

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

January 15, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, January 15 at 8:00 A.M. with Vice Chairman Dave Molmen presiding. Members present were: Clark Cronquist, Bill Coutts; Brad Beyer, Ann Sande, city council 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:

Action Taken: It was moved by Coutts and seconded by Cronquist to approve the minutes of the December 18, 1997 Authority Board meeting as written.

Action Taken: Motion carried unanimously.

B. Reports:

1. Year to Date Financials:

Crystal reported that revenues continue to run 3% over budget and expenses slightly over 6%. There are some year end adjustments, and a payment due from FEMA not yet posted that will decrease expenses. There are invoices from December that have not been posted and there will be some small write-offs in accounts receivable. These write-offs are due mainly to small aircraft landing where fees have been uncollectible.

Crystal also reported on the activity of the two bond accounts.

2. Quarterly Activity Reports:

a. Fourth Quarter Activity

Ward reported that the airport's air traffic for 1997's fourth quarter was up 4% and enplaned cargo down 15%. Ward explained that October's enplaned cargo was up from the same time last year, but November and December showed a negative growth accounting for the net loss of 15%. Fourth quarter passenger enplanements show an increase of 1.25%. October boardings were down from the previous year, but the holiday travel was good and the end result was an increase.

b. Year End Activity

Ward reported that overall Airport traffic shows a 1.4% increase from 1996, with traffic remaining stable and following the same pattern as 1996. Annual enplaned cargo shows a slight decrease of 1% and the annual passenger enplanements show an increase of 1%. Ward

emphasized that all North Dakota airports reported a decline in passenger boardings for 1997 except for Grand Forks. This is the first year since 1994 that GFK has shown a growth. Anderson mentioned that there will be a program implemented to speak to the regions chambers and service clubs explaining the importance of the airport to the region.

Coutts asked if information needed to be obtained as to why there was a 15% decrease in cargo during the last quarter. Anderson explained that communication is always ongoing with the major freight carriers such as FedEx and feels these statistic reflect the unusual circumstances of the year.

C. Discussions:

1. Trade Show Display:

Anderson presented a detailed cost breakdown for a trade show display. Comparisons were made between light weight, less bulky and heavy, bulky displays. The recommendation to the Board is for the purchase of a small table top display.

Beyer stated that he has access to a display that is not being used. He suggested that the Authority use the display on a trial basis to see if it meets our needs. Anderson asked if it would be available for sale. Beyer will explore the option.

2. Terminal Public Lockers:

Anderson explained that due to customer requests and new FAA regulations regarding leaving unattended luggage in the terminal, he asked terminal tenants for input regarding placing lockers in the terminal. Tenants indicated that there is a high demand and therefor the recommendation to the Board is for the Board to authorize the Executive Director to purchase a nine locker, coin operated, system at an estimated cost of \$2,400 using capital project contingency funds. Beyer asked where the lockers would be located. Anderson explained that there is a restriction as to where they can be located. Previously, they could be located outside the secure area, but due to FAA regulations they now can only be located behind the check point. With the check point now open to the general public there would not be a problem accessing them. Molmen asked if a nine locker system would be adequate. Anderson stated that it would be easy to add sections to the nine locker system if there is a need, but suggested that nine units be used in the beginning to monitor demand. Anderson also explained that rental on the lockers would be a dollar a day regardless of the time used and therefor, the lockers would have to be monitored on a daily basis. If a locker remained in use at the end of a day a plug would be placed in it and a message left that explained who the user needed to contact to unlock the locker. With computerized lockers the computer would monitor time used, but this system is extremely expensive.

Action Taken: Beyer motioned for the purchase of a nine locker, coin operated system for the terminal. Coutts seconded. Motion Carried Unanimously.

D. Other Business:

1. CAP Terminal Space:

Anderson explained that the Civil Air Patrol was able to retain office space at UND and would not need the terminal space previously requested.

2. Check Point:

Anderson reported that opening up the check point to the general public has generated positive feedback. He will continue to work with Northwest to make this a permanent arrangement.

3. Luggage Cart:

Anderson reported that the luggage carts are expected today and will be available to the public after setup and staff training.

4. Holiday Dinner:

Anderson reminded Board members and staff of the holiday dinner taking place at the Bronze Boot Friday night.

5. Business Trips:

Anderson reported that on the 21st and 22nd of this month he will be traveling to Memphis to visit with FedEx officials regarding their mid to long range planning for their operation at the airport. He is also looking at the possibility of attending a regional airline conference in Denver in combination with a meeting with United Airlines officials to discuss additional air service to the Dakotas.

6. PFC Amendment:

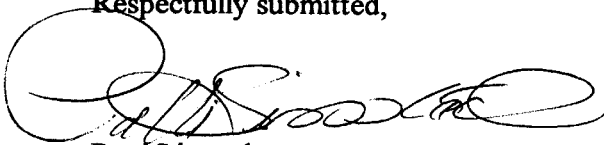
Anderson announced that the PFC amendment for the airline rehab project has been approved and there will not be any gap in collections. The next process is to work on the application for the cargo ramp expansion.

7. Vision Projections List:

Cronquist asked the status of the Executive Director's vision projections. He suggested that a prioritized list be put together with dollar figures incorporated. Anderson stated that he is working on the process and explained that he is in a 60 day observation period. The next 60 day process will include an information gathering phase with an evaluation phase to follow. The final phase will be the presentation of a plan for Board consideration.

ADJOURN

Respectfully submitted,



Patti Linstad
Board Secretary

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

February 26, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, February 26 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Clark Cronquist, Bill Coutts; Brad Beyer, 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 Coutts to approve the minutes of the January 15, 1998 Authority Board meeting as written.

Action Taken: Motion carried unanimously.

B. Reports:

1. Year to Date Financials:

Crystal reported that operating revenues for the month of January are slightly under budget. Operating expenses are significantly under budget due primarily to the accrual of expenses at the end of 1997. Bills normally received in January for December have all been accrued into December therefore, January is not a very reflective month. The net operating revenue is slightly over \$35,000 and to date capital funds have not been expended.

2. Change to the Airline Operating Agreement:

Anderson explained that the change to the Airline Operating Agreement is to provide an ADA lift device for use by the airlines. The lift will be obtained using airport improvement program funds. He stated that the airlines will be responsible for operation of the device. This lift is in the budget for next year and is ahead of a federal mandate for having something available for the traveling public. Beyer asked what the ADA lift device is. Anderson stated that the ADA device could be a self propelled or manually operated device for assisting people in wheelchairs in and out of aircraft.

3. UND Supplemental Operating Agreement - Helicopter Sod Landing Areas

Anderson explained that this change is in conjunction with the helicopter training being done by UND for US Customs. The agreement with Customs is to have a sod landing area for their Aerostar 350 helicopter. An area has been designated and used successfully by UND.

C. Discussions:

1. 1996 Explorer Lease:

Anderson explained that the Explorer lease is coming to an end. He suggested that a 4x4 extended cab pickup be purchased for approximately \$19,000 instead of using a lease program. Anderson explained that the Director of Operations would use the pickup for two years or approximately 30,000 miles and then it would be recycled into Operations. This would be timely since Operations will need a replacement vehicle within that time-frame. Mutchler asked how many pickups are currently used in Operations. Anderson replied that there are now three. Coutts asked if purchasing would be more beneficial than continuing on a lease program. Anderson explained that for a long term period a purchase would be better and the lease option better for a short term arrangement. Cronquist stated that he felt that riding in the back of an extended cab pickup is uncomfortable and asked what the primary reason for having an extended cab would be. Anderson stated that his vehicle would be available for the purpose of transporting guests and dignitaries and that the pickup would be used for that purpose on a limited basis. The pickup can also be used for the winter storage of parts such as runway lights. Beyer asked if it would be advantages to have a four door pickup. Anderson replied that he feels a four door would not be necessary for the amount of times it would be used.

