconded by Molmen to authorize the Executive Director to execute an easement for the temporary construction, landscaping, shaping, and maintenance involved in North Dakota Beautification Demonstration Project HDP-9243(001) with the City of Grand Forks and the North Dakota Department of Transportation. It is understood that the easement to be executed shall not exceed three years from the date of approval. The landscaping to be constructed including the planting of vegetation and any changes to the Airport's security fencing are subject to review and approval by the Executive Director before construction commences. ACTION TAKEN: The motion carried unanimously.

RESOLUTION #22-94

"APPROVE AGREEMENT WITH FRONTIER AIRLINES"

Selig stated that Frontier plans to start service at Grand Forks July 5th. He does not have the signed agreement back but was told yesterday that it is in the mail. He explained that it is the same agreement as signed by Northwest Airlines and Great Lakes. It was moved by Norby and seconded by Coutts to authorize the Executive Director to execute an agreement with Frontier Airlines. ACTION TAKEN: Motion carried unanimously.

GFK FLIGHT SUPPORT, INC.

Tim Bergstrom, GFK Flight Support, Inc. questioned whether there was a timetable for the apron extension in front of their leased lot. Selig said the plan is to add this project to the capital improvement plan but it will depend on Federal funding. Selig explained that we have been fortunate in the past in being able to construct taxiway

and apron access for everyone that wants to develop but we may have to start looking at developers building their own taxiways. Bergstrom stated that he will not put up a building without ramp. Coutts stated that he would like Mr. Bergstrom to work with Selig to find some solutions and for Selig to contact the FAA about this project. Selig said he will do this but knows that this is a low priority project for funding.

JACK LIEN, CITY COUNCIL REPRESENTATIVE

Weber stated that Jack Lien has finished serving on the City Council and will no longer be their advisory member to the Airport Authority. He asked that Selig send a letter from the Authority thanking him for his service to the Authority Board since its beginning.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS MEETING
Thursday, July 21, 1994**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, July 21, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Doug Norby, Jim Weber, and Bill Coutts; Authority Attorney Don Olson; and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

NEW CITY COUNCIL REPRESENTATIVE

Mutchler introduced LaVerne Babinchak, the new representative to the Authority Board from the City Council.

APPROVE MINUTES

It was moved by Weber and seconded by Coutts to approve the minutes of the June 16, 1994 meeting as written. ACTION TAKEN: Motion carried unanimously.

**RESOLUTION #24-94
"APPROVE VALLEY HANGAR AGREEMENT"**

Selig stated that an agreement was reached to renew the standard ground site agreement with Valley Hangar. It was moved by Coutts and seconded by Weber to authorize the Executive Director to execute the new ground site agreement with Valley Hangar, Inc. ACTION TAKEN: Motion carried unanimously.

**RESOLUTION #25-94
"APPROVE ASSIGNMENT AGREEMENT BETWEEN MOLO AND
CORPORATE AIR"**

Selig explained that MOLO is a corporation that Corporate Air uses to hold their assets so Corporate Air is really the operator, making this just an administrative action. It was moved by Weber and seconded by Coutts to approve the assignment of the full service FBO Operating and Lease Agreement from Molo, Inc. to Corporate Air and authorize the Executive Director to execute the assignment on behalf of the Airport Authority. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #26-94
"APPROVE ASSIGNMENT AGREEMENT BETWEEN CORPORATE AIR
AND GFK FLIGHT SUPPORT, INC."

