

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

January 29, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, January 29, 1997 at 8:00 A.M. with Vice-Chairman Dave Molmen presiding. Present were members: Bill Coutts; Clark Cronquist; and staff, Bob Selig, Executive Director; Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; and Don Olson, Authority Attorney.

A. Resolution #01-97:

Selig reported that with the engineering services for federal projects due for renewal, the Airport Authority followed the FAA's process of requesting submittals of qualifications for a new 3 year contract. Consistent with the FAA's process, an interview committee made up of Bill Coutts, Steve Johnson and himself interviewed 3 firms and have selected what they unanimously determined to be the "most qualified" firm. During the interview process each member of the interview team independently completed a score sheet and the score sheets were then added together to determine a cumulative total score for each candidate. Cumulative total scores resulting from this interview process are:

Crawford, Murphy & Tilly/CPS - 189 points
Rust Environmental and Infrastructure - 152 points
Ulteig Engineers - 155 points

It was moved by Coutts and seconded by Cronquist to approve Resolution #01-97.
ACTION TAKEN: Motion carried unanimously.

B. Discussions:

1. Flying Clubs

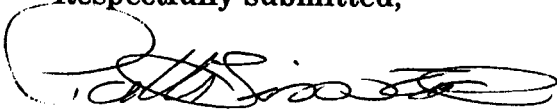
Selig reported that members of flying clubs, not necessarily flying clubs themselves have continued to raise issues concerning rules/regulations and minimum standards. He has been working with the flying clubs trying to resolve the issues they have with the minimum standards. Unable to resolve these issues he referred them to Don Olson.

After meeting with the flying club, Don Olson stated that he does not think that the flying clubs have issues with the Authority, but that individuals belonging to the flying clubs have serious issues with the Authority such as flight instruction and leasing.

After some discussion Selig proposed that the rule making process be initiated for changes to the minimum standards. Areas focused on would be what the Authority defines as an acceptable lease, tighter guidelines on pilot training activities, and the addition of a paragraph in the application process for conducting business that states, as part of legitimate business plan the Authority will consider changes to the minimum standards as long as it is done without creating discrimination.

ADJOURN

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Patti Linstad', written over a circular mark.

Patti Linstad
Board Secretary

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

February 27, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, February 27, 1997 at 8:00 A.M. with Chairman Tim Mutchler, presiding. Present were members: Dave Molmen; Clark Cronquist; and staff, Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; Heidi Ward, Marketing Coordinator; and Don Olson, Authority Attorney.

A. Approval of Minutes:

It was moved by Molmen and seconded by Cronquist to approve the minutes of the December 19, 1996 and January 29, 1997 Authority Board meetings as written.
ACTION TAKEN: Motion carried unanimously.

B. Year-To-Date Financials:

This item was referred to the March 27th board meeting to coincide with the audit report.

C. Reports:

1. Marketing/Activity Reports:

a. Airfare rate review - Ward reported that the year end 1996 summary shows that the average round trip restricted economy fares between GFK and Fargo were comparable. On an average fares from Winnipeg were \$100.00 lower than from GFK and Fargo. Non-restricted business fares show Fargo being significantly lower to some of the western markets.

b. Enplanements - In 1996 Northwest Airlines had an 85% market share, United Express had a 0.4% and Mesaba had 14.5% of the market share. 1996 enplanements were down 1% from 1995 and down 2% from the 10 year average of 94,295. GFK's enplanements are 21% higher than Minot, 57% less than Fargo and 33% less than Bismarck.

c. Cargo comparisons - Year end cargo comparisons show FedEx 1996 enplaned cargo up 37% from 1995 while deplaned cargo was up 22%. Northwest 1996 enplaned cargo was down 18% while deplaned cargo was down 1.5%. Mesaba enplaned cargo was up 49% and deplaned cargo was up 50%. United Express enplaned cargo was down 15% while deplaned cargo was down 41%. Total enplaned freight and mail for 1996 was up 37% from 1995 and the 1996 total enplaned freight and mail was up 43% from the 10 year average.

d. Air traffic comparisons - Total air traffic operations were down 1.5% for 1996 and down 10% for the ten year average.

Ward also reported on the inaugural meeting of the Regional Air Service Advisory Council. Molmen stressed the importance of keeping the priority high on being more aggressive in developing air service and cargo.

2. 1996/97 Winter Operating Expenses:

Johnson reported on the effect the winter season is having on operations. Typical snow fall for a season on an average is just over 40 inches. During the 95/96 winter season the snowfall reached almost 90 inches. Through mid February of the 96/97 season the snowfall has almost doubled the average. This has had significant impact on overtime costs and equipment maintenance costs.

3. Intermodal Study Phase IV Update:

Johnson reported that Selig proposes that the Authority transfer money collected to date for phase IV of the Intermodal Study, along with the responsibility for completing the study, to the Metropolitan Planning Organization.

Molmen motioned approval of a resolution to transfer the money collected for, and designated to, the continuation of phase IV of the Intermodal Study to the Metropolitan Planning Organization along with the Authority's contribution commitment of \$7,688.00. Cronquist seconded. ACTION TAKEN: Motion carried unanimously.

4. K & H Associates Reports on air cargo and airline expense comparisons:

a. Air Cargo Update - Mike Bown of K & H Associates reported that the cargo project was begun October, 1996. Phase I is now complete and the last two phases should be completed before Memorial Day. The presentation included; 1)US international air freight, 2) the Grand Forks catchment area, and 3) share analysis. Cronquist requested that K & H compare and investigate Winnipeg's beginning involvement in air cargo to better understand the competition in the area.

b. Airport Expense Comparisons - Bown reported on airport related costs by comparing ND facility and revenue charges. Rates and charges were arrived at by contacting other ND airports. Bown assessed the rates at ND airports as essentially comparable.

Copies of both reports were distributed to Board members.

D. Discussions:

1. Runway Safety - Johnson reported that changes have been made to the certification manual in cooperation with the FAA certification officer in Chicago. This was done in order to allow experimentation with the snow and ice plan. Baker and Johnson visited the Fargo airport and the GF Air Force Base regarding their

icing control. A chemical application procedure has been implemented and research into the subject continues. Johnson will meet again with Northwest on March 6 to outline the topics for further investigation and to consider procedural revisions.

Molmen mentioned that the Board members met with Northwest and that Northwest did commit, along with the Authority, to work together in developing a new policy that might be used at all of the airports that Northwest works with.

2. Executive Director's Position Search Process:

Molmen proposed that the Board formally put together a search process and committee. The committee should include members from the Board and representatives from the city, county, airport tenants, (both commercial and general aviation) and staff. He also stressed a need to put a process in place for the operation of the airport during the period of transition. Molmen also proposed that the services of an organization be enlisted to complete a salary survey for the director's position and other advisers be called on as needed to structure contracts. Molmen motioned that a search process and designated sub-committee of two Board members be formulated to work on this process. Cronquist seconded: ACTION TAKEN: Motion carried unanimously.

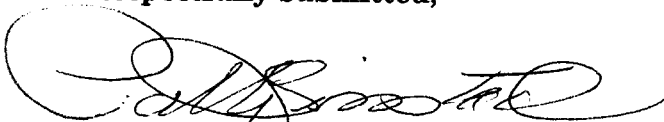
Mutchler recommended that other individuals interested in serving on the committee respond to the Board through the secretary. A special Board meeting will be held March 13th to announce the committee members and explain the process that will take place.

E. Other Business:

Nodak Flying Club requested financial support from the Authority for their annual spring festival. Molmen moved approval for the same financial support as was given last year. Cronquist seconded. ACTION TAKEN: Motion carried unanimously.

ADJOURN

Respectfully submitted,



Patti Linstad
Board Secretary

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

March 13, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, March 13, 1997 at 8:00 A.M. with Chairman Tim Mutchler, presiding. Present were members: Bill Coutts; Clark Cronquist; and staff, Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; Heidi Ward, Marketing Coordinator; Gary Baker, Operations Supervisor and Ann Sande, City Council Member.

A. Approval of Minutes:

It was moved by Cronquist and seconded by Coutts to approve the minutes of the February 27, 1997 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

B. Announcement of Director's Position Selection Committee:

Mutchler reported that names were solicited to make up a committee for the selection process and 15 individuals responded. It was noted that there were several representatives from Nodak Flying Club and it was suggested that members choose one representative from the club. Clint Rodingen stated that they were under the impression that each individual was representing themselves and not Nodak Flying Club. Coutts pointed out that this was understood by the Board, but had concerns regarding a committee this large. It was decided that Coutts and Crystal would draft a letter to each person interested in serving on the committee. The letter would outline the goals and duties of the committee and ask for a positive response as to whether or not they were still interested in serving on the committee.

After some discussion it was decided to appoint a sub-committee to formulate the job description and selection process. This would also include input from the large committee. The sub-committee will consist of: Dave Molmen, Bill Coutts, Mary Jo Crystal, Dan Gordon, Bob Wood and Ann Sande.

C. Reports:

1. Marketing/Activity Reports:

Regional Air Service Advisory Council - Ward reported that the Regional Air Service Advisory Council had its inaugural meeting on February 19 with thirty participants from two states representing fourteen communities attending. The next meeting will be held in May.

Airport Web Site - Ward reported that work has started on setting up an airport web site. She hopes to get participation from the entire airport.

Sky West Airlines - Salt Lake City International Airport has expressed some interest in developing a joint proposal with the airport to Sky West Airlines for service between Salt Lake City and Grand Forks. Ward will keep the Board informed on this as it develops.

Junior Achievement Elementary School Program - Ward reported that she is involved in this program to the extent of teaching children about their role in the economy of their community.

Establishing Grand Forks as a Full Service International Airport - Establishing Grand Forks International Airport as a full service international airport would allow large capacity flights to clear customs at the airport. Customs at the airport is not able to clear aircraft with more than 12 passengers do to the lack of facilities. The first step is to develop a proposal showing how traffic and passengers would be facilitated and meet federal regulations and standards. This proposal would then be presented to US Customs. Ward is working with Steve Johnson and US Customs to accomplish this goal and hopes to have it completed by the end of the year.

D. Discussions:

1. Parking Control: Johnson reported that parking control has been in place for approximately two months. The Authority has received numerous calls due to confusion and concerns regarding this practice. The executive director suspended ticketing for 30 days in order to notify and educate the public. Thirty days has now passed and Johnson requested a decision from the Board on whether or not to resume ticketing.

Rob Haugen, parking attendant for Western Protection reported that the situation seems to be getting better and offered some alternatives to improve the situation. These suggestions included: Placing a parking booth at curb side to allow an attendant to usher cars to the curb for unloading and usher all others into the parking lot. Make the first 15 minutes in the parking lot free. The process he now follows is to make PA announcements, wait for cars to be moved, and then issue tickets.