2. Terminal Public Lockers:

Anderson explained that installing lockers in the terminal was approved by the Board at last month's meeting. An unexpected situation arose due to the fact that the check point is not manned at all times. Therefore, FAA mandates state that coin operated lockers cannot be used during the time the screeners are not on duty. The other option would be to install computerized lockers. Staff found that it would be possible to access computerized lockers during times the screeners were not on duty, but the cost is significantly more than the keyed lockers. Anderson went on to explain that there is an obvious need, and placing lockers in the terminal would help make it more user friendly. Cronquist made note of that fact that other airports in the state do not have lockers. Coutts asked if the need is great enough to warrant the increase in cost for the computerized lockers. Anderson explained that the National Rent a Car manager has stated that there is a definite need and the fact that the FAA has mandated that luggage cannot be unattended adds to the need. Mutchler asked if there were other options to purchasing them such as a lease option. Anderson explained that there is an option for a lease agreement if the demand at the airport was great enough. We fall below that demand level therefore the only option would be for purchasing the lockers. Cronquist recommended that the executive director's priority list be looked at before any more major purchases take place. Beyer asked if the keyed lockers could be placed somewhere in the terminal other than the secure area. Anderson explained that from an FAA standpoint, lockers can only be placed behind the check point. Mutchler suggested that this item be tabled until more information is obtained.

D. Other Business:

1. Ticket Lift Survey:

Anderson explained that the ticket lift survey has been completed and copies provided to the Board members and United Airlines. The primary area highlighted for United officials was the obvious need for additional air service. The survey shows that even without United flying into

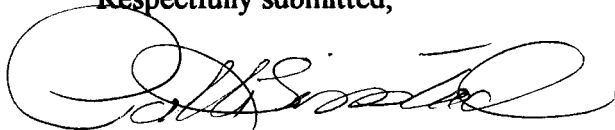
the airport almost 10% of the people traveling from the Greater Grand Forks area use United Airlines. Beyer asked where they needed to go to get on a United flight. Ted explained that they have to fly from Fargo or Minneapolis and explained that this contributes to a passenger leakage of approximately 48%. Cronquist asked if these were people driving out of the area to access other airlines. Anderson explained that these were passengers primarily booked by travel agents out of the area. Mutchler asked Ward if the survey was typical of our area. Ward replied that she felt we are loosing more passenger traffic than we should. We are currently getting 52% of the passengers in our market, primarily due to travelers searching for better airfares or more direct service to their destinations.

2. Civil Air Patrol Space:

Anderson explained that the Civil Air Patrol is looking for office space again and that the Authority is working with them. The Board will be informed of any decisions made in this area.

ADJOURN

Respectfully submitted,

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

Patti Linstad
Board Secretary

**MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
GRAND FORKS REGIONAL AIRPORT AUTHORITY
MARCH 16, 1998**

A special meeting of the Grand Forks Regional Airport Authority was held pursuant to notice on March 16, 1998, beginning at 1:10 p.m. All board members were present. Also present was Mr. Ted Anderson, the Executive Director, and Don Olson, the attorney for the Airport Authority.

The Chairman stated that the purpose of the meeting was to evaluate the performance of the Executive Director in light of recent comments and concerns that had been expressed to him by members of the staff. The Chairman indicated that he would like to give each member of the board an opportunity to ask questions of the Executive Director and that the Executive Director could then make his response.

It was pointed out that at the request of the Chairman, Don Olson, the attorney for the Airport Authority, had met with a number of employees of the Airport Authority and based on these meetings, Mr. Olson had prepared a memo to the Chairman covering the comments and concerns of employees. Each member of the Airport Authority, as well as Mr. Anderson, received a copy of this memo, Mr. Anderson receiving his copy on the preceding Thursday, March 12, 1998.

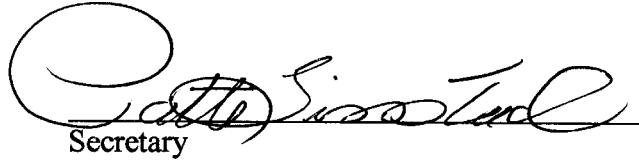
Board members proceeded to examine specific statements contained in the memo on an item-by-item basis and gave Mr. Anderson an opportunity to respond to each item. Follow-up questions and responses ensued. This process continued until virtually all items contained in the memo were reviewed. Comments were also received from members of the audience. Comments were received from a number of employees that had been interviewed by Don Olson and these employees elaborated on matters contained in Mr. Olson's memo. Comments were also received from other Airport employees who raised concerns about other matters that were not covered or discussed in Mr. Olson's memorandum. Mr. Anderson was given an opportunity to respond to these comments. After approximately three hours of discussion and review of issues presented at the meeting, Commissioner Cronquist moved that Mr. Anderson's employment contract be terminated in accordance with the provisions of Section 3b thereof. The motion was seconded by Commissioner Coutts. Further discussion followed, including further comments by Mr. Anderson relative to the matters presented to the commissioners at this particular meeting.

Mr. Anderson requested time to make a statement before the motion was voted on whereupon Mr. Anderson proceeded to summarize his position.

Following Mr. Anderson's summation, the Chairman called for further comments and there no being none, the Chairman then called the question and on vote, the motion passed unanimously.

Commission Molmen then moved that Mr. Anderson be released from his obligation to continue reporting for work daily recognizing, however, that the Authority is obligated to provide regular salary to Mr. Anderson for the next 90 days. The motion was seconded and on vote was unanimously passed.

There was no further business to come before the meeting and the meeting was adjourned.



Secretary

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

March 19, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, March 19 at 6:00 P.M. with Chairman Tim Mutchler presiding. Members present were: Dave Molmen, Clark Cronquist, Bill Coutts; Ann Sande, city council representative; Bob Wood county commission representative and staff Steve Johnson, Director of Operations; Mary Jo Crystal, Director of Finance/Administration; Heidi Gary Baker, Operations Supervisor;

A. Approval of Minutes:

It was moved by Coutts and seconded by Cronquist to approve the minutes of the February 26, 1998 meeting as written.

Action Taken: Motion Carried unanimously.

B. Resolutions:

1. #02-98 Matter of Air Cargo Ramp PFC Bond

This resolution was tabled for discussion at a future meeting.

2. #03-98 Matter of 1990 Bond Refinancing

Crystal referred to correspondence attached to the resolution from Evanson Dodge that explains the recommendation of refinancing the 1990 bonds.

Molmen moved approval of resolution #03-98. Coutts seconded.

Action Taken: Motion carried unanimously.

3. #04-98 Matter of Job References for the Previous Executive Director

Molmen moved approval of an amended resolution #04-98 that states: Job reference inquiries regarding Mr. Ted Anderson be directed to the Authority Board Chairman or Vice-Chairman. Coutts seconded.

Action Taken: Motion Carried unanimously

C. Reports:

1. 1997 Audit

The 1997 audit results were presented by Ron Johnke of Brady Martz and Associates.