Selig explained that over the last 30 days Corporate Air and GFK Flight Support, Inc. have been in negotiations and have reached an agreement to assign Corporate Air's Full-Service FBO Operating/Lease Agreement to GFK Flight Support, Inc., making GFK Flight Support, Inc. the full-service FBO operator. Selig stated that GFK Flight Support, Inc. will be constructing a building and making space available to Corporate Air for maintenance of their aircraft. He pointed out that since GFK Flight Support and Tim Bergstrom are coming into this at a late date the Resolution changes the original construction start date from August 1st to September 1st. Selig also noted that since the FBO situation will now be non-competitive, this Resolution allows the Executive Director to transfer the fuel operation before the building is complete, but no later than November 1, 1994. It was moved by Weber and seconded by Coutts to authorize the assignment of the March 1, 1994 "Full-Service FBO Operating/Lease Agreement" by and between MOLO Leasing, Inc./Corporate Air and the Grand Forks Regional Airport Authority to GFK Flight Support, Inc. Approval of the assignment is subject to the Executive Director's receipt, and legal review, of an assignment agreement executed by both parties. A copy of the above-mentioned Full-Service FBO Operating/Lease Agreement and the proposed assignment are attached to this Resolution and by reference made a part hereof. It is understood by all parties that the entire Full-Service FBO Operating/Lease Agreement is being assigned and that GFK Flight Support, Inc. as the Assignee is assuming all of the rights, benefits, duties and obligations required of Corporate Air under the Agreement. Resolution further amends subsection 3.03 of the Agreement to provide for a construction beginning date of September 1, 1994 instead of the present August 1, 1994 to permit GFK Flight Support, Inc. additional time to complete construction plans for their new building. Since this is a non-competitive business development, the Executive Director is authorized to arrange for the transfer of retail fuel operations in accordance with the Agreement prior to the completion of the building should GFK Flight Support, Inc. demonstrate that it has met all of the operational requirements contained in Article 2 of the Agreement. In the event that GFK Flight Support, Inc. has not met the conditions of Article 2 by November 1, 1994 the Executive Director shall take the necessary steps to bring Airport operational staff back to full strength to insure effective operations through the winter months and the March 1, 1994 agreement is terminated.

Rick Wockovich questioned how this action will affect the staff. Selig stated that the transition plan presented last year is still in place.

Wockovich explained that he and Wayne Wetzel will be serving as co-stewards for the employees union and plan to attend Authority Board meetings.

ACTION TAKEN: Motion carried unanimously.

QUARTERLY FINANCIAL/ADMINISTRATIVE REPORTS

Stjern reported June enplanements of 8,195 which is 6.3% below last June, but total year-to-date enplanements are 6.3% ahead of 1993.

The year-to-date operating revenues were 6.8% over budget, with operating expenses 3.5% over budget. The year-to-date net revenue before depreciation is \$169,807.

Into-plane fees are down 11% from 1993. Cafe receipts are up 30% from 1993, but it was closed for a month in 1993 for remodeling. Rental car receipts are up 14%. Parking lot revenues are up 6.3%, approximately the same percentage as enplanements.

Stjern presented administration statistics for routine duties for the first half of 1994 as follows: 800 letters produced, handled 3500 phone calls, sent 300 faxes, filed 4800 documents, opened 4200 pieces of mail, made 3800 photocopies, paid 800 invoices, and produced 1650 accounts receivable invoices.

RESOLUTION #23-94

"ACCEPT AND APPROVE SECURITIES PLEDGED FOR REPAYMENT OF DEPOSITS"

Stjern explained that the only change in the pledged securities is that a FHLMC was paid off and removed from the listing. It was moved by Norby and seconded by Coutts to accept and approve the listing of securities pledged for repayment of deposits as presented. ACTION TAKEN: The motion carried unanimously.

QUARTERLY OPERATIONAL REPORTS

Johnson reported that Northwest passengers increased 5,000 for the first six months of the year, but United Express passengers decreased 1,000 for the same period.

Air traffic operations were down to 119,000 for the first six months, due to a transient and local general aviation decrease, primarily UND activity.

Johnson reviewed the fuel flowage activity, line services, general aviation fuelings, in/out services and work order activity.

CORPORATE AIR BUILDING CONSTRUCTION REPORT

Selig explained that this item can be removed from the agenda in light of the Corporate Air/GFK Flight Support, Inc. assignment agreement addressed earlier in Resolution #26-94.

UPDATE ON PERFORMANCE MANAGEMENT/QUALITY IMPROVEMENT PROGRAM

Selig stated that staff is continuing to develop a performance based program. The consultant has met with employee focus groups. He plans to get the booklet out for Board and employee review within the next couple weeks. September 20th an all employee meeting will be held, with Board members invited to attend.