John Stimpert suggested that since security regulations require luggage be attended by passengers at all times, carts be provided to transport luggage to and from the parking lot. Haugen stated that the majority of people coming out to catch a flight have others accompanying them. This should allow an individual to be dropped off curb side, with their luggage, and the vehicle be moved into the parking lot. It was decided to continue with ticket suspension for another two weeks.

E. Other Business:

1. General Aviation - Clint Rodingen requested that the Airport Authority consider putting together a committee to explore the possibility of bringing general aviation people back to the airport. He estimated that there are ten to

twelve persons interested in exploring options. He also proposed looking at relocating general aviation west of the airport on county road 5. Gary Baker will meet with the general aviation representatives and bring their suggestions to the Board.

2. ARFF Call-Out Fee - Bill Jackson voiced concerns regarding the \$25.00 ARFF call-out fee. His concern included the fact that if this practice continues general aviation pilots will not notify anyone in the event that they think they have a problem. He stated that "charging this fee as a money making aspect is wrong". He also stated that "the University of North Dakota objects violently to that".

John Stimpert, Station Manager, Northwest Airlines stated that on behalf of Northwest Airlines, they welcome spreading the charges out. Before this practice was initiated Northwest was paying 100% of ARFF call-out fees.

Coutts reminded those concerned that this issue was brought up at budget time and discussed at two Board meetings. Cronquist mentioned that the pilot needs to take responsibility for making sure everything is OK before leaving the airport. He suggested that maybe UND shouldn't pay the fee, but that the pilot should. In the event equipment is to blame then UND pick up the cost.

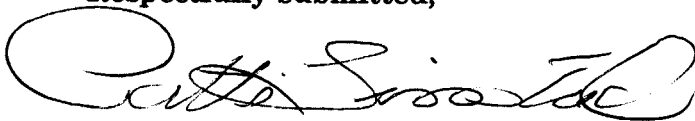
Dave Cink, Manager of the Control Tower, stated that his personnel, in their directives, can declare an emergency whether the pilot states he has an emergency or not. His concern is that a pilot says he does not have an emergency, but tower personnel decides that there is an emergency and roll the trucks, and then pilots start legal action against them to pay the \$25.00 fee. He has a problem with his personnel having the right to declare an emergency, and then have someone else pay for the call-out. He is unaware of any other airports that bill for ARFF call-out fees. Cronquist stated that the issue Cink brings up is worth serious consideration.

Joe Morgan, Manager of AFSS volunteered the services of AFSS to research through the FAA legal sources and find out exactly what can occur and has occurred in the past relevant to ARFF call-out fees.

Mutchler reminded the meeting attendees that the Board appreciates input and will keep track of all the issues. However, the Board will not necessarily act on all issues presented to them until they have an opportunity to research them and/or an other executive director is hired.

ADJOURN

Respectfully submitted,



Patti Linstad
Board Secretary

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

March 27, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, March 27, 1997 at 8:00 A.M. with Chairman Tim Mutchler, presiding. Present were members: Dave Molmen; Bill Coutts; Clark Cronquist; and staff, Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; Heidi Ward, Marketing Coordinator; Gary Baker, Operations Supervisor and Ann Sande, City Council Member and Bob Wood, County Commissioner.

A. Approval of Minutes:

It was moved by Cronquist and seconded by Coutts to approve the minutes of the March 13, 1997 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

B. Financial Reports:

1. 1996 audit results

Ron Johnke reported on the results of the 1996 audit completed by Brady Martz and Associates.

2. Year-to-date financials

Crystal reported that landing fees and operating revenue are down from estimated budget due to the loss of United Express. Northwest landed weight and FedEx landed weight are down based on what was budgeted, but Mesaba is up significantly. Commissions are under budget due to delays in payment of FBO receipts. Employee benefits are under budget. Supplies are up due to diesel fuel usage. Accounts receivable are up also due to the delay in the payment of FBO receipts.

Action Item: Molmen requested that a report on FBO receipts be included in next months financial report.

3. Adjust 1996 to actual:

Action Item: This item was referred to a committee for report at the April meeting.

C. Resolutions:

#03-97 "Approval of 1996 Audit" - Molmen motioned for the adoption of resolution #03-97. Coutts seconded. ACTION TAKEN: Motion carried unanimously.

#04-97 "Approve operating agreement with Empire Airlines" - Cronquist moved approval of resolution #04-97. Coutts seconded. ACTION TAKEN: Motion carried unanimously.

#05-97 "Rejection of Bids for Phase II of the Observation Tower Project" - Johnson reported that phase II bids for this project came in higher than anticipated. The recommendation is to try to trim some costs off the project and open it for rebid. Steve Melby reviewed the recommended changes. It is estimated that \$23,000 can be eliminated from the lowest bid of \$164,000. The estimate for phase II was \$43,000. Cronquist moved approval of resolution #05-97. Coutts seconded. ACTION TAKEN: Motion carried unanimously.

D. Reports:

1. Marketing Update

- a) **Passenger Enplanments:** Ward reported that Northwest and Mesaba enplanments are down slightly compared to same period last year.
- b) **Passenger Deplanements:** Deplanements are down slightly from last year.
- c) **Cargo Enplanments/Deplanements:** FedEx enplaned cargo is up 43%, Northwest is up 85% and Mesaba is down 69%. FedEx deplaned cargo is down 26%, Northwest is up 24% and Mesaba is up 250%.
- d) **Air Traffic Operations:** Compared to last year at this time air traffic operations are up 4%.
- e) **Airfare Summary:** The one-way and round trip fares to the top ten destinations of regional travelers show no significant differences between us and Fargo. Some discrepancies regarding fares to Chicago and Minneapolis have shown up and been reported to Northwest pricing department in Minneapolis. Fares from Grand Forks to Denver, Dallas, Las Vegas and Phoenix are lower than Fargo.

2. Executive Director's position sub-committee meeting update:

Molmen and Coutts reported that the sub-committee met on April 9th(See attached minutes).

A motion was placed before the Board by Molmen to approve the spending of funds for the search process. Cronquist seconded. ACTION TAKEN: Motion carried unanimously.

Crystal reported that she spoke to an individual at the Wyatt Company regarding completing a compensation study. A 30 day time frame is workable, but the Wyatt representative would like to meet with the Board, or representatives of the Board, in order to identify exactly what the goals and time frame are.

Cronquist requested a copy of the job description when it was available.

E. Discussions:

1. Parking Control:

Johnson reported that ticketing in the loading zone in front of the terminal had been suspended for 30 days. During this time period an aggressive community education process was to take place to try to increase compliance. Flyers have been placed on windshields explaining the process and request compliance from the public. Comments from the audience indicated that patrons are confused regarding the parking rules due to lack of consistency.

Cronquist moved to approve proceeding with enforcement of the parking regulations. Coutts seconded. After some discussion it was decided to spend the money necessary to finish the speaker system outside the terminal. This would enable parking patrol enforcers to make announcements from outside the terminal building. It was also decided to continue with the ticketing suspension for two more weeks to allow time for the installation of the sound system and to launch the public education process. Coutts moved to amend the motion to "resume ticketing in front of the terminal two weeks from today". Molmen seconded. ACTION TAKEN: Motion carried unanimously.

2. ARFF call-out fees:

Johnson reported that Joe Morgan from the FAA Automated Flight Service Station passed this issue onto the FAA in Washington DC. There should be information available by the next Board meeting. Fees continue to be charged at this time. This item was tabled until April's meeting to allow the FAA time to research the issue.

Bill Jackson requested a breakdown of costs associated with call-out fees.

3. Future of air cargo development:

Johnson referred to a memo written by Selig giving a comprehensive report on this issue. (see attached)

Action Item: Molmen requested a report on cost estimates and the economic feasibility of the FedEx cargo ramp expansion project by next meeting.

On the matter of international air cargo the possibility of waiting until a new executive director was on board was discussed.

4. Water Booster Station:

Lon Aune from Advanced Engineering reported on the design of the booster station that will be located at the corner of Highway 2 and Airport Drive. The Board requested that Aune take the design back to the City and working with Steve Johnson, request a color scheme consistent with airport buildings.

F. Other Business:

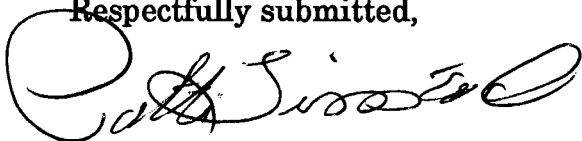
Molmen reported that several members of the aviation community requested permission to present before the Board a proposal on hangar construction. Mark Hewitt passed out a copy recommended changes signed by approximately 24 general aviation people.

Action Item: Gary Baker will report on general aviation issues at the May meeting.

Action Item: Mutchler requested that Baker give an update on the Larivee property at the May meeting.

ADJOURN

Respectfully submitted,

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

Patti Linstad
Board Secretary

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

May 15, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, May 15, 1997 at 8:00 A.M. with Chairman Tim Mutchler, presiding. Present were members: Bill Coutts; Clark Cronquist; Brad Beyer and staff, Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; Gary Baker, Operations Supervisor; Ken Guenther, Shift Supervisor; Skip Rucinski, Safety Specialist and Ann Sande, City Council Member.

A. Approval of Minutes:

It was moved by Coutts and seconded by Cronquist to approve the minutes of the March 27, 1997 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

B. Financial Reports:

1. Year-to-date financials

Crystal reported that the balance sheet is out of balance by \$18,000.00 due to the fact that some invoices had been incorrectly posted to period five instead of period four. The income statement commissions, fuel flowage, and hangar rents are below projected budget partially due to late payments from GFK Flight Support. Commission actuals are a month short when compared to budget and operating expenses show some line items as over budget. The supplies category is significantly over budget due to the winter's use of blades, sand, and diesel fuel. Contractual services line item is over budget because of the approved non-budgeted payment to Kiehl Hendrickson for the air service study. Also, some maintenance agreements are higher than expected. The maintenance of building and grounds is over budget partly to do with outside snow removal contracts and fuel tank expenditures for the fuel farm.

Crystal referred to the recommendation regarding the 1996 adjustments of landing fees, ARFF fees and terminal rents. After some discussion it was decided to bill the airlines for the adjustment and include a letter of explanation.

Coutts moved to bill Northwest for the adjustments to include an explanation. Cronquist seconded. ACTION TAKEN: Motion carried unanimously.