Coutts moved approval of the 1997 audit report. Cronquist seconded

Action Taken: Motion Carried unanimously

2. Year to Date Financials

Crystal reported that revenues are slightly under budget and operating expenses are slightly over budget. Year to date revenue before depreciation is \$26,000 negative and capital funds have not been spent through February. Fuel flowage continues to be under budget and payments from GFK Flight Support for 1998 have not been received. The operating expense shows overages in the employee benefit side based on the payment of Workers Compensation premiums being paid in full in January rather than paying in installments. There was a large expenditure under maintenance of equipment for repair that contributes to the overage in that area.

Cronquist asked if a cash basis is used instead of an accrual. Crystal replied that is the way it has been done. Molmen stated that is accrued when we close out the year.

D. Discussions:

1. Executive Director Position:

Molmen stated that he feels he is not prepared to take definite action on this item and feels the Board should take the matter under advisement for a period of time and suggested that a group be formed and come up with a proposal for the Board. Mutchler added that he felt that it is appropriate to wait 30 days at least. Coutts and Cronquist agreed. Mutchler asked if it was necessary to appoint a committee at this time or forgo that process for 30 day. Coutts commented that discussions and organization of the process could be begin. Molmen stated that he felt it would be appropriate to take some action to make sure that the day to day affairs are in order and that there is some interim direction.

Molmen moved to appoint the Director of Operations interim director of the Airport Authority until further action is taken. Coutts seconded.

Molmen explained that his reason for making the motion gives the Board time to pause and reflect on the appropriate action and to assure that operations continue and day to day decision made.

Action Taken: Motion Carried unanimously

2. Marketing Coordinator Position.

Cronquist moved that the position be put on hold and reevaluated before it is filled. Coutts seconded.

Molmen stated that he would rather take no action on this issue until an executive director is hired which has the effect of maintaining the position. Coutts asked if Molmen preferred to offer the Marketing Coordinator continued employment until it is decided as to whether or not to fill the position or to leave the position empty as is right now. Molmen explained that he was referring to just not filling the position at this time.

Action Taken: Motion Carried with Coutts and Cronquist voting for the motion and Molmen voting against.

3. General Aviation:

Chairman Mutchler stated that there was not any particular reason for this agenda item, but asked if any general aviation attendees had input or issues to bring before the Board.

Brian Pfeiffer thanked the Board for having an evening meeting so that more general aviation representatives could attend.

4. Other Business:

Paul Hanson, President of Nodak Flying Club handed out information regarding an airport participation fly in scheduled for June 6, 1998. There will be a discussion of the project to gauge interest March 23rd at 4:00 p.m. at Crosswinds Restaurant.

Clint Rodingen stated that since he was not allowed to speak at the March 16th meeting he wanted to say that he felt the manner in which the Board acted at that meeting was disgraceful and disgusting, that it wasn't right and he didn't like it.

Joe Morgan, Manager of the FAA Automated Flight Service Station thanked the Board and commended airport employees for assisting AFSS in bringing their OSHA standards up to compliance.

ADJOURN

Respectfully submitted,



Patti Linstad
Board Secretary

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

March 26, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, March 26 at 8:00. A.M. with Chairman Tim Mutchler presiding. Members present were: 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; Mary Jo Crystal, Director of Finance/Administration and Gary Baker, Operations Supervisor.

A. Approval of Minutes:

1. March 16, 1998

It was moved by Cronquist and seconded by Coutts to approve the minutes of the March 16, 1998 meeting as written.

Action Taken: Motion carried unanimously. (See agenda item #9 under C. Other Business)

2. March 19, 1998

It was moved by Beyer and seconded by Cronquist to approve the minutes of the March 19, 1998 meeting as written.

Action Taken: Motion carried unanimously.

B. Airport Capital Plan:

Johnson explained the entitlement and discretionary fund process and use. (see attached)

Crystal explained the PFC and non operating revenue process and use and reviewed the airport bonds. (see attached)

Johnson reviewed the projects for the year to include the SWPPP, runway sensor rehabilitation, airline apron rehabilitation, cargo apron expansion and the non federal, non PFC capital projects. (see attached)

C. Other Business:

1. T-Hangar Walkways:

Beyer refereed to a memo sent to the Board by Brent Seifert (see attached) regarding the T-hangar walkways. Beyer suggested that crushed rock, asphalt or stone be placed in the walkway at the same time the concrete floors are being done. Cronquist suggested that the concrete floors be extended out two feet to cover the walkways.

Action Item: After some discussion it was decided that Johnson would check into options for these areas.

2. Ecological Study:

Johnson reported that he has talked to the USDA Wildlife Service in Bismarck about having an ecological study done on the airport. This is required anytime there is multiple bird strikes or other wildlife has been hit on the runway. The USDA Wildlife Service has come to the airport and are in the process of putting together a price estimate. This study is not budgeted for and may have to be a contingency item. Once the study is completed it will be sent to the FAA then the FAA will have the airport do a Wildlife Hazard Mitigation Plan. Molmen asked if the study qualifies as a capital project. Johnson stated that he is not sure, but since it is safety related and mandated by Part 139 it may be.

3. Five Year Capital Improvement Plan:

Johnson explained that every five years a capital improvement plan is submitted to the ADO in Bismarck. This plan goes to the US Aviation Improvement Plan. (see attached)

4. Aeronautics Commission Pavement Study:

Johnson explained that in 1995 the Aeronautics Commission hired a consultant to do a pavement study on all the major airports in North Dakota. The study will be done again this year and a series of pavement condition indices assigned. Johnson pointed out portions of the airport's pavement that need repair and areas that have already been done.

5. Future Projects:

Johnson reviewed possible future capital projects.

6. Marketing Coordinator Position:

Johnson reported that since Ward rescinded her resignation the resolution passed at the last Board meeting is not clear. He presented a list of projects and responsibilities that Ward is involved in. (see attached) After discussion it was decided to maintain the position as a full time temporary position until an executive director is hired. The executive director would then be asked to evaluate all the positions with the Authority and come to the Board with a package recommendation.

Coutts moved to accept the rescinding of Ward's resignation. Molmen seconded

Action Taken: Motion carried unanimously.

7. Board Retreat:

Mutchler suggested plans for the summer retreat continue. After discussion it was agreed that the retreat would be scheduled.

Action Item: Ward will continue to work on scheduling a retreat.

7. Smart Carts:

Cronquist asked the status of the Smarte Carts. Johnson replied that he believes there is a loss of approximately \$350 per month occurring.

8. 1998 Pickup Purchase:

Cronquist asked if the possibility of returning the 1998 pickup was explored. Baker replied that he has contacted the dealer and that they are coming out to look at it. Cronquist asked if there was any objections to returning the pickup if there is not a substantial loss. It was decided to place this on the April agenda.

9. Approval of March 16, 1998 Minutes:

Molmen voiced concern regarding the passing of a motion to approve the minutes of the March 16, 1998 due to their sensitive nature.

Cronquist moved to rescind the previous motion approving the minutes of March 16, 1998. Molmen seconded.

Action Item: It was decided that the minutes be sent to Don Olson for review.

Action Taken: Motion carried unanimously

9. Resolution to City Council and County Commission:

Molmen suggested that a resolution be sent to the City Council and County Commission thanking Ann Sande and Bob Wood for their participation in Board and airport related matters. After discussion it was decided to send the resolution in the form of a thank you letter.