WAYNE TERRIAN, UNION REPRESENTATIVE

Wayne Terrian, Local 148, stated that he is representing the Airport employees and questioned why his request to be put on the agenda was denied. He said he feels there are items in the employee handbook that should be discussed with the Board. Mutchler said he feels these items should be discussed first with Selig following the informal/formal problem solving process. Mr. Terrian stated he would like to make an appointment with Selig to begin this handbook review.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

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

Thursday, August 18, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, August 18, 1994 at 7:30 A.M. with Chairman Tim Mutchler presiding. Members present were: Doug Norby, Jim Weber, Dave Molmen and Bill Coutts; Advisory member Laverne Babinchak and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

APPROVE MINUTES

It was moved by Weber and seconded by Norby to approve the minutes of the July 21, 1994 meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORT

Stjern reported July enplanements of 9,528 up 1% from July 1993, with year-to-date enplanements up 5.6% over 1993. Operating revenues are 9% over budget, expenses are 4% over budget, again due to the assumption that we would not be fueling in 1994 but we still are. The year-to-date net revenue before depreciation is \$207,268. Retail fuel revenue is up approximately 10% from 1993 and into-plane fees are down 2%. Parking lot revenues are up 5% and commission revenue is up 12%, due mainly to car rental commission.

RESOLUTION #27-94

**"ACCEPT AND APPROVE SECURITIES PLEDGED FOR REPAYMENT OF
DEPOSITS"**

Stjern explained that the only change in the pledged securities is that First National Bank replaced the \$500,000 FHLB note with a \$500,000 FNMA and pledged a new \$1,000,000 FNMA. It was moved by Norby and seconded by Coutts to accept and approve the listing of securities pledged for repayment of deposits as presented. ACTION TAKEN: The motion carried unanimously.

RESOLUTION #28-94
"APPROVE SALE OF SURPLUS AIRPORT PROPERTY"

Selig explained that the list of equipment proposed for auction is attached to this Resolution. He reviewed several of the pieces and explained that the 15' mower was replaced with a 21' mower. Weber questioned whether the '69 Massey Ferguson tractor was worth putting on auction and suggested calling implement dealers to see what we could get on trade. It was moved by Weber and seconded by Coutts to authorize the Executive Director to dispose of the surplus property on the attached list. ACTION TAKEN: Motion carried unanimously.

FLOAT PLANE INCIDENT

Mutchler asked that Selig address the float plane incident that happened last week. He asked that Selig discuss the feasibility of a grass runway here. Selig explained that we don't have a grass runway here because we haven't had a need in the past. He pointed out that the only difference between a grass runway and a paved runway is just the concrete on top of it, with a grass runway requiring more maintenance because it grows. The cost of a grass runway would still be \$1-2 million and you end up with a very limited use runway, predominantly usable for small single engine aircraft. Norby stated that a grass runway is not appropriate at this airport. Selig explained that all he is authorized to do is let people land on approved runway landing surfaces. The edges of the runways are made so that if a plane lands on the runway and loses control and they roll off that theoretically they're not going to hit anything and there would be a minimum amount of damage. But the FAA has required that the Airport install more than 100 additional signs over the last couple years which increase the odds of bodily injury and damage to aircraft off the runway. Selig stated that he did not grant permission to land in the grass areas because it is an unapproved landing surface and they could get hurt more landing in that area than on the pavement. He also explained that the ARFF crews are set up for handling aircraft accidents on the pavement, doing approximately 200 per year so they are experienced in handling these type of incidents.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

**PROCEEDINGS OF
THE GRAND FORKS REGIONAL AIRPORT AUTHORITY**

BUDGET WORK SESSION

Thursday, September 8, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, September 8, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Jim Weber and Bill Coutts; Advisory member Laverne Babinchak and staff: Bob Selig, Candi Stjern, Steve Johnson and Jackie Heidrich.

BUDGET WORK SESSION

Selig explained that this meeting is basically a staff meeting, not an Authority Board meeting. This is a work session to go through the budget as proposed and give the Board members a chance to discuss any changes or have time to recommend changes before the 1995 budget is presented for approval at next week's regular Board meeting.