C. Resolutions:

#06-97 "Matter of FedEx Apron Expansion" - Johnson reported that since the original FedEx apron and cargo facility was built in 1990-91 cargo handling has significantly increased every year. The number of cargo aircraft has increased from one 727 daily to two, and from five feeders to eight. UPS and occasional transients also operate off the apron and FedEx has expressed concerns regarding the crowding. FedEx plans to utilize Airbus aircraft and it will be impossible for three of these aircraft to be on the existing apron at one time. Based on these considerations the proposal is to double the size of the heavy apron and provide a second access to the A taxiway. It would be an 1998 AIP grant

funded project and include 100% of our 1998 entitlements, which is approximately \$625,000, and over \$100,000 of this year's uncommitted entitlements. It will also require that PFC backed revenue bonds be issued. The PFC pay back is approximately six years assuming the \$3 limit does not change. Coutts asked if there was a possibility of acquiring discretionary funding. Johnson replied that it was unlikely due to the low FAA funding priority number.

Cronquist moved approval of resolution #06-97. Coutts seconded. ACTION TAKEN: Motion carried unanimously.

#07-97 "Matter of Pension Plan" - Crystal reviewed the process the Authority followed to withdraw from the City's pension plan and establish a defined contribution plan. The process involved the Authority setting up a defined benefit plan similar to the City's. The IRS has now approved the Authority's defined contribution plan and requires a resolution in order to terminate the defined benefit plan.

Coutts moved approval of resolution #07-97. Cronquist seconded. ACTION TAKEN: Motion carried unanimously.

#08-97 "Employee Commendation" - Mutchler read the resolution commending the employees for their dedication to the airport during the winter storms, flood and fire.

Cronquist moved approval of resolution #08-97. Beyers seconded. ACTION TAKEN: Motion carried unanimously.

D. Reports:

1. Larivee Property Status

Johnson researched the agreement the Authority has with Mr. Berger regarding the rental of the Larivee property. A letter has been written notifying Mr. Berger that the lease will be terminated this summer and requested that he contact the Authority to arrange a mutually agreeable date. The date tentatively being considered is July 15. This date will give Mr. Berger 60 days to make the property available to the Authority.

2. Executive Director's position sub-committee update:

Coutts reported that ads have been placed with a deadline date of May 30th for applications. The job description and sample contract need to be completed before application packets are mailed. Mutchler suggested that the deadline be extended to June 30th.

Action Item: Coutts will contact Molmen and complete the remaining information that is needed for the packets.

3. Storm Damage:

Johnson reported on the damage to the airport from ice storm "Hannah".

- The terminal roof air conditioner was blown off its mounting and parts are on order. The unit is heavy and a crane will have to be used to lift it.
- The entrance sign received damage to one of its panels. It needs to be taken apart repaired, painted, and replaced.
- Due to the power outage throughout Grand Forks the lift station at the airport failed. The lift station is part of the sanitary sewer system and, by agreement with the City of

Grand Forks, is a city responsibility. The city did contact the airport when power failed and confirmed that the lift station had shut down. Because of the city wide power outage the city requested that Airport Operations handle the lift station situation. The request came too late to respond appropriate and the result was sewer backup in the lower level of the administration building.

- Once emergency power was established only 75% of the terminal had power. This resulted in lack of circulation to some of the pumps located in the terminal. As a result pipes froze and broke and one of the major heater cores froze and ruptured.
- Weight of the ice on the chain link fence around the airport caused extensive damage.

Some of these items can be repaired by airport staff. Costs incurred so far are rental fees for two generators and overtime. The overtime may be recoverable from FEMA or other sources.

Crystal reported that insurance on the administration building will cover up to \$10,000.00 for the expenses incurred by the sewer back up. The air conditioner unit, broken pipes, ruptured heater core, and water damage in the terminal is expected to be covered by insurance. The chain link fence and airport sign damage will probably not fall under insurance coverages.

Ann Sande asked how the Highway Patrol escort process was working during storms. Johnson reported that it has not been formally approved by the Highway Patrol, but an interim procedure was used successfully.

4. FBO Finance Update:

Crystal reported that GFK Flight Support is up to date on their accounts receivable. The balance on their account is the amount billed on the 30th of April for May, which is just over \$2,000.00.

5. Performance Management Plan:

Johnson reviewed the process for the Performance Management Plan. Ken Guenther reported on the 1996 shift supervisor/technician team goals and reviewed upcoming 1997 goals. Skip Rucinski reported on the 1996 safety specialist goals and upcoming 1997 goals. Crystal explained the process used to rate team goals, individual goals, and key behaviors. Team goals account for 50% of the final rating. Individual goals and key behaviors account for 25% of each employees overall goal. Six of the current employees are still in the step structure of the Airport Authority and their salary adjustments come on their anniversary dates. The other 10 employees were to receive a 3% one time salary adjustment that does not affect their base pay. This adjustment was due in May but since there was not an April meeting it has not been issued yet.

6. Capital Improvements:

Johnson reported on the capital improvement process and status. Three federal grant projects were scheduled for 1997. Two of those projects, equipment acquisition, and the airline apron have been committed. Grant offers will be received within the week on the loader, truck plow and airline apron. Budgeted airport funded items include the air service study, accounting software, parking lot improvement, equipment storage building, utility CAD map, floors for the T-hangars, T-hangar threshold replacements, and water system improvements. Non budgeted projects include the basement damage, moving the utilities that run under the proposed Rydell hangar, removal of trees and buildings from the

Larivee property, a generator for power outages and a ceiling gas heater unit for the Aero Center 1 building. Bond financed projects include the tower cab phase II project, which is back out for bids, and the fuel farm system enclosure.

Chairman Mutchler suggested that in lieu of all that is happening with the director's position, winter weather and flood the Authority may not want to be too aggressive and do some reallocating of priorities. Johnson mentioned that the parking lot project is a major concern. Even if it is decided to not resurface the parking lot an estimated \$20,000,00 worth of repairs needs to be done.

E. Discussions:

1. ARFF Call-Out Fees:

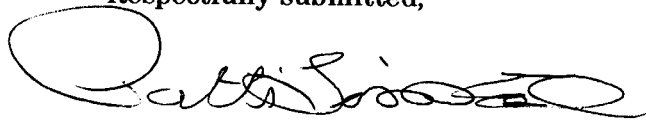
Item referred to June agenda

F. Other Business:

No Other business

ADJOURN

Respectfully submitted,

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

Patti Linstad
Board Secretary

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

June 19, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, June 19, 1997 at 8:00 A.M. with Chairman Tim Mutchler, presiding. Present were members: Dave Molmen; Clark Cronquist; and staff, Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; and Ann Sande, City Council Member.

A. Approval of Minutes:

It was moved by Molmen and seconded by Cronquist to approve the minutes of the May 15, 1997 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

B. Financial Reports:

1. Year-to-date financials

Crystal reported that the operating revenues are down. The terminal advertising contract is not producing as hoped. Some of the commissions for the terminal and FBO are down. Parking lot receipts are below budget because fees were suspended for approximately six weeks during the flood. On the expense side, salary, wages and employee benefits are over budget and the supply line item is over budget due to the winter. On the non operating side the PFC revenue is below budget because PFCs were suspended for a period of time. Collection of PFCs resumed May 1, 1997 so revenue should pick up in June.

C. Resolutions:

1. #08-97 "Matter of Tower Cab Phase II Bids"

Johnson reported that bids were opened last week with only one contractor bidding on all the sub-bid packages. Molmen asked if there was a requirement for the contractors to bid on all the categories. Johnson replied that they could bid on any combination of the sub-bids or the combined bid. Innes was the contractor that placed a combined bid for \$89,800. A series of sub bids came in from various other contractors but no electrical bid was submitted. The low bid of \$89,800 is approximately \$15,000 over what was anticipated. After the first bid process it was hoped that the bids would be reduced by \$23,000. Johnson speculates that due to the flooding situation in Grand Forks the bids did not come in lower and was also the reason there were no electrical bid. If the project is continued staff proposes that the \$70,000 remaining in the bond fund be used for the tower cab project and \$20,000 from the capital line item that was set aside for the equipment storage building also be used. That would leave \$30,000 for a covering at the fuel farm. When the phase 1 bid was approved, it raised the total project estimate to \$162,600. It is now up an additional \$14,000. Melby stated that the bidding climate is not good now but is probably the best it's going to be. The most that probably could be saved under a good bidding climate would be \$15,000 and inflation would eat up some of that savings. Molmen stated that there probably is not much of an option but to finish the project. It was decided to table the issue until discussions on the parking lot were complete.

2. #09-97 "Matter of Bank Signature Cards"

Crystal reported that originally she and the executive director where the two signatures on the bank signature cards and that two signatures where previously required. There are two options available. One is to put a second signature on the card, either Steve or a Board member, or go with one signature. Molmen suggested that we continue with two signatures, and have Steve Johnson designated as the second signer.

Cronquist moved approval of continuing with two signatures and adding Steve Johnson as the second signer. Coutts seconded. ACTION TAKEN: Motion carried unanimously.

D. Reports:

1. Parking Lot

Johnson reported that the budget for this year included parking lot repairs. It was also decided to look at reconfigure portions of the parking lot. Johnson reviewed alternatives A, B, and C that where completed by a consultant. After some discussion it was decided to complete the concrete replacement project and get cost estimates on alternative B.

2. Continuation of the matter of the tower cab project discussion:

Crystal reminded the Board that the money to be used is from revenue bonds and there are limited uses. Right now it is limited to the terminal or fuel farm. The money can sit, but she is unaware of how long it can sit. Cronquist moved to table the project until more information can be obtained from the Bond Council. Molmen recommended that the project be completed so as to not override projects scheduled for next year. Cronquist asked if there were smaller modifications that could be made to lower the cost. Melby replied that the project has been cut back as much as possible. Cronquist suggested cutting the project back until it fits into the original budget. Johnson replied that the lower enclosure needs to be completed because of negotiations regarding ADA. Molmen stated that he feels that the project has public value and the present terminal lay-out does not have an appropriate place to view the airfield. Cronquist expressed concerns about the difference between the bids and the estimates and suggested that if the bonds remain available, the Authority wait to see if the bidding climate gets better. Mutchler asked if the project could still be completed in October, November. Melby replied that there would then be some shelter costs in order to complete the exterior. Cronquist asked if the parking lot would fall under the terminal category for bond purposes. Crystal replied that due to guidelines in the bond documents the Authority would be outside the boundaries. Cronquist moved to delay phase II. Molmen moved completion of the project. Due to lack of a seconds the issues was tabled until a special meeting could be held before the expiration of the bid dates. Johnson stated that if Melby can negotiate an extension of the bid dates the issue could be brought up at the next regularly scheduled board meeting. Molmen moved the issued be tabled until the next meeting. Cronquist seconded. ACTION TAKEN: Motion carried unanimously.