Action Item: Ward will draft a letter to the City Council and County Commission regarding Ann Sande's and Bob Wood's participation

10. T-hangar Rates:

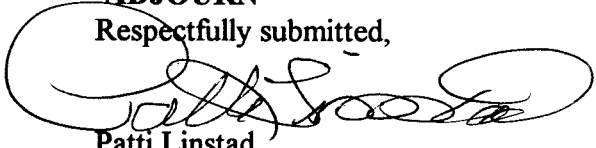
Beyer suggested that a price reduction for T-hangars be explored. It was decided to place this item on the April agenda.

11. Terminal Waiting Room Chairs:

Wood mentioned that some of the chairs in the waiting room are starting to look shabby. Johnson replied that a couple of dozen are replaced every couple of years and would look into replacing some of them.

ADJOURN

Respectfully submitted,



Patti Linstad
Board Secretary

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

April 16, 1998

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

A. Approval of Minutes:

1. March 26, 1998

It was moved by Coutts and seconded by Cronquist to approve the minutes of the March 26, 1998 meeting as written.

Action Taken: Motion carried unanimously.

B. Resolutions:

1. **#05-98 "Matter of Air Cargo Ramp Expansion"** Johnson explained that the bids on the Air Cargo Apron Expansion project were opened on April 9th at 2:00 p.m. in the Authority boardroom.

The original project was planned to include a 100 additional feet of heavy apron, a north access taxiway, an upgrade to ramp lighting, and an access road between the air cargo and general aviation aprons. Alternates were included in the package in hopes that bids might be low enough to pursue one or more of them.

Johnson has reviewed the bids and alternates with Bob Bednarz and they agreed that the base project and alternates 1 and 2 were needed now. The possibility of accomplishing selected portions of alternate 3 were also discussed. Specifically, installing the next apron light to the north, relocating the vehicle gate and some fencing, and widening the vehicle transit area west of the building. After reviewing the alternate 3 bid tab Johnson concluded that these items could be done for approximately \$130,500. The selected work from alternate 3 will have to be negotiated with Nodak Contracting as a change order once the basic contract is signed.

Voting on this resolution was postponed until after discussion on the following two resolutions.

2. **#02-98 "Matter of Sale of Revenue Bonds"**
3. **#06-98 "Matter of Issuance of Revenue Bonds"**

Crystal explained the reasoning for the passing of resolutions #02-98 and #06-98 and the process that would take place if passed. Wood suggested the Authority go to the City and County and request backing to sell general obligation bonds. Crystal and Johnson will check to see if the issue can be brought to the City and County in a timely manner and a special Board meeting will be scheduled if this issue can get on these two agendas.

Action Taken: It was moved by Coutts and seconded by Cronquist to approve resolution 05-98. Motion carried unanimously. Resolutions 02-98 and 06-98 were tabled at this time.

C. Reports:

1. Year to Date Financials:

Crystal reported that through March operating revenues were a little over 98% of budget and Operating expenses just under 91% of budget. To date there is a net revenue before depreciation of \$365,000 and of that just over 52,000 has been expended. Commissions from the car rentals have gone down. In salaries, wages and employees benefits categories there is approximately \$4,600 of expenses that should be budgeted in wages and salaries that is budgeted in employee benefits instead. Coutts suggested that if car rental commissions continue to decline administrative staff visit with them and discuss the situation.

2. Ticketing Complaints:

Mutchler stated that he had received complaints about parking citation received in front of the terminal and asked if anything could be done to reduce the number of complaints. Johnson replied that one of the individuals that seemed to generate a lot of complaints is no longer working at the airport and he has noticed that complaints have gone down considerably.

3. 1997 Performance Management Results

Johnson reported that each individuals performance number is determined by three factors. How well they did as a member of their team, their personal goals and desired behaviors. The process is complete and Johnson has met with each individual in developing their scores.

Dave Meagher questioned the advantage of people on the step program completing goals. He stated that he was told the goals had to be completed by individuals on the step process in order to have their step increase approved, but thought the step process was for time served not for performance. Johnson stated that that was the case until the personal manual was updated. Robert Behm also questioned the process used for obtaining step and merit increases.

Coutts asked Johnson if he was comfortable that the performance management plan was running as designed and that the resulting scores were valid. Johnson replied that he felt the process was running as designed and that the scores were valid, but there are problems with the system and that it should be reviewed. Crystal added that the compensation part of the process that went along with the performance management plan was never completed.

Action Item: Coutts moved to authorize the acting executive director to implement the bonus plan as presented. Cronquist seconded. Motion carried unanimously.

It was decided to place this issue on next month agenda.

D. Discussions:

1. Northwest Landing Fees:

Johnson presented Northwest's concerns regarding the airports fees specifically ARFF fees. In response to these concerns Johnson and Crystal met with John Stimpert and offered to share all information regarding fees and discussed the contract with Northwest and how the fees are generated. The result of this meeting was that Johnson, Crystal and Stimpert will meet with Northwest's properties person on Tuesday, May 11th. Mutchler suggested that one of the Board members might want to attend the meeting with Northwest.

2. T-Hangar Rates:

Johnson reviewed the hangar fees as they are today. Operations employees made calls to Fargo, Minot, Bismarck, Crookston, Warren, Jamestown and Moorhead airports requesting hangar pricing information and the results show that GFK is in line with area airport. Brent Seifert stated that Flight Support did a survey on hangar occupancy for several airports around the region and found that there is not a big discrepancy in the occupancy rate at GFK as compared to other airports. Beyer suggested that the price of the hangars be cut in half and services, such as snow removal be discontinued. He also stated that what is needed is a concrete walkway for access to the hangars. Johnson suggested that a survey be sent out to previous hangar tenants that have left the airport and ask for input. Cronquist recommended that more be done for the hangar tenants and stated that walkways are needed. Seifert stressed that he would be cautious about sending out a survey that may open up the airport to negative issues. Work will continue on the T-hangars when possible to improve and upgrade them.

3. Terminal Seats:

Johnson reported that 20 or more seats have been replaced in the terminal. More seats have been ordered and will be installed when received.

4. Seminars/Symposiums:

Johnson reported that he attended a risk management seminar and that Crystal will be attending a rates and charges symposium along with a PFC symposium. He also mentioned that the Airport Management 101 seminar is being offered this summer and encouraged Cronquist and Beyer to attend.

ADJOURN

Respectfully submitted,



Patti Linstad

Board Secretary

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

May 6, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Wednesday, May 6 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Dave Molmen, Clark Cronquist, Ann Sande, city council representative; and staff Steve Johnson, Interim Executive Director.

A. Resolutions:

- 1. #06-98 "Matter of Issuance of Revenue Bonds and Public Hearing Date"**
- 2. #02-98 "Matter of Sale of Revenue Bonds"**

Johnson explained that resolution 02-98 involves information that will be published and will be documentation as an exhibit to the bonds. Resolution 06-98 gives staff direction as to who they are to work with in terms of marketing and the legal aspects of the bonds. 06-98 also provides for the establishment of a date of a public hearing. He also mentioned that the amounts shown were amount recommended by the bond council before the City and County were approached. These amounts are larger than totals now involved. The recommended date for the public hearing is May 21st after the next Authority Board meeting.

Action Taken: Molmen moved approval of #02-98. Cronquist seconded. Motion carried unanimously. Cronquist moved approval of #06-98. Molmen seconded. Motion carried unanimously.

B. Other Business:

1. Sande Recognition:

Ann Sande thanked the Board for the letter of recognition sent to the City Council regarding her participation as a representative to the Board.