Selig distributed revised 1995 budget highlights. Selig noted that these budget assumptions include aircraft fueling and hangar management being transferred to GFK Flight Support.

He stated that we anticipate a 2% C.P.I. increase in fees. He also noted that the budget includes wage upgrades for 3 Dispatcher positions and the Equipment Vehicle/Maintenance Technician position. He explained that there are additional duties being assigned to these positions and feel this upgrade is justified. He pointed out that he used a 1993 survey done by the Lincoln, NB Airport Authority using six airport authorities throughout the midwest and this survey supports the recommendation. Selig proposed a 5% salary increase to be effective July 1, 1995 for all employees. He explained that he is authorized to implement a 2% wage increase effective October 1, 1994 but any raises associated with the performance based compensation program would not go into effect until January 1, 1996 so these increases really cover a 15 month period.

Operating revenues decrease 6.2% from 1994 in the proposed 1995 budget. Operating expenses decrease 3.5%. Selig noted that these decreases are due to the fueling operation being transferred to the new FBO. This results in an operating income of \$29,185 and net revenue before depreciation of \$11,815. Selig explained that operating revenues come from fees and charges and tax dollars are used for capital improvements.

Budgeted 1995 landing fees show an increase of .6% over 1995 and Aircraft Rescue and Firefighting Fees will increase .5%. Terminal rental rates will increase 5.5%. Coutts questioned whether any depreciation is included in the airline fees. Selig explained that we do not include depreciation in our fee calculations.

Selig stated that we anticipate receiving \$215,000 from the City from an old bond reserve.

Wayne Wetzel, Authority employee, questioned whether the salary survey included Safety Specialist positions. Selig stated that it did and that salary range was appropriate as it is. Wetzel pointed out that 1/3 of the time the Safety Specialists act as Dispatchers and questioned whether there was any consideration for compensation for this or for night-time differential pay. Selig stated that we treat the time they serve as Dispatcher as training time and differential pay is not being considered.

Brian Pfeiffer, hangar tenant, questioned who will set the rates when hangar management is transferred to GFK Flight Support. Selig explained that the Authority will set the rate and the FBO will receive a percentage for managing the hangars. Pfeiffer also questioned who will set the fuel rates to tenants. Selig said the FBO will set the fuel prices.

Selig noted that on the Expense and Revenue Summary report any items that changed 10% and at least \$1,000 are footnoted with additional information. The 1995 budget includes total operating revenue of \$1,558,440, operating expenses of \$1,529,255 with a net operating income of \$29,185.

Selig explained that non-operating revenues are made up of interest revenue, transfers in from PFC revenue, capital reimbursements, and proceeds from bond sales.

Selig reviewed the 100% Authority funded capital budget which includes: connect Terminal Building to emergency generator, concrete floors for T-hangar rows A & B, crash-fire-rescue safety items, welder, recorder for Terminal Building P.A. to assist with parking control announcements, outdoor benches and table, blade for small dump truck to do the Terminal Drive and Airport Drive snow removal, a dump box for hauling snow, T-hangar threshold reconstruction of areas that have settled, been covered with asphalt and have now heaved, and a tool box and tools for the vehicle maintenance program. Weber questioned whether the dump box cost was justified when we rent trucks to haul the snow now and are short of personnel. Johnson explained that if we have our own box we can work on the snow removal as people are available and not have to spend approximately \$2,000 each year for 2 days of full-time snow removal by hired trucks.

Selig presented the grant-funded capital budget to include Phase II of the project to reconstruct and wide taxiway A and update the Master Plan. Weber stated that he felt this was a lot of money to spend to update a Master Plan that's only five years old. Selig explained that the FAA really mandates the necessity for this update, but also pointed out that the Authority share of this project would be only \$13,000.

The bond funded capital budget proposed for 1995 includes Phase II of the fuel farm project that will include auto gas and diesel at the fuel farm (financed by the 1994 bond issue) and the Federal Express building expansion (financed by a 1995 bond issue). Selig explained that the Federal Express expansion bids were opened yesterday and came in quite high. He plans to recommend they rebid this project this winter and be ready to award by February.