Action Item: Steve Melby will check with the low bidder on extending construction dates.

2. Surplus Equipment:

Johnson described four items of equipment that have been marked for disposition. Cronquist moved approval of selling the surplus items. Molmen seconded. ACTION TAKEN: Motion carried unanimously.

E. Discussions:

1. ARFF Call-Out Fees:

Johnson read a statement/policy he received from the FAA Airports Division in Chicago regarding this issue. The Airports Division recommended that a disclaimer for the tower be attached to eliminate pilots holding the tower liable for calling out ARFF. Bill Jackson voiced concerns regarding the call-out fees and stated that in talking to several airport managers, none of them charge the fee. John Stimpert replied that if the Authority decides to continue to charge call-out fees he will make sure that Northwest passes this on to other airports. Cronquist expressed concerns regarding the safety issue of pilots not reporting a possible emergency due to the fee. Johnson mentioned an alternate procedure which would be to only charge call-out fees when an actual incident takes place. Mutchler encouraged anyone with concerns regarding this issue to bring them to the Board, but that the Board was not going to take any action at this time.

F. Other Business:

1. ND Aeronautics Commission's Air Service Study

Crystal reported that the State Aeronautics Commission contacted the airport to inform us that they, in conjunction with Denver International Airport, want to conduct an air service study for jet service between Denver and the four major cities in North Dakota and Aberdeen, SD. They are asking for participation and requesting a \$1,300 contribution to the study. The total cost of the study is \$16,000 and will be split among the cities in the study. The study would include looking at United, Frontier, and Western Pacific airlines. Johnson reported that the idea for this study came from a meeting in Bismarck between airports in North Dakota and DIA management. Molmen stated that other studies have been completed and expressed disappointment in other airlines lack of willingness to "stick it out and develop a market". Molmen moved approval of contributing \$1,300. to the study. Cronquist seconded. ACTION TAKE: Motion carried unanimously.

3. Status of Executive Director Search:

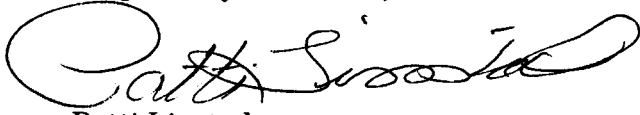
Brian Pfeifer asked the status of the executive director search. Molmen replied that under the current Grand Forks circumstances the process has fallen behind. He stated that meetings will be set up shortly.

4. Car Rental Agencies Request:

The car rental agencies located on the airport requested approval to add a 10% concession fee as a separate line item charge to the rental contracts. This will reflect on their customer statements as an airport user fee. This item was referred to the July agenda.

ADJOURN

Respectfully submitted,



Patti Linstad
Board Secretary

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

July 17, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, July 17, 1997 at 7:00 P.M. with Chairman Tim Mutchler, presiding. Present were members: Dave Molmen; Clark Cronquist; Bill Coutts, Brad Beyer and staff, Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; and Heidi Ward, Marketing Coordinator.

A. Approval of Minutes:

It was moved by Cronquist and seconded by Molmen to approve the minutes of the June 19, 1997 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

B. Financial Reports:

1. Year-to-date financials

Crystal reported that the payroll checking account was overdrawn the end of June due to difficulties with the First Access System used for wire transfers. The income statement shows a loss of \$172,000. The non operating revenues are \$434,000 compared to an estimated budget of \$517,000.

2. Vehicle Maintenance Technician

Crystal announced that the current vehicle maintenance technician has resigned and the position has been advertised. Crystal and Johnson placed a recommendation before the Board to remove the requirement that this position be ARFF qualified and reduce the classification from a grade 22 to 19. Molmen Moved approval of the recommendation. Coutts seconded. ACTION TAKEN: Motion carried unanimously.

3. Status of Executive Director Search

Crystal reported that just under 40 application packets have been mailed to individuals requesting them. The deadline for returning applications is July 18 and to date eleven have been returned. In the cover letter there was an estimated timeline of mid August to late September for the interview process. Molmen proposed that a meeting of the full committee be called. This would enable the group to review the process and make recommendation for interview questions.

Action Item: Patti will set up a meeting with this committee.

4. Activity Reports

Ward reported that year-to-date enplanements are down less than 1% compared to the same time last year. Deplanements are down less than 5%. Year-to-date cargo is up 10% from last year. Year-to-date air traffic operations is down less than 5%.

Last year the airports comprehensive Airfare Watch Program began. As the program has progressed a relationship with Northwest Pricing has developed. Discrepancies in airfares exceeding a \$40 difference in comparison to Fargo have been adjusted almost immediately by Northwest Pricing.

C. Resolutions:

1. #08-97 "Matter of Tower Cab Phase II Bids"

Johnson informed the Board that only one piece of information has changed since the Board considered this resolution last month. That is the agreement by the low bidder to extend the bids to the end of the month. Johnson reported that if the low bid of \$89,819 is accepted the total will be at approximately \$176,000 for the project. To date \$78,114 has been paid out with \$61,034 still owing. Most of the architect's fees have been paid and approximately \$6,000 is needed to finish phase I. Molmen reminded members that the reasons the project was tabled during the last meeting was to allow time to research other funding possibilities. One of those options was looking at the parking lot project and what kind of latitude was available using some of those funds.

Crystal responded that she checked into this issue and was informed that most bonds are intended to be used within three years. They can be carried over to a fourth year by request. Expenditures have been moved from the 94 and 90 bond and allocated differently than were originally planned. Expenditures from the 90 bond was moved into the 94 bond for the fuel farm to free up money in the 90 bond for the tower cab project. The \$70,000 remaining in the bond fund is from the 94 bond sale and terminal expansion is not an eligible project. Two options remain. After a public hearing a request can be made to spend that money on the terminal. The other option is use approximately \$30,000 to complete the fuel farm and use the remaining bond funds for the parking lot.

Molmen asked if we had firm numbers on the parking lot project. Johnson replied that WFW has assured him that the parking lot project can be completed for \$200,000, but that bids have not been let. Molmen stated that the decision before the Board is whether or not to allocate the remaining \$89,000 for the project from airport reserves. Crystal stated that in the original 1997 budget the Board had approved expending \$479,000 in capital projects. So far this year \$187,750 has gone to projects that were planned and some to expenses not planned. One project planned is parking lot improvements of which the total of \$200,000 is expected to be completed this year. There are projects that were anticipated to have been completed this year that staff is recommending not be done. Two of these projects are new accounting software and an equipment storage facility on the Larivee property. These two projects free up \$50,000. Along with these, the Utility CAD Map has been put on hold and new T-hangar floors and thresholds are yet to be determined by the Board. Not completing these projects and putting \$25,000 toward the fuel farm enclosure will free up money to complete the tower cab project. Molmen asked if any of these projects are just deferrals and will eventually need to be completed. Johnson responded that some are deferrals and will eventually need to be completed. Cronquist stated that he feels the CAD mapping is important due to the number of projects that take place on the airport and the problems associated with not having the map. Cronquist asked if staff had an idea of the cost of replacing the terminal roof. Johnson replied that two roofing companies have looked at the roof and one phone estimate has come in at \$45,000 to replace the entire roof and \$10,000 to patch it. Beyer asked if there were any options available to close the tower cab for the winter and make it presentable. Johnson recommended that the concrete around the base be replaced since the restaurant and vendors use this area.

Cronquist moved to delay the tower cab project until next year. Coutts seconded.

ACTION TAKEN: Motion carried unanimously.

Molmen motioned that steps be taken to improve the appearance of the cab to include the concrete and painting of the steel beams. Coutts seconded. **ACTION TAKEN:** Motion carried unanimously.

D. Discussions:

1. 10% Car Rental Concession Fee

Johnson reported on the meeting that he and Crystal had with two of the car rental agencies located on the airport. The car rental proposal allows a 10% concession on additional items that could not be collected on by contract in the past. Johnson check with the Fargo and Minot airports and Fargo has implemented this practice since the first of the year. Minot will start on August 1st. This practice does generate a significant increase in the bottom line for the car rentals because it allows them to pass on the commission payment directly to the customer.

Molmen moved approval of adding the 10% concession fee. Beyer seconded. **ACTION TAKE:** Motion carried unanimously.

E. Other Business:

1. Parking Lot Repair Project

Johnson reported that at the last meeting the Board directed him to get bids on alternative B as was presented. He contacted the airport's engineering firm and they gave him an estimate of \$1,600 to complete a cost estimate. He then contacted Ulteig Engineers and they quoted him an estimate of \$400. Johnson suggested that Ulteig be used for the cost estimate on alternative B. Molmen asked about the status of the meter information requested. Republic Parking is looking into this option and will get back to Johnson.

2. Airport Beacon

Bill Jackson asked the status of the airport beacon. Johnson reported that the beacon has been NOTAMed out for some time. Two options are available, refurbish the old beacon or buy a new one. One deterrent for refurbishing the old beacon is that it is old and parts are hard to find and expensive. Johnson is waiting for some additional information before making a decision on the options. Also, a request has gone to the tower asking permission to relocate the beacon on top of the tower. Johnson does not feel this is going to be feasible sine the tower chief is not in favor of it. The Board recommended that the beacon be put back in service as soon as possible

3. ARFF Call-Out Fees

Bill Jackson mentioned that he is waiting for the requested information regarding the ARFF call out fees. Crystal stated that the information that was provided to Jackson was the total cost of crash fire rescue divided by the number of call outs. Coutts replied that a discussion took place between he and Crystal as to whether or not the system would adequately break out those costs. After some discussion regarding the safety issue surrounding the call-out fees Beyer motioned to delay the implementation of the \$25.00 fee until a new director is hired and has time to research the issue. Coutts seconded. **ACTION TAKEN:** Motion carried unanimously

4. Changes to Minimum Standards

Brad Beyer reported that he received a call from a tenant regarding what is allowed to be done in the hangars under the minimum standards. Mark Hewitt also asked the status of recommended changes to minimum standards that the general aviation community had given the Board. The document has been passed on to Don Olson for review.

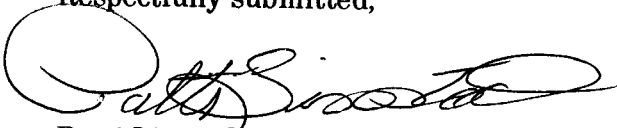
Action Item: It was decided to refer these issues to the next meeting in order to allow staff and Board members time to research the subjects. Attorney Don Olson will also be invited to attend that meeting in order to address these issues.