2. Executive Director Position:

Molmen recommended that the process begin to fill the executive director's position. He suggested that Steve Johnson be asked if he's interested in the position and if interested a formal interview process be set up for Johnson. Johnson stated that he would be interested in the position at this time.

Action Item: The matter of setting up a formal interview process for Steve Johnson will be placed on the agenda for the May 21st meeting.

ADJOURN

Respectfully submitted,


Patti Linstad, Board Secretary

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

May 21, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, May 21 at 8:00 A.M. Following his election as chairman pro tem, Commissioner Bill Coutts presiding. Members present were: Clark Cronquist, Brad Beyer; Bob Wood, county commission representative; and staff Steve Johnson, Interim Executive Director, Mary Jo Crystal, Director of Finance and Administration; Heidi Ward, Marketing Coordinator and Gary Baker, Operations Supervisor.

A. Approval of Minutes:

1. March 16, 1998
2. April 16, 1998
3. May 6, 1998

Cronquist moved approval of minutes from March 16, April 16 and May 6. Beyer seconded.

Action Taken: Motion carried unanimously.

B. Resolutions:

2. #07-98 "Matter of Airline Apron Bids"

Johnson explained that bids were received and opened on the air cargo rehabilitation project May 17th. Bids came in significantly under what was anticipated with Nodak Contracting as the low bidder. The completion of this project will close out PFC application #2. Johnson recommended the low bid of \$170,588.50 from Nodak Contracting be accepted.

Cronquist asked if some of this project had been reduced. Johnson replied that the plan to extend into Alpha Apron had been removed from the project. Cronquist asked if that plan would be put back into the project since the bids were low. Johnson replied that he would wait to see how timing on the PFC was. He also stated that Alpha Apron is in bad shape and should be completely reconstructed at some point.

Beyer moved approval of resolution 07-98. Cronquist seconded.

Action Taken: Motion carried unanimously.

B. Reports:

1. Year to date financials:

Crystal reported that operating revenues are just under 98% and operating expenses are running at 94% of budget. On the income statement side the commission revenue, the fuel flowage revenue and the hangar rental revenues are the areas that have noticeable deviations from budget. This was due to the fact that GFK Flight Support had been behind in their payments. Car rental revenues are still down.

2. Capital Plan Review

Johnson reported that our 1998 grant application had been submitted to the Aeronautics Commission. It requested a 50% funding match on our non-federal projects and a 5% funding match on our federal projects. The projects included: airline rehab, cargo apron expansion, SWPPP, and rehab of the runway sensor system. The grant application resulted in the airport receiving \$82,500 toward the cargo apron.

Johnson also reported that the airport 3-year grant-funded capital improvement plan had been submitted to the FAA in Bismarck. The plan included reconstruction of Charlie Apron, rehabilitation (porous friction course) of Runway 35L-17R, grooving of Runway 8-26, purchase of an ADA passenger lift, an ecological study, and perimeter fencing.

3. Quarterly Activity Statistics

Ward reported that the first quarter of 1998 showed growth in most areas with airport traffic remaining stable. Stats from AFSS show January as busy, February saw a slight decrease, and March and April reported an increase of 11% over last year. However, Ward explained that this does not give an accurate picture of our cargo trends in Grand Forks. The enplaned cargo report shows a drop of 46% over last year. Ward explained that in 1995 FedEx flights from Winnipeg and Sioux Falls were touching down in Grand Forks and off loading cargo. From late 1995 to late 1997, some of this cargo was recorded to GFK stats when it should have been credited to Winnipeg and Sioux Falls. These flights were touching down to fill the 727 at GFK and maximize operations. The result was that cargo figures for that period were artificially inflated. In late 1997, this practice was discontinued and Grand Forks now fills the 727 with all local cargo. In spite of the decrease, FedEx officials say that we are actually showing about a 12% growth figure per year. The passenger enplanement report shows an increase of about 6% which is about 2% above the national average.

4. Republic Parking Budget Amendment:

Johnson reported that republic parking was having trouble hiring cashiers based on the wages negotiated under the 1998 budget. Republic has requested an amendment to the budget increasing wages for the cashiers and the manager. The bottom line annual impact to the Authority is estimated at about \$8,700. Johnson stated that if cashiers can not be hired, the parking lot may have to be closed at times. Last year after being closed for approximately one month the parking lot lost approximately \$25,000. Johnson recommended that the budget be amended to allow for an increase in Republic Parking wages.

Cronquist moved approval of revising the 1998 budget to allow for the increase in salary for the parking lot employees. Beyer seconded.

Action Taken: Motion carried unanimously.

D. Discussions:

1. Fly In Support:

Paul Hanson, Nodak Flying Club President, reviewed the fly in agenda taking place June 6th and requested financial assistance. Coutts asked what kind of support was given in the past. Johnson replied that approximately \$700.00 in support was given last year, which was the total cost for the event. Coutts recommended that administration decide what is fair in terms of financial support for the fly in. Beyer recommended that the flying club come to the next meeting and report on the event.

2. Merit Pay:

Johnson reported on the issue raised by two employees at the last meeting concerning step increases and merit pay. Johnson sent the Board and the two employees the material available relating to this issue. Coutts stated that he felt the Authority budget policy was followed. Johnson explained that he and Crystal had explained the process and it appears to be understood by most of the employees - with the exception of one. Cronquist asked where this particular employee was in the salary range. Crystal replied that the employee was not hired at the probationary level, but two steps above. Johnson explained that in August the employee will be in the middle of his pay range. Coutts stated that he felt being mid range after 12 months of employment is good if the pay range is valid. Crystal mentioned that the pay range for this job classification had been readjusted when the position was opened the last time. Johnson stated that he had communicated with the two employees explaining how the pay policy was adopted. There were no further discussions and no action was taken.

3. Northwest Meeting:

Johnson reported that Senator Dorgan has invited the four major North Dakota airports and mayors from those communities to meet with the CEO of Northwest Airlines. The meeting is to convey concerns regarding pricing and other air service development issues.

ADJOURN

Respectfully submitted,



Patti Linstad, Board Secretary

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

June 18, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met at Cragun's Resort, Brainard, MN on Thursday, June 18 at 1:00 P.M. with Chairman Tim Mutchler presiding. Members present were: Bill Coutts, Clark Cronquist, Brad Beyer; Dave Molmen, Ann Sande, city council representative and staff Steve Johnson, Interim Executive Director, Mary Jo Crystal, Director of Finance and Administration; and Heidi Ward, Marketing Coordinator.

A. Approval of Minutes:

1. May 21, 1998

Cronquist moved approval of minutes from May 21, 1998. Beyer seconded.

Action Taken: Motion carried unanimously.

B. Resolutions:

1. #08-98 Matter of authorizing the issuance and awarding the sale of \$1.2 million airport revenue bonds of 1998 to finance the undertaking of improvements to the cargo apron"

Crystal explained that results of the bond sale. Three bids were received with the low bidder being a consortium led by Dean Witter. The net interest rate they quoted was for 4.7339 a cost of approximately \$931,000 over the life of the bonds. This group of bonds also has a call feature.

Molmen moved approval of resolution #08-98. Cronquist seconded.

Cronquist stated that the resolution should include who the bid was awarded to.

Molmen moved to amend resolution #08-98 to include the low bidder. Coutts seconded.

Action Taken: Motion carried unanimously.