Selig proposed remodeling the Administration Building to comply with ADA requirements, purchase/pay-off of airfield equipment, and completing Terminal lobby finishes (replacing wallcoverings, carpeting to match new colors of cafe/hold area) totaling. Weber questioned whether this \$215,000 shouldn't be used to build a new hangar. Mutchler thought this was a good idea and Selig said he will plan to add this as a possible use for that money.

Selig explained that the fuel flowage fee equals the general aviation landing fee and the fuel storage fee offsets the cost of building and operating the fuel farm.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

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

Thursday, September 15, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, September 15, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Doug Norby, Jim Weber, Dave Molmen and Bill Coutts; Advisory member Laverne Babinchak and staff: Bob Selig, Candi Stjern, and Jackie Heidrich.

APPROVE MINUTES

It was moved by Weber and seconded by Coutts to approve the minutes of the August 18, 1994 meeting and the September 8, 1994 Budget Work Session as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORT

Stjern reported August enplanements of 8,744, 3.4% above last August, for a total of 66,600 year-to-date, about 5% above 1993. Year-to-date operating revenues are up 12.5% over budget, year-to-date operating expenses are up 4.5% over budget. The net revenue before depreciation was \$289,247, with \$189,000 bond payment to be made at the end of September. Fuel revenues are up almost 6% and the into-plane fees are 6% ahead of 1993. Parking lot revenues are 4% higher than 1993. Weber questioned where we are over on operating expenses. Stjern explained that we are still paying contract janitorial and rent on the fuel trucks that were expected to be gone with the transfer of the fuel that was originally scheduled for January 1st.

**RESOLUTION #29-94
"ACCEPT AND APPROVE SECURITIES PLEDGED FOR REPAYMENT OF
DEPOSITS"**

Stjern reported no changes in the pledged securities. It was moved by Coutts and seconded by Molmen to accept and approve the listing of securities pledged for repayment of deposits as presented. ACTION TAKEN: The motion carried unanimously.

RESOLUTION #30-94
"APPROVE 1995 BUDGET"

Selig explained that when the bond reserve money is received from the City proposals will be brought to the Board as to the proper use for those funds.

Molmen questioned the reason for the difference in the pension plan funding. Stjern explained that Tom Breton's early retirement agreement ends in February 1995.

Norby stated that he is taken aback by the amount of sick days that are allowed along with the maximum amount vacation days. Selig explained that the vacation and sick days the authority offers are similar to that of the City's and that these items will be discussed next year. Norby felt that if this is the way it is going to be then there has to be proof positive that we have some really good employees for benefits like this. Coutts agreed that Norby was right and pointed out that a 1992 wage survey showed less than 7% of employers allowed more than 13 sick days. Norby stated that 40% don't give any sick days. Selig said that he understands the Board disagrees with the whole municipal attitude but that doesn't mean we can automatically change everything.

It was moved by Coutts and seconded by Norby to approve the 1995 Airport Authority budget as presented in the September 8, 1994 Budget Work Session with operating revenues of \$1,558,440 and operating expenses of \$1,529,255. The July 1, 1995 5% wage schedule increase is subject to demonstration that satisfactory progress has been made in implementing the Performance Management/Quality Improvement Program. ACTION TAKEN: The motion carried unanimously.

RESOLUTION #31-94
"ACCEPT GRANT FOR TAXIWAY A PROJECT"

It was moved by Weber and seconded by Molmen to authorize the Executive Director to accept an FAA grant for Phase II of the Taxiway "A" project in the amount of approximately \$1,800,000. ACTION TAKEN: The motion carried unanimously.

CUSTOMS SERVICE

Rose Robinson, Customs, questioned how the new fuel operator will know when an arriving aircraft is for Customs. As of now she notifies the Pilot Service Center since they are in the same building. Selig said this is an operational issue that will be worked out, but staff has been more focused on fuel issues to this point. She stated that there are approximately 90 aircraft for Customs each month.

BIRDS ON RUNWAY

Mutchler asked for information on the problem with birds on the runway. Ron Noe, Air Traffic Control Tower Manager, said Frontier has had problems with birds recently. Airport Operations had two vehicles chasing birds before the air carriers took off this morning. They thought they were gone, but when Northwest took off they did hit some birds. Eighteen dead birds were found on the runway after that.