5. Hangar Key Deposit

Brian Pfeiffer requested that the new policy requiring a \$25.00 deposit on hanger keys be discontinued. Johnson stated that this is not an Authority fee. Nathan Mikula replied that GFK Flight Support is charging the fee under recommendation from Operations. Brent Seifert stated that the fee will be discontinued immediately.

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patti Linstad", written over a circular stamp or seal.

Patti Linstad
Board Secretary

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

August 21, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, August 21, 1997 at 8:00 A.M. with Vice Chairman Dave Molmen presiding. Members present were: Clark Cronquist; Bill Coutts, Brad Beyer and staff, Steve Johnson, Director of Operations and Mary Jo Crystal, Director of Finance/Administration.

Steve Johnson introduced David Meagher, the new vehicle and equipment maintenance technician.

Johnson also showed the award presented to the operations crew by AAAE/GLC for their outstanding contribution to the flood and fire fighting efforts downtown.

A. Approval of Minutes:

It was moved by Coutts and seconded by Cronquist to approve the minutes of the July 17, 1997 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

B. Financial Reports:

1. Year-to-date financials

Crystal reported that commissions on the revenue side and the parking lot receipts are exceeding budget. Operating expenses also exceed the budget projections. On the non-operating side, PFC collections are down due to the lack of funds coming in from the large carriers. Crystal will follow up on this.

2. Goals Update:

Johnson reported on goals for the Supervisor Technician Team and Safety Specialist Team. The results for the first part of the year were less than anticipated. Crystal reported on the administrative team goals.

Beyer asked the status of Cirrus.

Action Item: Beyer and Johnson will check on the status of Cirrus and report at the next Board meeting.

3. Status of Executive Director Search

Coutts reported that eighteen applications were screened. The eighteen were then screened to eleven and then five after telephone interviews. September 6th is a tentative date set for bringing candidates in for interviews. Molmen outlined the interview format and stated that non-formal meetings should take place. Formal tours will be set up and time set aside for staff, tenants and the selection committee to meet the candidates. Time will also be set aside for City and County officials to meet with them. City and Realtor tours will also be set up. Beyer asked if there will be more than one meeting with candidates before the

position is offered. Molmen replied that he is hoping that the Board will be in a position to make an offer at the completion of interviews.

4. Parking Lot Bids

Johnson reported that on bids were opened for the reconstruction of the parking lot. The engineer's construction estimate was \$163,000. Two bids came in, one for \$189,600 and the other at \$211,400. With the low bid, engineering costs, and advertising costs, the total is \$210,000.00 which is \$10,000.00 over what is budgeted for the project. When the project was proposed, it appeared that there was enough money to go ten feet beyond the section that has badly deteriorated into a section that hasn't deteriorated as much and still have contingency funds. If the extra ten feet is not completed \$16,400 can be saved from the bid price. After adding in engineering and advertising costs the total would be \$193,600 which is within the \$200,000 budget. Johnson is recommending that the low bid from be accepted with the contingency that the contractor sign the change order to exclude the extra ten feet.

It was moved by Coutts to accept bids on the parking lot reconstruction project contingent on acceptance of the change order. (Resolution #11-97). Beyer seconded. ACTION TAKEN: Motion carried unanimously.

E. Other Business:

1. Airport Beacon:

Johnson reported that a rehabilitated beacon is on order and documentation has been received that it had been shipped. The beacon cost is \$3,900.00.

2. Authority Building:

Johnson updated the Board on the status of the Authority building basement. The carpet is in and in storage. The holdup has been finding a contractor to remove the current sheet rock and replace the doors. Twenty eight phone calls have been made requesting bids with only two bids coming in. The bids are for \$16,600 and \$15,300. Johnson feels these bids are high and hopes to receive lower bids.

3. Minimum Standards:

Molmen announced that this issue will be added to the agenda of an upcoming meeting.

4. Flight Support Lawsuit:

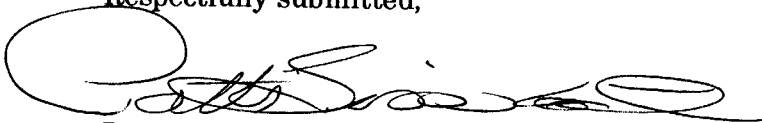
Johnson spoke with Authority Attorney Don Olson and reported that the "Writ of Mandamus" that Flight Support has filed with District Court states that the Authority is not enforcing its Rules/Regulation and Minimum Standards. A court order favoring that ruling would cause the Authority to interpret Rules/Regulations and Minimum Standards the way Flight Support does. The Writ is on hold and Don Olson, the City Attorney's office and Flight Support's attorney are looking at the evidence that Flight Support has presented to the City Attorney. This will indicate whether or not any of the activities performed by the flying club are in violation of the Rules/Regulations and Minimum Standards. This would then translate into an ordinance violation. Once that decision has been made, the City Attorney will act on it.

5. Hangar Rents:

Beyer asked about correspondence the Board received from GFK Flight Support regarding hangar rents and their thoughts on attracting more GA pilots into the hangars. Johnson replied that he was familiar with the letter and that he had responded to Brent. Johnson feels that rather than lowering hangar rents, that the Authority should have the Marketing Coordinator research why individuals are not using the hangars at GFK. Johnson stated that he does not receive complaints regarding hangar rents. Brian Pfeiffer asked if hangar rents would be increased next year. Johnson stated that he and Crystal had not researched the issue to- date, but that they probably would, based on the CPI. Pfeiffer reminded the Board that the small T-hangars received increases of over 9% last year when the CPI was at 2.75%. He requested that the Board consider that when looking at increasing rents.

ADJOURN

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Patti Linstad', written over a circular stamp or seal.

Patti Linstad
Board Secretary

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

September 18, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, September 18 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present where: Dave Molmen, Clark Cronquist, Bill Coutts, Brad Beyer, Ann Sande, city council representative, Bob Wood, county commission representative and staff, Steve Johnson, Director of Operations and Mary Jo Crystal, Director of Finance/Administration.

A. Approval of Minutes:

It was moved by Coutts and seconded by Beyer to approve the minutes of the August 22, 1997 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

B. Financial Reports:

1. Year-to-date financials

Crystal reported that the Authority's financial condition remained stable over the summer months. On the income statement, commissions from the car rentals are above budget. The operating expenses contractual line item services is over due to some of the studies that are being conducted and some legal fees incurred with the withdrawal from the city pension fund. The non-operating PFC line item is short because Northwest has not submitted revenues since collection began in May. They are aware of the situation and working on resolving it. Beyer asked about the uncollectable accounts line item of \$671.00. Crystal explained that it is an estimate of what amount of receivables, through the course of a year, may become uncollectables.

1. Cirrus Update:

Johnson reported that he spoke with the local manager of Cirrus. He was informed that an airport facility was not in their future plans unless they exceed the capabilities of the Duluth and local plant or if they decide to manufacture the training model of their SR20. Mutchler asked the status of their industrial park plant. Ann Sande reported that they are currently in the process of training trainers in Duluth to bring to Grand Forks.

2. Status of Executive Director Search

Mutchler reviewed the process to date. Four candidates have been interviewed and public input is being solicited. Comments are to be submitted to Crystal by close of business day Monday and the board hopes to submit a proposal to one of the candidates late Wednesday or Thursday. The board expressed their appreciation to staff and the public for their involvement in the process.

3. Matter of Apron Bids

Johnson reported that bids were opened at 10:30 yesterday for the rehabilitation of the airline apron. One bid came in at \$289,000, which is \$91,000 over the budget, or 47% beyond the engineers estimate of \$188,000. The project was structured so that if bids were over, a portion of Alpha Apron could be put on hold. The FAA has requested that the Authority negotiate with the bidder to see if a project can be put together within the budgeted preapplication amount. Johnson requested board approval to negotiate a downsized project with the contractor, concentrating on the airline apron portion.

Molmen motioned approval to allow staff to negotiate with the low bidder to implement a project that is within the allocated dollars. Coutts seconded.

Cronquist asked about stopping the entire process and starting over. Johnson replied that the FAA informed him that putting the project on hold was an option, but it would create a hardship. They prefer that a project be worked out that meets the airline's needs.

After some discussion Molmen withdrew the original motion and moved to authorize staff to negotiate with the low bidder. If unsuccessful in agreeing on a project that is close to the original cost the project will be discontinued and bid again in the spring. Coutts seconded. Beyer declined to vote on the issue due to conflict of interest. Action Taken: Motion carried unanimously.

4. Matter of Personnel Management Plan:

Johnson reported that staff has become aware of a practice that is being followed with regards to paying of overtime that is not in accordance with the Personnel Management Plan. The Plan states that overtime is paid for hours worked in excess of 40 per week. The present practice pays overtime for hours worked in excess of an employees daily scheduled hours. In addition, overtime is paid when an individual is called in on a day off, even if it doesn't exceed a 40 hour work week. It is being recommended that either the Personnel Management Plan be amended to reflect the current practice or the current practice discontinued. Crystal stated that the Authority can choose to pay overtime on daily scheduled hours worked based on the Fair Labor Standards Act, but that the Personnel Management Plan needs to be amended to reflect this. Molemen recommended that this practice be looked at when the entire program is reviewed and suggested that the policy be changed to reflect what is currently being done. He also stated that this is a very liberal policy.

Cronquist moved that the present practice continue without resolution, recognizing that it does not meet the policy as written, and that the policy be reviewed when an executive director is hired. Coutts seconded. Action Taken: Motion carried unanimously.

5. Matter of US Customs Lease:

Johnson reported that UND has been approached by the US Customs Service on the possibility of subleasing an area in the old FedEx building.

UND is requesting board approval to enter into an agreement with Customs. Johnson recommended approval following review by the Authority's attorney.

Molmen moved approval of the sublease pending advice of legal council. Cronquist seconded. Action Taken: Motion carried unanimously.

E. Other Business:

1. Status on Fuel Farm Pump Pad Enclosure:

Johnson reported that a design has been obtained from a contractor for a shelter over the fuel farm. A question was raised by the contractor as to whether or not the footings and foundation could support the side loads associated with a metal building. Johnson sent the shelter design information to Ulteig Engineering for consultation and was informed that the foundation cannot support a metal shelter the way it is right now. The foundation was designed for a brick or masonry structure which has very little side loading for wind. A metal building will transfer side loading to the area that supports it. The foundation and pump pad can be reinforced and modified to accomodate a metal building assuming the reinforcements will fit where they belong. Johnson will continue to obtain information and report as needed.

2. Tank Removals:

Johnson reported that Ulteig Engineers will be available at the next meeting to report on a change order associated with the fuel farm.