2. "Matter of Cargo Apron Project Change Order"

Johnson explained that the base bid plus alternates 1 and 2 had previously been approved. FedEx and the airport have additional construction to do as part of the project, but all of alternate number 3 had not previously been accepted due to lack of funds. With the approval of the bonds and the approval of an

FAA grant and PFC collections there is funding for a \$139,449 change order. This change order allows for the addition of an extra apron light, moving the fencing and gating and putting in the extra 65 X 100 foot of pavement requested by FedEx.

Molmen moved approval of resolution #9-98. Cronquist seconded.

Action Taken: Motion carried unanimously

C. Reports:

1. Year to date financials:

Crystal reported that the financial situation has not changed significantly from last month. Commission are slightly under budget with revenues from the car rental agencies still down and GFK Flight Support behind in their commissions payments. There was discussion on late payment of fees by GFK Flight Support.

Sande asked what contractual services were and why they were down. Crystal replied that those are services such as janitorial, electrical, parking enforcement. Johnson stated that they have been slow in getting their bills in for the end of month payment.

D. Discussions:

1. Chairperson Election:

Johnson stated that this election needs to be completed by next month's meeting. It was decided to table the election until the July meeting.

2. Previous Executive Director Update:

Mutchler asked what the status of the previous executive director was. Johnson replied that Don Olson has responded to the first letter received from Anderson's attorney. Olson has since received a second letter to which he does not plan to respond.

2. Planning:

Mission of the Authority

Discussion took place on revising the mission statement. The following was adopted:

"To provide transportation and related services and facilities that meet the current and future needs of the regional community"

Macro financial forecast

Crystal presented financial forecast information for 1999-2003. In the discussions that followed, the Board expressed interest in setting organizational long-term financial goals. Staff was encouraged to proceed with purchase of new fund-based accounting package.

Personnel Management Plan

The Board endorsed concepts in the present performance management plan. They encouraged staff to pursue, with consultants, any necessary revision or additional topics. The history of the airport's defined contribution pension plan was discussed.

Minimum Standards and Rules & Regulations

The Board discussed the impact of minimum standards on economic development. Johnson explained his intent to add a section to the rules and regulations related to the fuel farm.

Current tenant issues/situations

Johnson and Ward reviewed the relationships and ongoing interaction with the following tenants/concessionaires:

- NWA
- Fed Ex
- GFK Flight Support
- UND CAS
- Car rentals
- GA
- Flying Clubs
- Republic Parking
- Crosswinds restaurant
- FAA
- Interspace
- Smarte Carte

Role of the Authority in community/economic development activities

It was the consensus opinion that the Authority would remain active in transportation and related "development" activities not strictly limited to aviation. Questions were surfaced as to Cirrus status. Staff was encouraged to maintain liaison with Dick Olson at GF Economic Development.

Community/Political relations

The group discussed the importance of good communications and relations with political subdivisions and reviewed failures of the past. There is a need for rebuilding of goodwill and trust.

Spending priorities

Concerns were expressed on the hazards of multi-year project financing. There was also interest in seeing the entire capital improvement list at budget time.

Status of intermodal

Johnson recapped what was known about the current state of affairs in intermodal since responsibility transfer to the MPO.

International Air Cargo Study

Johnson summarized the main points of the Kiehl Hendrickson Cargo Feasibility Study. Kiehl Hendrickson will be invited to a future Board meeting to answer questions and provide recommendations.

Future of rural air service

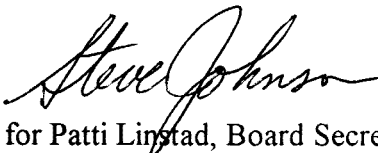
Ward provided an update on the essential air service program and answered questions on regional commercial aviation in general.

Miscellaneous

There were discussions about the regulatory requirement for ARFF. In response to a questions, staff briefed that it is pursuing a surplus bus from the city for winter rescue. The observation tower status was discussed and there was consensus to complete it.

ADJOURN

Respectfully submitted,

A handwritten signature in cursive script that reads "Steve Johnson".

for Patti Linstad, Board Secretary

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

July 16, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, July 16 at 8:00 A.M. with Chairman Tim Mutchler presiding. Members present were: Bill Coutts, Clark Cronquist, Brad Beyer, Dave Molmen, Ann Sande, city council representative and staff Steve Johnson, Interim Executive Director, Mary Jo Crystal, Director of Finance and Administration; Ward, Marketing Coordinator and Gary Baker, Operations Supervisor.

Chairman Mutchler introduced and welcomed the new Northwest Station Manager Mike Wanner.

A. Approval of Minutes:

1. June 19, 1998

Cronquist moved approval of the minutes from June 19, 1998. Coutts seconded.

Action Taken: Motion carried unanimously.

B. Reports:

1. Year to Date Financials

Crystal reported that the operating revenues continue to be right on budget with operating expenses slightly below budget at 96%. Year to date net revenue before depreciation is over budget possibly due to an error in city tax revenue. In six months the Authority has received the same amount received for the total of last year. Crystal will call the Auditor's office and find out why. County taxes received are on the high side also and Crystal will contact the county for an explanation. The non operating revenue that is significantly higher than budget is the State Lease Hold Tax. Another increase in non operating is due to receiving an additional \$82,500 from the State of North Dakota for the air cargo apron.

Coutts asked about the car rental commissions that continue to be below budget. Crystal is doing a historical data collection to see if there were peaks in commissions and we are now seeing a return to normal.

2. Quarterly Activity Reports:

Ward reported that airport traffic for the second quarter was up 59% over 1997. The mid year traffic report shows an increase of 21% over 1996 and an increase of 25% over 1997.

AFSS 2nd quarter stats where up 30% as compared to last year. Ann Sande asked if the numbers for May and June of 1997 where actually the same or if there was an error made. Ward responded that she would check these stats to make sure it was not an error. Sande also mentioned that the totals did not add correctly. Beyer asked if the AFSS stats included phone calls received from around the entire state. Ward replied that it does, but that the majority of calls are from the Grand Forks area. These stats include phone calls, radio contacts, flight plans, and pilot briefings. Cronquist asked if there was a way to separate out the local contacts. Dave Christy from AFSS responded that it would be difficult to do that. Ward announce that AFSS was awarded the 1997 regional and national air traffic facility of the year.

The second quarter passenger enplanement report shows a slight decrease in enplanements as compared to 1997. Mid year passenger enplanements also reflects an overall decrease in passenger enplanements throughout the state. Johnson stated that Northwest reports that bookings for July are at a record high for Grand Forks.

Ward also reported that Enplaned cargo stats compared to 1996 and 1997 are not accurate because of the Winnipeg and Sioux Falls cargo reported over those periods. A more accurate comparison would be comparing 1998 with 1995. When compared with 1995, enplaned cargo shows an increase of 6%. Johnson stated that we should look at deplaned cargo since there is more deplaned cargo coming into Grand Forks than enplaned leaving.

C. Discussions:

1. Chair/Vice Chair Elections:

Mutchler opened the floor for nominations for the Chair position of the Authority Board. Molmen placed in nomination Bill Coutts. Cronquist moved nominations cease. Beyer seconded.

Action Taken: Motion carried unanimously

Mutcher opened the floor for nominations for the position of Vice Chair. Cronquist nominated Dave Molmen for the position. Coutts seconded.

Action Taken: Motion carried unanimously

Molmen placed a resolution on the table thanking Tim Mutchler for his leadership as Chair of the Board. Coutts seconded.