Selig stated that part of the problem is the landfill. He has met with them and they are now using cracker shells to chase off the birds and are looking into getting electronic screamers. John Stimpert, Northwest Airlines Station Manager, said maybe the landfill shouldn't scare them away. Selig explained that the theory is if the landfill and Airport are both shooting at the birds maybe they'll leave the area completely.

Coutts questioned whether birds had ever been a big problem before this year. Ron Noe said we have always had a problem. Selig explained that in the spring and fall we experience bird problems.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

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

Thursday, October 20, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, October 20, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Doug Norby, Jim Weber, Dave Molmen and Bill Coutts; and staff Bob Selig, Steve Johnson, Candi Stjern, and Jackie Heidrich.

APPROVE MINUTES

It was moved by Molmen and seconded by Norby to approve the minutes of the September 15, 1994 meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL/OPERATIONAL REPORTS

Stjern reported September 1994 enplanements were up 11 passengers over 1993, with year-to-date enplanements up almost 5% over 1993. Operating revenue is up 8.8% for the year and operating expenses are down 1.4% resulting in substantial increases in the net operating income and the net revenue before depreciation, due to the fact that staff reductions have taken place but we are still selling retail fuel. Stjern presented third quarter financial statistics that included parking lot revenue up 4% over 1993, cafe receipts up, and car rental commissions up 14%. She reported administration statistics and a quarterly promotional report.

Johnson presented third quarter operational reports, pointing out that there were not a lot of changes from the second quarter.

Selig explained that the FBO transition is going well and anticipate turning over the fuel operation on or about November 1st.

RESOLUTION #32-94
"APPROVE PLEDGED SECURITIES"

Stjern reported that there were no changes in the pledged securities this month. It was moved by Molmen and seconded by Weber to accept and approve the securities pledged for repayment of deposits as presented. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #33-94
"APPROVE 1995 DBE GOALS"

Stjern explained that the Authority won't have a contracting goal this year, just leasing goals and the DBE in the Terminal is the Cafe. It was moved by Weber and seconded by Coutts to adopt the Disadvantaged Business Enterprise (DBE) 1995 Airport leasing goal of 16.1% in accordance with FAA requirements and guidelines, subject to FAA approval. ACTION TAKEN: Motion carried with Norby abstaining.

PRESENTATION ON MASTER PLAN PROCESS

Mutchler introduced Steve Wagner and Christopher Hugunin of Coffman & Associates who are working in conjunction with Ulteig Engineers on the Master Plan project.

Mr. Wagner explained that they are just getting started on the master planning process and presented a proposed schedule and reviewed the various elements they go through when preparing the master plan. Mr. Wagner explained that the project will be completed in approximately 7-9 months and will give periodic presentations to the Board on their progress.

ADJOURN

Respectfully submitted,

Jackie Heidrich
Board Secretary

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

Thursday, November 17, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, November 17, 1994 at 8:00 A.M. with Vice-Chairman Dave Molmen presiding. Present were members: Jim Weber, Bill Coutts, and Doug Norby; City Council Representative, LaVern Babinchak; and staff Bob Selig, Executive Director; Candi Stjern, Director of Finance/Administration; and Steve Johnson, Director of Operations.

APPROVAL OF MINUTES

It was moved by Weber and seconded by Coutts to approve the minutes of the October 20, 1994 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported enplanements through October 1994 are up 3.3% from 1993, 4% ahead of 1993.

The year-to-date operating revenues are 16.8% over budget, year-to-date operating expenses are 5.4% over budget. Fuel revenue was down 6.6% from 1993 and into-plane fees are up 18½%. Parking lot revenues are 5½% ahead of last year and commissions are up almost 10%.

There was no changes on the investment report.

**RESOLUTION #34-94
"APPROVE SECURITIES PLEDGED FOR REPAYMENT OF DEPOSITS"**

It was moved by Coutts and seconded by Weber to accept and approve securities pledged for repayment of deposits. ACTION TAKEN: Motion carried unanimously.