3. Flight Diversions:

Beyer reported that he was on the airport Sunday when the airport received several diversions due to weather in Minneapolis. In talking to an employee from GFK Flight Support he was informed that airport operations used the fire truck to assist a pilot in disembarking from his aircraft. It was reported that the pilot jumped from the plane to the top of the truck. Beyer voiced concerns regarding the possibility of a plane coming in on a diversion or emergency situation where passengers could not get safely out of the plane. Beyer requested that staff contact Northwest to see if there is anything that can be done to better accomodate passengers and crew in these situations. Rick Audette, operations shift supervisor reported that the aircraft involved was a 757 from Anchorage, Alaska. Northwest made the decision to not allow passengers off the airplane because they could not accomodate all of them. The airstairs that the airport has will only accomodate a 727 and the jetway will not reach a 757. The captain of the 757 wanted to do a walk around of his aircraft and agreed to the use of the fire truck to assist him in leaving the plane. Beyer stated that it is important for the airport to have the ability to take people off aircraft, especially in the case of an emergency. Scott Nelson, safety specialist replied that a situation has occurred where a passenger needed to be removed from a diverted aircraft and operations did not have adequate equipment to do so. The board directed staff to look into obtaining a stairway that will reach larger aircraft.

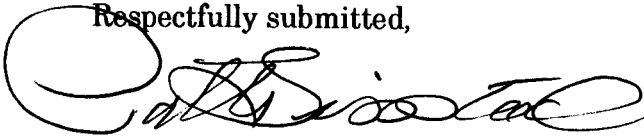
4. General Aviation Repair Permit:

Beyer spoke with Authority Attorney Don Olson regarding the possibility of using repair permits for disabled aircraft on the airport. Olson drafted a permit agreement outlining how this issue could be approached allowing enough repair be done in order to move a disabled aircraft off the airport to a repair facility. This process does not allow a permit holder to start up a business or conduct commercial business. Beyer referred to section 20.05 of the draft permit agreement "Disabled Aircraft - Permit for Repair" (see attached). Beyer will contact attorney Olson and find out what process needs to be followed to put this change in place.

Clint Rodingen voiced his concerns regarding the permit process as merely a way of saying, "Get your aircraft off the airport and don't come back". Clint also referred to the pending lawsuit brought against the Nodak Flying Club by GFK flight Support and pleaded with the board to look at ways to allow everyone to work cohesively on the airport.

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patti Linstad", written over a circular stamp or seal.

Patti Linstad
Board Secretary

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

October 16, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, October 16 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Dave Molmen, Clark Cronquist, Brad Beyer, Ann Sande, city council representative, Bob Wood, county commission representative and staff, Steve Johnson, Director of Operations, Mary Jo Crystal, Director of Finance/Administration and Gary Baker, Operations Supervisor.

A. Approval of Minutes:

It was moved by Cronquist and seconded by Molmen to approve the minutes of the September 18, 1997 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

B. Resolutions:

#12-97 "Matter of Fuel Farm Change Order"

Johnson reported that the \$11,429 change order is the result of the last phase of the underground storage tank removal. When the pavement was opened the fuel tanks were not where they . Steve Synhorst, Ulteig Engineering, explained that three tanks have been removed under phase II. One tank was located by the ARFF building and two were located by the maintenance building. The largest obstacle was involved with the two tanks located by the maintenance building. These two tanks where further south than thought, therefore fences had to be removed and the vehicle loops operating the gates needed to be torn out and replaced. The tank by the ARFF building was closer to where it was expected to be, but was shifted to the west. Therefore, the vehicle loops for the those gates had to be replaced also. Johnson added that when the pavement was removed thin strips remained and bordered areas that were fractured and broken from vehicle use. Cuts where made at these locations and the contractor was instructed to clean up these areas. Molmen asked if there was any soil remediation. Synhorst replied that the soil remediation was in the contaminated soil removal cost of \$19,247 and disposal was the responsibility of the contractor removing the tanks.

Molmen moved approval of resolution #12-97. Cronquist seconded. Action Taken: Motion carried unanimously.

1. Year-to-date financials

Crystal reported that the year-to-date operating revenues are 103% of budget and the year-to-date operating expenses are 103% of budget. Year-to-date net revenue before depreciation is \$370,000 and of that \$135,000 has been expended on capital funded items leaving an unencumbered net revenue before depreciation of \$234,000. The operating revenue is being sustained by the car rental commissions that continue to be well above projections.

Northwest PFCs have been delayed due to tracking problems in their computer system. A check for May, June, July, August and September in an amount of approximately \$80,000 to \$85,000 is expected within the next two weeks.

2. Activity Reports:

Ward reported on airport activity for the end of the third quarter of 1997. Passenger enplanements have been extremely volatile this year, due to the spring flooding. Enplanements have been down as much as 14% to 27% since the flooding but to-date are down less than 1% compared to the same period last year.

During the first quarter of 1997 cargo enplanements were showing a strong growth. The second quarter shows the effects of the spring disaster with a decrease of 23%. The third quarter ended with a rebound of 5%.

Air traffic shows a smaller volatility than passenger and cargo enplanements. A sharp plunge appeared when UND closed early in April and the decline continued further into the summer months than normal. With the fall semester beginning, activity has increased by 1% and continues to rise at a greater pace than in 1996.

3. Skid Steer:

Johnson reported that bids on the surplus equipment last spring was more successful than anticipated. \$27,000 was generated through the bids and Board approval is being requested to spend the money on a skid steer. Gary Baker drafted specifications for a skid steer using the requirements needed for the airport. It was advertised and three bids were received. The low bid, meeting the specifications, came from RDO Equipment (John Deere Industrial) for \$25,431. Baker explained that the skid steer would be used primarily to remove snow from the terminal sidewalk, walkways in the parking lot and the fuel farm. Johnson explained that this is not an item that is in the capital budget and it is not policy to purchase items not in the budget, however, this is an opportunity presented by the surplus property sales.

Molmen moved approval of a resolution (#13-97) for the purchase of a skid steer. Beyer seconded. Action Taken: Motion carried unanimously.

E. Other Business:

1. Larivee Property:

Johnson reported that the Larivee buildings were advertised for sale and to-date one bid has been received. The bid process goes through October 17th and Johnson will inform the Board on the results after that date.

2. T-hangar Thresholds:

Johnson reported that this project is ongoing with Melby Construction as the low bidder. Coordination with individuals leasing these hangars has been completed.

3. Board Room:

Johnson stated that the carpet for the Board room is to be installed on September 18th. There is some touch up painting and minor finish work to be completed. Once the carpeting is installed the electrical will be reconnected and the project finished. Crystal reported that

the paperwork from FEMA has been received for the reimbursement and will be reviewed and completed.

4. Parking Lot Project:

Johnson reported that the parking lot project has been completed except for some crack seal that's being done in the older section of the asphalt. The project is ahead of schedule and is at or under budget.

5. Administration Parking Lot Water:

Cronquist asked if anything could be done to eliminate the standing water that accumulates in the administration parking lot. Johnson replied that this water comes from the sumps in the terminal basement. According to law this water cannot be drained into the sanitary sewer system. Maintenance has looked at the possibility of draining the sumps to the back of the building. The location would be at the base of the observation tower and would create a swampy area. The only other solution would be to put an inlet where the drain is and route the underground reinforced concrete pipe to an existing storm drain. Beyer suggested completing this project next year.

6. Rotating Beacon:

Bill Jackson announced that "UND would like to thank the Authority for getting the rotating beacon back in service".

7. Helicopter Training:

Rose Robinson, US Customs Agent, passed on the comment she received from a US Customs official that the helicopter training received from UND is the best they have received anywhere in the United States.

8. T-hangar Snow Removal:

Beyer asked what the policy was regarding snow removal around the T-hangars. Johnson replied that the airport will remove the snow from in front of the T-hangars to within 12 inches, or as close as can be reached safely with heavy equipment. This process is completed in accordance with snow removal priorities. Johnson added that tenants can have snow removed out of the priority sequence if their aircraft needs to be moved.

ADJOURN

Respectfully submitted,



Patti Linstad
Board Secretary

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

October 24, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Friday, October 24 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present where: Dave Molmen, Bill Coutts, Clark Cronquist, and Brad Beyer.

A. PFC Changes:

Chairman Mutchler explained the issue of changing focus on the PFC application. As of now the airport is in its second collection cycle and the process is designed to include the repair of the airline apron. The executive director is proposing that the airline apron be postponed and the funds deferred to other projects. The ADO in Bismarck may decide that rerouting funding for less than was approved is not consistent with the application, therefore putting the airport in a non-collection phase. The Board requested that Crystal be called into the meeting to explain the process in detail.

Crystal referred to a handout (see attached) explaining the PFC currently in place. The collection phase for this PFC will end in December. The PFC that's pending is for the cargo apron project which is intended to be a ten year PFC. Crystal explained that after the executive director reviewed the pending project he indicated that he did not want this to be a ten year PFC. The plan then became to scale back the cargo apron project, delete the airline apron project, postpone "Charlie" Ramp and take the federal money designated for the airline apron and put it towards the cargo apron. During discussions regarding this change Crystal realized that if this project was not taken to "use status" by next spring it would be taken off the PFCs and the collection period shortened. Cronquest asked that if the project was scaled back and not completed could the money be used for the cargo apron. Crystal replied that it's not possible to do that. Beyer asked if money already collected would be lost. Crystal explained that these funds would remain in the bank until the new PFC project was approved. During that interim time PFCs cannot be collected and what has been collected cannot be used for a different project. The pending PFC application is undergoing substantial modifications that requires the Bismarck ADO to approve. The non-collection phase could run anywhere between 120 and 150 days. Crystal suggested that the airline apron project already approved, be moved from a 90/10 project to a 100% PFC funded project and keep the collection going. In order to do this, since it will increase the amount of the approved collection from \$340,000 to well over that, the airport would have to reconsult with the airlines. We can only collect over the approved amount by 15% without reconsulting with the airlines. Crystal suggested this process to the executive director. Notifying the airlines is a 30 day notice, then they have 30 days to respond and Bismarck has 30 days to approve it. Crystal asked the FAA ADO in Bismarck if they would allow us to

continue to collect if there is a pending amendment in Bismarck that increases this amount. They replied that collection can continue while in an amendment phase. The executive director's indication to directors staff is that he does not want to go through the process of reconsulting with the airlines. He prefers to take the \$14,300 that was originally intended to be PFC funding of the airline apron, and add the 15% over collection of the approved \$339,000. This leaves about \$51,000 which can be collected without reconsulting for a total of approximately \$65,000. The question becomes is this a material change in scope of the project as originally approved by Bismarck. Bismarck would not comment on whether this is a change in scope, but prefers to wait until the engineers tell them how much can be done for \$65,000. The indication from Bismarck was whether the project is scaled back or completed with 100% funding we will have to consult. Molmen recommended that the executive director give a presentation in order to explain his viewpoint.