Action Taken: Motion carried unanimously

D. Other Business:

1. Cargo Study:

Johnson reported that Keihl Hendrickson would be at the next meeting to review the cargo study.

2. Web Site:

Johnson reported that the airport now had a web site. The address is: members.xoom.com/gfk. This is a temporary location. Permanent locations are being looked into.

3. GA Parking Lot:

Johnson reported that the plans and specs for the GA parking lot are being sent out to bidders today.

4. Fuel Farm Enclosure:

Johnson reported that information should be received from Ulteig Engineers for the fuel farm enclosure today or tomorrow.

5. Terminal PA System:

The intern has been gathering information on the terminal PA system. It is anticipated that information will be complete by next week.

6. Runway Sensor System:

Computer material is here for upgrading the runway sensor system. As soon as installation takes place it will be operational.

7. Computer System:

One company from town has been interviewed for Authority computers. Hopefully this project will be completed by the next Board meeting.

8. Passenger Boarding Stairs:

Baker found passenger boarding stairs in surplus property at the Air Base. They may need a little touch up and some modifications, but will meet our needs.

9. Emergency Generator:

An emergency generator was also obtained from the Base. It needs slight modification so it can be hooked up to the fuel farm and the lift station.

10. Landing and ARFF Fees:

Johnson has started collecting information on landing and ARFF fees from around North Dakota so as to address Northwest's concerns regarding these issues.

11. FAA Certification Inspection:

The FAA certification inspection will take place starting tonight or tomorrow.

12. Accounting Software:

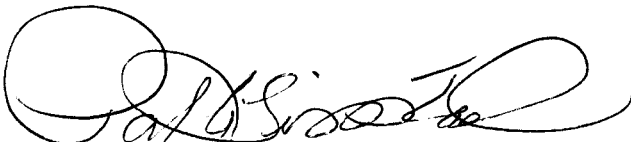
Cronquist asked about the accounting software status. Crystal responded that we are waiting for the new computers and that she is checking with other airports on their systems.

13. August Board Meeting:

Molmen suggested that the next Board meeting be an evening meeting. Johnson will check with Kiehl Hendrickson to see if an evening meeting would fit into their schedule. Molmen also suggested that the executive director's position be put on the agenda for next month.

ADJOURN

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Patti Linstad', written in a cursive style.

Patti Linstad, Board Secretary

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

August 20, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, August 20 at 7:00 P.M. with Chairman Bill Coutts presiding. Members present were: Tim Mutchler, Clark Cronquist, Brad Beyer, Bob Brooks, city council representative and staff Steve Johnson, Interim Executive Director, Mary Jo Crystal, Director of Finance and Administration; Heidi Ward, Marketing Coordinator and Gary Baker, Operations Supervisor.

Chairman Coutts introduced and welcomed Bob Brooks.

A. Approval of Minutes:

1. July 16, 1998

Cronquist moved approval of the minutes from July 16, 1998. Beyer seconded.

Action Taken: Motion carried unanimously.

Chairman Coutts stated that the agenda discussion items would be taken first due to the fact that Commissioner Mutchler had to leave early.

C. Discussions:

1. Matter of Accounting Software

Coutts reported that he has a business relationship with the software company that the Authority has chosen for its new accounting software and has the ability to buy it wholesale. He left the discussion up to the Board as to whether or not the Authority get involved with entering into a contract that includes dealing with a Board member. Cronquist asked if a motion is necessary to decide this matter. Johnson stated that the reason it is on the agenda is to satisfy the requirements of 100.08 of the Policy Manual that requires Coutts to publicly acknowledge his interest and excuse himself from consideration, voting on, overseeing or supervising a related contract.

Mutchler moved to accept the offer of Coutts purchasing the software wholesale for the Authority. Beyer seconded

Action Taken: Motion carried unanimously.

2. Matter of Changes to Rules and Regulations:

Johnson reported that he is proposing a change to the Rules and Regulations having to do with the fuel farm. His proposal is that a new section be added to the Rules and Regulations which states vehicles must have their motors and engines turned off prior to beginning fueling. This also pertains to ancillary equipment that is capable of producing sparks and static electricity, prohibiting fuel being dispensed into unapproved containers, requiring the reporting of fuel spills to Airport Operations so that clean up can be supervised, and requiring the transport and mobil fuel truck drivers involved in the fueling operations follow the checklists that the airport publishes and distributes. Johnson also proposed that a timeline be scheduled for the mandated approval process, so that the public has an opportunity to comment on the change and so that the Board receives public comments before they enable the addition to Rules and Regulations.

Johnson also recommended an amendment to step two to the process for changing the Rules and Regulations. The change would state that the public hearing be held "not less than 30 days prior", instead of "30 days prior" that the public be informed of a public hearing. This would allow for the public hearing to be conducted in conjunction with a regular Board meeting and eliminate the need for a special meeting. Johnson also proposed a change to step three that now states that the minutes of the public hearing along with all written comments be given to each Board member at the next Board meeting. Johnson pointed out that step four states that they would receive this material prior to the Board meeting. He suggested striking the sentence from step three and rely on the wording from step four that states, "prior to the Board meeting the minutes of the public hearing along with all written comments submitted by interested parties at any time prior to the Board meeting shall be presented to the Board along with staffs written recommendations".

Cronquist moved to change the procedure for adoption of Rules/Regulations and Minimum Standards as recommended by Johnson. Mutchler seconded.

Action Taken: Motion carried unanimously

3. Matter of General Aviation Parking Lot:

Johnson reported that bids were opened August fourth for the general aviation parking lot. The construction bid was for \$48,400. That along with the engineering fees brings the total project cost to \$59,725. The budgeted amount was for \$37,000. Opp, Valley and Nodak Contractors were the three bids received with Opp being the low bidder. Cronquist asked if the \$37,000 was for the construction alone or did that amount included engineering fees. Johnson replied that the original amount included engineering fees of \$8,500 and that the cost for engineering fees is now \$11,300. Cronquist asked if the engineering fees went up with the cost of the project. Johnson stated that the original amount that was budgeted for without a design was for budgeting purposes only. Steve Synhorst Ulteig Engineers, stated that one of the areas that increased the cost was the type of storm drain that needed to be placed and he explained the system.

Johnson reviewed the capital budget for the Board and explained where the Authority was at for capital funds and how this would effect the general aviation parking lot and fuel farm enclosure projects.

It was decided to discuss the fuel farm enclosure before making a decision on the general aviation parking lot.

4. Fuel Farm Enclosure:

Johnson reviewed the status of the fuel farm enclosure to date. The metal building originally planned for the fuel farm is not feasible because it requires cutting into the foundation and working in and around the piping. It would also take one or two of the pumps out of commission while the work was being done. As an alternative a masonry shelter is being proposed. The amount being proposed for approval is up to \$80,000 for construction and engineering fees. The budgeted amount was \$50,000 before it was realized that a metal building would not be feasible. Beyer stated that he and Cronquist looked at the site and agreed that the block building would be better and would double the life of the equipment. Johnson mentioned that in the original fuel farm design the building was meant to be masonry and that the foundation was build for such a structure.

Frank Argenziano expressed UNDs safety concerns for individuals fueling equipment in an unsheltered area.

Cronquist moved to complete the fuel farm enclosure as projected if bids come in, at or under \$80,000. Beyer seconded.

Action Taken: Motion carried unanimously.

After further discussion on the GA parking lot Cronquist moved to reject bids. Mutchler seconded.