DISCUSSION ON UPDATE OF INTERMODAL DEVELOPMENT

Selig outlined areas that need to be focused on in order to justify and promote the continuation of intermodal development. With the lack of a heavy cargo runway the Authority has request a Joint Use Agreement with the GF Air Force Base to

temporarily use their runway to establish a need. Once the need is established there would be justification to go to the FAA to expand the Airport's runway. An international marketing program that would target air cargo carriers, air freight handlers, and other customers needs to be developed. The Authority has completed approximately two thirds of a study on truck/rail usage.

Selig stressed the importance of community involvement. The Metropolitan Planning Organization has agreed to give the Authority a grant of \$40,000 to complete a study. The Economic Development Administration (EDA), is also interested in donating a grant toward this study. The main focus, with both of these groups, is who would help fund the facilities after the study is completed. Bob hopes to work out a proposal where the two organizations can be involved by splitting the cost of the study. Once the study is completed an agreement will be formalized with a local trucking operator. The study results would also include having the consultant negotiate freight rates with Burlington Northern.

A short discussion took place on allocating additional resources and recruiting community, county and Air Base support towards this process.

DISCUSSION ON UPDATE OF AIRPORT WATER SYSTEMS

Selig gave a brief explanation of the situation to date. Working with the Mayor and City Council the only solution would be to put in a new water main that would come off a new pressure main. The Public Service Committee gave its approval, along with the temporary occupancy permit for Bergstrom, so that the water main could be installed in May. The cost is \$32,000 and the Authority has offered to split the cost with the City, but no final decision has been made on financing. It would cost approximately \$50,000.00 for GF Flight Support to install a sprinkler system so there is the possibility of them sharing the cost.

A discussion took place on obtaining funding for this project.

DISCUSSION DIRECTION TO BE TAKEN REGARDING SMOKING ISSUE

Molmen asked Selig to summarize concerns expressed by the public on smoking in the terminal. Bob reported that the latest concerns to surface are with designated smoking areas in the terminal and restaurant. When the terminal is full, such as flight arrivals and departures, the smoke hangs in the air and does not dissipate. In order to move the smoke out of the terminal an air handling system would have to be installed in the smoking area.

A discussion took place on whether a decision should be made or a resolution prepared for the next Board meeting.

Coutts pointed out that if a restaurant/lounge allows smoking, a non-smoker can choose not to use it, but that everyone flying out of Grand Forks has to use the terminal building.

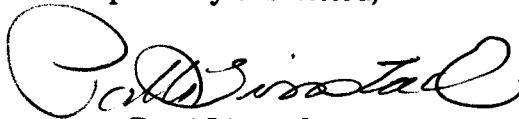
Some discussion took place on what buildings would be included in a smoke free policy. Selig said that the original resolution stated that any building that the Airport Authority owned that was not leased to a tenant would be non-smoking.

RESOLUTION #35-94
"APPROVE SMOKING BAN IN AIRPORT PUBLIC BUILDINGS"

It was moved by Coutts and seconded by Weber to ban smoking, effective January 1, 1995, in the terminal building, administration building and other public buildings owned by the Authority, that are not leased exclusively leased to a single tenant.
ACTION TAKEN: Motion carried unanimously

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patti Linstad", written in dark ink.

Patti Linstad
Board Secretary

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

December 15, 1994

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, December 15, 1994 at 8:00 A.M. with Chairman Tim Mutchler presiding. Present were members: Dave Molmen, Jim Weber, Bill Coutts, and Doug Norby; City Council Representative, LaVern Babinchak; Authority Attorney, Don Olson and staff Bob Selig, Executive Director; Candi Stjern, Director of Finance/Administration; and Steve Johnson, Director of Operations.

APPROVAL OF MINUTES

It was moved by Coutts and seconded by Norby to approve the minutes of the November 17, 1994 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

FINANCIAL REPORTS

Stjern reported enplanements through November 1994 were up. November 1994 was 1.3% below November of 1993, but the total is still up 4% for the year.

The year-to-date operating revenues are 11.9% over budget and expenses are 6% over budget. Parking lot revenues are up almost 6% and commissions are up almost 11%.