It was moved by Molmen that prior to filing the PFC documents with the Bismarck ADO that the executive director meet with the Board to describe the pros and cons of various approaches to filing. Coutts seconded. Action Taken: Motion carried unanimously.

2. Employee Recognition:

Chairman Mutchler explained that this agenda item is to discuss a way of recognizing and/or compensating employees for work done during the April storm, the flood and absence of an executive director. After some discussion it was decided to present the staff with a cash award and public thank you. Cronquist moved to approve a cash award and public recognition to employees as a safety award. Coutts seconded. It was decided that the public recognition would come in the form of a space rented article in the paper. Action Taken: Motion Carried Unanimously.

Molmen suggested that the director's staff receive additional recognition for the responsibilities taken on during the absence of an executive director. Beyer moved approval of compensating the director's staff for assuming extra duties above and beyond their responsibilities during the absence of an executive director and to present them with a plaque in appreciation. Molmen seconded. Action Taken: Motion carried unanimously.

3. Larivee Property:

Coutts reported that one bid came in on the Larivee buildings for \$1.00 each. The agreement states that they will be removed from the property by December 1, 1997. Molmen moved approval of accepting the bid on the Larivee property. Cronquist seconded. Action Taken: Motion carried unanimously.

4. Operations Supervisors:

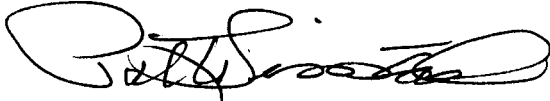
Beyer questioned the need for the number of supervisors involved with operations. Molmen mentioned that in his opinion the Board's primary responsibility is to hire an executive director and delegate the responsibility of managing staffing levels to the executive director.

5. Chairman Recognition:

Molmen motioned for the approval of a resolution (#15-97) thanking and recognizing the extra effort put forth by Chairman Mutchler during the absence of an executive director. Coutts seconded. Action Taken: Motion carried unanimously.

ADJOURN

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Patti Linstad', written over a horizontal line.

Patti Linstad
Board Secretary

Revised Financing Plan

	Estimated Total Cost	Approved FAA Funds	Anticipated FAA Funds	LOCAL
PROJECTS COMPLETED OR UNDERWAY:				
Reconstruct/Widen Taxiway A	\$3,207,000	\$2,797,272	\$89,028	\$320,700
Update Airport Master Plan	\$134,630	\$121,167		\$13,463
Acquire land for RPZ, Remove Obstruction	\$111,213	\$100,092		\$11,121
Reconstruct B Apron	\$445,761	\$401,185		\$44,576
1997 PROJECTS:				
Purchase Snowplow	\$187,000		\$168,300	\$18,700
Purchase Loader	\$152,000		\$136,800	\$15,200
Rehabilitate Airline Apron	\$143,000		\$128,700	\$14,300
	\$4,380,604	\$3,419,716	\$522,828	\$438,060
SOURCES OF LOCAL FUNDS				
State of North Dakota				\$98,196
PFC				\$339,864

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

November 20, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, November 20th at 8:00 A.M. with Vice Chairman Dave Molmen presiding. Members present were: Clark Cronquist, Brad Beyer, Bill Coutts; Ann Sande, city council representative; Bob Wood, county commission representative; and staff, Ted Anderson, Executive Director; Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; Heidi Ward, Marketing Coordinator; and Gary Baker, Operations Supervisor.

A. Approval of Minutes:

It was moved by Cronquist and seconded by Beyer to approve the minutes of the October 16, 1997 and October 24, 1997 Authority Board meetings as written. ACTION TAKEN: Motion carried unanimously.

B. Reports:

1. Year-to-date financials

Crystal reported that the year-to-date operating revenues and expenses remain at approximately 103% - 104% of budget. Year-to-date net revenue before depreciation is just over \$500,000 and of that \$178,000 has been expended on capital funded items, leaving an unencumbered net revenue before depreciation of \$330,000.

Crystal pointed out that on the balance sheet the cash bond account shows just over \$7,000 remaining. There are outstanding invoices of approximately \$16,000, therefore bond money should be spent by the end of November. A report on both the 1990 and 1994 bond expenditures will be presented to the Board after those invoices are paid.

The PFC cash account is at \$11,900. In the last month \$308,363 has been spent from PFCs in the operating revenues reserves to reimburse past expenditures.

C. Discussions:

1. PFC Applications

Anderson explained that PFC application #2 involves several projects including rehab of the air carrier apron. The process of amending this application has begun and will allow for restructuring the financing for the ramp rehab. It will now be financed 100% from PFC revenues, and will accomodate the higher than initially projected construction cost. Refinancing allows entitlement money to be freed up, which permits the use of a phased approach for the cargo ramp project. Approximately one half of this project will be completed initially. This approach has been coordinated with FedEx and they understand and agree with completing the ramp in phases.

Beyer asked how many years PFC collections will take place for phase 1. Anderson explained that phase 1 collection was initially going to take place over a nine year period. With the proposed amendment, collection will now be approximately two years.

Anderson went on to explain that phase 1 would include completion of 100 feet of the apron along with the access taxiway. Phase 2 would include more ramp area and phase 3 would complete the ramp area. Entitlement money will be used for phase 2 for 1999 and also a similar process would be used for the year 2000.

Cronquist asked what the time frame was for the total completion of the project. Anderson responded that previously the project was going to be completed next year. While reviewing the nine year collection process two areas were looked at closely. One was the ability to receive money via PFCs for up to nine years. There would be approximately \$600,000 of interest that would have to be paid using the nine year collection process. The two year phase 1 approach would allow for a shorter time frame and a chance to do an evaluation of future projects. With the PFC money being paid out over nine years, in the original approval, recovering any past match money would not be possible for nine years. The thought was to try a shorter period, take a look and then decide which way to go.

Molmen asked if there was any tenant issues related to this process. Anderson reported that there is not on this PFC project but there are some related issues to the AIP projects for 1998.

2. AIP Projects for Fiscal Year 1998:

Anderson explained that there will probably be a need to do some non PFC projects. The option available is to take some entitlement money out of the existing PFC application and direct that money to AIP entitlement projects. This entitlement money would be used towards the air cargo apron.

Other projects that should be done include windsocks that need to be lighted and situated in standard positions; and a Storm Water Pollution Prevention Plan (SWPPP). The SWPPP is an EPA mandated program that has a deadline of next year. This project is AIP eligible, therefore a consultant can be contracted to complete it. Also, equipment needed to support this program could be purchased with AIP funds.

A Scan System CPU would be another project for the AIP entitlement money. Previous equipment was destroyed in the sewer back-up damage of last spring therefore, the FAA will allow this equipment to be replaced using AIP money.

An ADA lift device could also be added to the AIP list. A lift is not needed for individuals boarding an aircraft via a jetway, but for smaller and corporate aircraft that cannot use the jetway. The lift being researched will reach anywhere from a 19 seat aircraft to a 727. Choices for obtaining a lift would include asking tenants to come up with the \$30,000 to \$40,000 for the equipment or use AIP money and using a 90/10 split. Another reason for having this type of device is in the event of diversions where passengers on board need to be removed for medical reasons. Beyer asked what kind of need there has been in the past. John Stimptert responded that from Northwest's standpoint, it's primarily a safety issue for employees. Right now Northwest employees transport passengers on a straight-back chair. Cronquist asked about the status of the research on purchasing airstairs discussed in a previous meeting. Johnson replied that he checked with AAAE and is waiting for information on airstairs. Anderson also stated that airstairs may also be purchased through a military base that is closing or purchasing stairs in need of rebuilding or repair.

The Environmental Assessment needed for the expansion of the runway on 35L and 17R is another project that could also be funded with AIP money .

Anderson also explained that timing is good for an update on the Airport Layout Plan since the FAA has not reviewed and approved the 1995 Plan. The Layout Plan is part of the Master Plan process and additions could be made very simply. One idea that has surfaced is to come up with ways of enhancing revenue and economic development with the development of an airport industrial park. Another idea is to develop a general aviation complex possibly located on the east side of the airport. This complex could also be completed with AIP money. Cronquist asked if such a complex would include hangar space. Anderson replied that contracts for ground rent could be negotiated or state-of-the-art hangars constructed. Molmen stated that it is important to explore needs for general aviation that are compatible and economically feasible for the airport. Cronquist suggested that one option might be self-owned hangars that would allow general aviation aircraft owners to work on their aircraft .

Molmen asked that if at this time the discussion could be brought back to the PFC application and if any decision was needed from the Board at this time. Anderson explained that Board approval is being requested as an attachment to the amendment for application #2. He indicated that previous discussions suggested filing an amendment should be the route to take. Molmen asked if this was the opinion of all staff in order to maximize and fully utilize the PFCs. Anderson explained that there could be a lag between applications #2 and #3, but with an amendment, collection can continue during the process with an end result of decreasing the likelihood of a non-collection period. Cronquist asked where the airline apron would stand in the process. Anderson explained that it would be completed with an adjusted price for the higher costs of construction and the project would also include a portion of the B Ramp rehab. Molmen asked if authorization is needed from the Board before the next meeting to proceed. Anderson responded that this issue could be discussed further in the budget work session that is scheduled to be set up for the first or second week in December.

3. 1998 Budget:

Anderson explained that most of the preliminary work has been completed. What is remaining is coming up with numbers associated with some CIP projects.

4. UND Consolidated Lease:

Anderson reported that the lease process is moving along with attorney Don Olson negotiating with UND's attorney. Two areas that concern Olson, from the Authority's standpoint, is the ability to sue the University and the liability insurance amounts. Once these two areas are worked out the lease will be ready for approval.

5. Annual Report:

Anderson explained that the issue of putting together an Authority annual report has come up in staff meetings and the process to develop one will begin. Molmen commented that he feels that having an annual report would be very useful and would like staff to proceed.

6. Mail Boxes:

Anderson reported that there will be the possibility of a shortage of mailboxes in the near future. To rectify this there may be some modifications needed to the current mail box system located in the terminal. Some options are being explored.

7. Taxicab Stand:

Anderson explained he is looking at a place to locate transportation services at the airport. Beyer suggested that local hotels may be interested in participating.

8. Parking Lot Exit:

Anderson reported that he is looking at options for a second exit from the parking lot in order to ease traffic at heavy times. Molmen stated that a couple of options had been discussed at a previous meeting. Johnson confirmed that Republic Parking had presented several options and that he would review those with the Executive Director.

9. Smart Carte:

Anderson explained that after some research he feels there is a need for baggage carts for passengers use. Benefits include providing a needed service, and eliminating congestion curb side. However, estimated net costs of \$100 to \$125 per month could possibly occur due to the lack of traffic needed to make the baggage cart system self sufficient. The unit being looked at would hold 15 carts with \$1.50 use fee per cart. When the carts were returned passengers would receive a \$.25 refund. Smart Carte's normal contract length is five years, but they have agreed to a three year contract with two one year options. Beyer questioned the need for 15 carts, stating that he did not feel that many would be used at one time. Anderson replied that he realized that not all carts would be out at one time, but throughout the day there may be several scattered throughout the grounds and having 15 on hand would allow availability at all times. Molmen asked where the unit would be located. Anderson replied that the logical place would be adjacent to the baggage claim area. If agreed to by the Board the unit can be installed before Christmas. Anderson stated that replacement, for lost or stolen carts, is \$275 per cart, but has found that this is not a problem due to the fact that they are very identifiable. Beyer questioned the condition of the lot during the winter months for maneuvering carts around. Molmen suggested purchasing carts one by one over a period of time. John Stimpert stated that the few grocery type carts they have now do get used, but are free of charge. Cronquist questioned usage if there was a fee for the carts. Beyer asked what the cost would be to purchase carts. Anderson replied that these carts are not usually available for sale and suggested that they may be found through a company going out of business. Molmen requested that staff research options and bring it back to the Board at the next meeting.

10. Agenda:

Anderson stated that he would like to present some agenda options for Board approval at a future meeting.

E. Other Business:

1. Westbound Air service:

Anderson reported that he attended the meetings on westbound air service that were held in Fargo. Senator Dorgan chaired the meetings which included Northwest Airlines, United Airlines and representatives from the major airports in North Dakota. Two areas of interest for GFK that were discussed with Northwest were price equity between Grand Forks and Fargo and equipment downsizing. Northwest stated they would look at the price equity issue and that they do not anticipate more downsizing. Areas discussed with United included a vote by the union regarding the flying of regional jets, which has passed, and the development of westbound service for the Dakotas. Anderson anticipates that a decision on

westbound service for the Dakotas should be announced within the first six months of the new year.

2. UND/Customs:

Anderson announced that UND renewed their five year contract with US Customs to do helicopter training. This contract adds another aircraft in addition to what they had before. They have a requirement to find a sod landing area for the helicopters to use and staff is working on options. Dave Cink, Tower Manager will be included in the decision. UND is hoping to have something in place within 30 to 60 days.

3. Aeronautics Commission Meeting:

Anderson explained that after reviewing the agenda for the North Dakota Aeronautics Commission meeting, to be held in Bismarck tomorrow, he plans to attend.

4. Visits with Community Leaders:

Anderson will provide the Board with the ideas and thoughts discussed with community leaders that he has met with over the past couple of weeks.

5. Photos of Airport:

Anderson is exploring options for getting large colored and black and white photos of the airport. He explained that these would be very helpful in discussions on areas of the airport.

6. Office Furniture:

Anderson stated that he is exploring options for office furniture to include possibly two love seats, credenza, table and chairs. He anticipates the total cost to be less than \$2,000.

7. Tree of Hope:

Paul Hanson, Nodak Flying Club President explained the Tree of Hope concept and handed out flyers. The Operations Center will be a collection point for this year. Coutts suggested that the flying club place flyers in the terminal advertising the event.

8. T-hangar floors:

Brian Pfeiffer asked the status of the concrete floors for the large T-hangars budgeted for last year. Molmen responded that this subject has come up in a previous meeting and that Board consensus is that this project needs to be completed.

ADJOURN

Respectfully submitted,



Patti Linstad
Board Secretary

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

December 18, 1997

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, December 18 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Dave Molmen, Clark Cronquist, Bill Coutts; Ann Sande, city council representative; and staff, Ted Anderson, Executive Director; Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; and Gary Baker, Operations Supervisor.

A. Approval of Minutes:

It was moved by Cronquist and seconded by Coutts to approve the minutes of the November 20, 1997 Authority Board meeting as written. ACTION TAKEN: Motion carried unanimously.

B. Resolutions:

1. #14-97 "Matter of 1998 DBE Goals"

Johnson explained the 1998 DBE goals process. Each year the airport is required to submit to the FAA Great Lakes Region Civil Rights Office a Disadvantaged Business Enterprise (DBE) contract participation goal. The goal is the percentage of construction contract dollars potentially awardable to certified DBE contractors in the upcoming year. The goal applies only to those contract which use federal grants. The Authority's proposed goal for 1998 is 20.2%

Cronquist moved approval of resolution #14-97. Coutts seconded. Action Taken: Motion carried unanimously.

2. Resolution #15-97 "Matter of 1998 Budget"

Anderson reviewed the proposed 1998 budget that was completed during the 1998 budget work session.

Coutts moved approval of resolution #15-97. Molmen seconded. Action Taken. Motion Carried unanimously.

C. Reports:

1. Year to Date Financials:

Crystal reported that year-to-date revenues and expenses from operations are running approximately 103% of budget. The year-to-date net revenue before depreciation is running just under \$600,000 which is 87.5% of budget. This is due primarily from the non-collection period of PFCs earlier in the year. Of that \$600,000, approximately \$200,000 has been spent on capital items, leaving \$393,000 before depreciation. The balance sheet shows a total of \$37,000 in the PFC account. We are now collecting PFCs and this money will not be used until the airline apron project is started.

Molmen asked if the PFC issue has been resolved. Crystal reported that the application amendment has been submitted for the collection phase that we are in and we are waiting for a response from Bismarck. Molmen commended staff for their work on not only the financials, but also on the budget.

2. Air Stairs:

Johnson reported that calls to 12 different manufactures and users of air stairs were made. There are two different categories of air stairs, towed and self-propelled. The least expensive self-propelled unit are typically intricated onto a truck chassis or specialty vehicle. The self-propelled units incorporate either hydraulic, pneumatic, or electric elevation/stair angle controls. The towed units are pushed or pulled into position at the aircraft by a truck, aircraft tug or by hand. Height adjustment of the towed units is manual. There is not one unit available that will accomodate the full gamut of aircraft. Cost on a new self propelled unit ranges between \$40,000 and \$100,000, but a good self-propelled unit may be found for under \$20,000.

Cronquist asked about the possibility of constructing a "home made" model and the liability issue involved. Johnson replied that he feels that liability is probably no greater than a manufactured one. The only difficulty in constructing a "home made" model is the actual design, which has not been done by the airport before. Cronquist asked how often air stairs would have been used in the last five years and if there was any place in town that could build a unit. Anderson mentioned that buying a manufactured stairs would probably be better from a liability point as compared to a "home made" set. Stimpert replied that on occasion, when called for, the stairs would be nice but questioned whether or not the cost would offset the need. Molmen mentioned that the main thought for getting air stairs was to accomodate an unusual situation and not for use on a regular basis and therefor felt that a deluxe unit was not needed. Johnson stated that a reliable used unit could probably be purchase for under \$10,000. Molmen asked how far short the jetways were for aircraft not usually flown into Grand Forks and asked if something could be built to bridge the jetways and these planes.

Action Item: Johnson will explore possibilities of extending height options for the jetways and report back to the Board.

3. Baggage Cart Options:

Anderson reported on various options for baggage carts for luggage transportation. A couple of options explored where the purchase or lease of the Smarte Carte system. The purchase cost for fourteen carts and a storage rack would run approximately \$3,450. The lease option would include a payment schedule for three years with two one year options. If we buy the carts passengers would not have to pay for their use. If we lease the carts it would cost approximately \$425 per month. With a \$1.25 fee per cart use, and approximately 340 carts per month being used, it could cost approximately \$100 per month initially to subsidize the operation. The major difference between the two options is the self policing option of the lease arrangement. Users would return the carts for a \$.25 refund with the lease option. Using the purchase option would require a commitment from employees to return carts. The recommendation from staff to the Board is the lease option.

After some discussion Coutts motioned approval of the lease option. Molmen seconded. Action Taken: Motion carried unanimously.

4. Parking Lot Payment Options:

Anderson reported on three options for payment of parking fees by exiting passengers. One would be installing a machine in the parking lot exit lane that would read the ticket and compute a fee and give change. This option is expensive and could cost up to \$120,000. A second option would be a "payment on foot" device located in the terminal. This option would also run approximately \$120,000. The third option would include placing the cashier position inside the terminal. This option would be the less costly of the three and run approximately \$40,000 for set up.

C. Discussions:

1. December 26th

Anderson explained that the President of the United States has declared Friday December 26th, the Friday after Christmas, a federal holiday. His recommendation to the Board is to consider this day as a holiday for the Authority staff also. The estimated cost would be under \$1,600.

Molmen asked whether or not this is a one time practice or a policy to follow these mandates all the time. Anderson explained that this is a one time approach. Molmen stated that because it is a one-time event he feels that this would be an Executive Director's decision and the issue does not need official Board action. The Board granted permission to proceed.

D Other Business:

1. Trade Show Display:

Anderson explained the need for a trade show display for the airport. Two options researched are, one the purchase of a table top display with a cost of approximately \$3,500, or a floor display for an estimated cost of \$7,000. The recommendation is that option one, the table top display be approved by the Board.

Mutchler stated that there is a company in Fargo that designs and sells these displays and suggested that they be checked with. Coutts asked if the possibility of sharing one of the displays owned by the CVB or Chamber could be explored. Anderson replied that he did not feel that would work due to the fact that these organizations use their displays on a regular basis and they would probably not be available to us when needed. Also, if we had a display, we could use it throughout the airport as an information tool.

Action Item: Staff will check with the display company in Fargo, provide more detailed cost information on existing display options and report back to the Board.

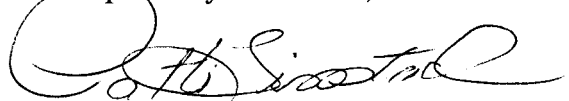
2. Civil Air Patron Space:

Anderson reported that the Civil Air Patrol has requested free use of office space in the terminal basement. They have presently been using space at CAS and have been asked to relocate. The space they are requesting is vacant and there are no immediate plans to use it. The recommendation is to enter into an agreement with the Civil Air Patrol for the use of this area, free of charge, on a space available basis only.

Cronquist moved approval of entering into an agreement with the Civil Air Patrol. Molmen seconded.
Action Taken: Motion Carried Unanimously.

ADJOURN

Respectfully submitted,



Patti Linstad
Board Secretary