There were no changes on the investment report.

RESOLUTION #36-94

"APPROVE SECURITIES PLEDGED FOR REPAYMENT OF DEPOSITS"

It was moved by Molmen and seconded by Norby to accept and approve securities pledged for repayment of deposits. ACTION TAKEN: Motion carried unanimously.

RESOLUTION #37-94

"APPROVE UND FOUNDATION LEASE AGREEMENT"

Authorizes the Executive Director to execute renewal of lease agreement with UND Foundation and subletting of that agreement to UND/CAS.

It is our standard ground site agreement.

It was moved by Weber and seconded by Coutts to accept and approve the UND Foundation lease agreement and sublease to UND/CAS. ACTION TAKEN: Motion carried unanimously

RESOLUTION #38-94
"APPROVE JANITORIAL SERVICE SELECTION"

Selig recommended that Thur-O-Clean of Grand Forks be approved as the new provider of janitorial services for the Airport. Five proposals were received. Interviews were conducted, references checked and visits to maintained facilities conducted.

It is was also recommended that a one year contract, renewal by the Authority, be initiated as opposed to the three year contract now in effect.

A discussion followed on initiating a contract for less than one year, supervision and duties of the janitorial crew.

It was moved by Molmen and seconded by Coutts to accept and approve the janitorial service selection on a one year basis. ACTION TAKEN: Motion carried unanimously.

AGENDA BUSINESS/DISCUSSIONS:

"MASTER PLAN UPDATE"

Steve Wagner of Coffman & Associates gave an update on the first two chapters of the report. The first chapter is a presentation of existing conditions (inventory). The second chapter covers the 20 year aviation demand forecast which will provide the rationale for some of the facility needs. The next chapter to be completed will be facility requirements.

Wagner reported that projections include 139,000 annual enplanements over the next five year period and up to 178,000 per year, over a ten year period. These figures will be used to predict what type and size of facilities will be needed.

A enhanced growth forecast for air cargo was also projected.

"GENERAL AVIATION MEETING UPDATE"

Norby reported on the general aviation meeting held in November.

Six areas were outlined, by those in attendance at the GA meeting, to be brought before the Board.

1. Development of Rules and Regulations
2. Development and signing of Hangar rental agreements
3. Request for written communication on changes effecting tenants
4. Request for Board meetings other than 8:00 a.m. in morning
5. Change some of the management methods/styles
6. Recognize the unique character of general aviation at GFK

Don Olson addressed the issue of rules and regulations. A timetable for completion has been discussed between Olson and Selig. A discussion followed and a completion date of July 1, 1995 was decided on.

A discussion took place on conducting every 3rd Board meeting, during the winter months, in the evenings. This would be strictly on a trial basis depending on attendance. The January 19th Board meeting will be held at 5:00 p.m.

OTHER DISCUSSIONS/BUSINESS:

Smokers issue: Several individuals representing both sides of the terminal smoking issue were heard by the Board. Molmen referred to letters and the recent survey conducted by SAMA where the majority preferred a smoke free environment.

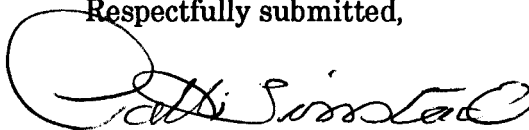
GFK Flight Support Proposal: Brent Seifert, manager GFK Flight Support, presented a proposal on developing site A to increase hangar space to promote GA activity. They are waiting for more information from United Express on their storage needs before a complete proposal can be presented. Flight Support specifically requested a delay, until the start of construction season in the spring, on any firm decisions affecting Site A, until Flight Support's proposal is presented. No comment was given by the Board.

Mark Holy Proposal: Mr. Holy would like to set up a limited services operation and voiced some concern regarding the square footage requirements. He feels the square footage is too large for limited operators and would like other standards set for limited operators.

GFK Flight Support reminded the Board that they have a substantial investment in their operation, have met all of the Authority requirements and want the same standards set for all commercial operators.

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'Patti Linstad', written over a circular flourish.

Patti Linstad
Board Secretary