Action Taken: Motion defeated with Cronquist voting for motion and Mutchler and Beyer voting against motion.

Beyer suggested trying to negotiate with Opp Construction to put the drain in and do the dirt work this year and leave the paving until next year.

After further discussion Beyer motioned to accept Opp's bid as is. Mutchler seconded.

Action Taken: Motion carried with Mutchler and Beyer voting in favor of motion and Cronquist voting against.

5. Matter of Executive Director's Position:

Mutchler motioned that Steve Johnson be appointed Executive Director of the Airport Authority and that the Board enter into contract negotiations with him. Beyer seconded.

Action Taken: Motion carried unanimously.

Contract items are to be submitted to Chairman Coutts.

6. Plaque Presentation:

Chairman Coutts presented Commissioner Mutchler with a plaque thanking him for his leadership and time served as Chairman of the Authority Board.

Commissioner Mutchler left the meeting.

D. Other Business:

Brian Pfeiffer informed the Board that he received a card from the Hillsboro Airport advertising hangars for rent. Other general aviation tenants on the airport have also received the same card. Johnson stated that he was aware of the cards and that Commissioner Beyer had also received one.

B. Reports:

1. Year to date financials:

Crystal reported that operating revenue continues to exceed budget. Operating expenses are below budget at approximately 97% of budget. The net revenue before depreciation is just over \$800,000 and of that \$58,000 has been spent. On the income statement the landing fees are showing over budget because Mesaba and Northwest continue to be billed for the adjustment to actual for 1997. The commission rentals are under budget due to the car rentals being below the projected budget for 1998. Parking lot receipts continue to exceed budget. Non-operating revenue, as reported last month, shows a large tax payment from the City early in the year was mis-coded to county taxes and wasn't adjusted until later in the year. In response to Cronquists request last month Crystal provided an additional sheet in the financial packet that shows the non-operating revenue pool of funds available to spend for airport non-operating expenses. The state lease hold tax was anticipated to take a dip this year because of the issue with Northwest's allocation of money and how they pay their rents. The state has not figured out a way to deal with this issue. Therefore, they just sent the same amount as received in the past.

2. 1999 Budget Schedule:

Crystal proposed that the 1999 budget schedule process be moved back from previous years. Information would go to the Board for the first time at the October Board meeting. Revisions would be made based on comments and the final budget presented in November. Coutts asked if there would be a budget working session with the Board. Crystal stated that it was up to the Board and that such a session could be worked in if the Board decides on one. Johnson explained that the first time the budget is brought to the Board is usually considered a working session.

3. Air Cargo Study:

Mike Bohn from Kiel Hendrickson Group presented the Air Cargo Study as it stands to date, made some recommendations and answered questions from the Board.

4. Status of Computer:

Johnson reported that the new computers for the Authority have been ordered from Insight Technologies and were purchased under budget. Beyer asked what was going to be done with the old computers. Johnson stated that if there was enough interest from staff willing to pay the same amount that Insight would give in trade he would like to offer them to the staff.

5. Performance Management:

Johnson reviewed the goal process for the Board. Due to circumstances that took place in the beginning of the year the process is off to a late start. At the June meeting the Board reaffirmed they liked the process and encouraged staff to continue with it. The process has been put together over the past month and goals established for the year. Land side safety for airport users, service providers and workplace safety for employees is the focus for this year. Johnson reviewed some of the goals for the individual teams. The Board accepted the program as presented. A report will be presented to the Board in October.

6. Northwest's Fare Reduction Program:

Ward reported on how the Northwest Fare Reduction Program would be marketed. Northwest's plan to promote the program includes the creation and development of ads for the communities involved, a promotion on their web site, and advertisements in the Agency Newsline, the newsletter sent to travel agencies. They will also use a program called "Facts by Fax" which is a fax sent to travel agencies detailing the program and notes will be placed in their Direct Reference System. This system is a tool used by travel agents and travel planners to access information regarding fares and promotions.

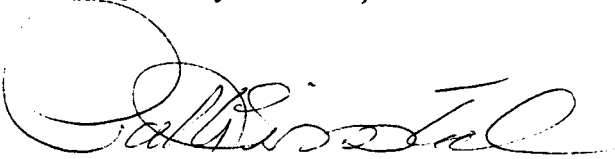
The Authority's plan is to include informational or promotional letters to travel agents and area businesses, a marketing kick off luncheon hosted by the Authority and Northwest Airlines for travel agents, economic development agencies, CVBs etc. At the luncheon all of the details of the program will be presented, questions answered and opportunities for discussion available. Advertising will be purchased depending on budget and cost and/or articles written to include in local chamber of commerce, CVB and airport newsletters. A promotional link to Northwest Airlines website through our website will be added and requests will be made to CVBs, chambers etc. to do the same. Booth space will be rented at local trade shows providing information outlining the program with drawings for world club passes donated by Northwest Airlines. Also a speakers bureau will be established to go out and speak to local civic groups in order to help get the word out.

7. Pension Benefits:

Cronquist asked the status of the request for information on the pension benefits. This item will be placed on the September agenda.

ADJOURN

Respectfully submitted,

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

Patti Linstad, Board Secretary

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

September 17, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Administration Building on Thursday, September 17 at 7:00 P.M. with Chairman Bill Coutts presiding. Members present were: Clark Cronquist, Dave Molmen, and staff Steve Johnson, Executive Director, Mary Jo Crystal, Director of Finance and Administration; and Gary Baker, Operations Supervisor.

A. Approval of Minutes:

1. August 20, 1998

Cronquist moved approval of the minutes from July 16, 1998. Molmen seconded.

Action Taken: Motion carried unanimously.

Chairman Coutts recognized Christi Schaumann, Safety Specialist, from the floor. Schaumann thanked the Board and executive director for allowing her the opportunity to work as a Safety Specialist for the Authority.

A. Discussions:

1. Year to Date Financials:

Crystal reported that operating revenues are slightly over budget with operating expenses slightly under budget. Areas affected by the Northwest strike include the loss of landing fees usually running between \$18,000 and \$20,000, parking lot revenues that normally run \$24,000 a month, car rentals that are approximately \$12,000 a month and fuel flowage and storage fees from the FBO projected at about \$5,000 per month. There will be approximately \$40,000 in lost revenues from those operating revenues with PFCs accounting for approximately \$20,000. This makes up a total of approximately \$60,000 in lost revenue resulting from the strike.

Employee Pension Benefits:

Johnson reported on options for making up some of the lost pension benefits that occurred when the Authority transferred from the city pension fund. The latest information received from Leonard Street and Deinard is that options available are to distribute lump sum cash payouts, or establish another type of instrument such as a profit sharing plan. If another plan is established there will be some limitations as to how much per year the Authority can contribute because IRS guidelines on how much an employer can contribute towards a pension plan would come into play. Johnson and Crystal will continue to communicate with Leonard Street and Deinard to clarify the details of the options.

Molmen asked how much flexibility employees have under the current plan for making voluntary deferrals and if all employees are up to the maximum allowed. Crystal responded that the defined contribution amounts are set, but that the Authority also has a 457 deferred compensation plan and employees are allowed to contribute up to \$7,500. About half of the work force utilizes this plan. Molmen suggested that one possibility might be to make cash payments and have employees voluntarily defer those payments if they fall under the limit.

This item will be placed on the October agenda.

3. Parking Pay Station Equipment:

Fred Miller and Bill McKay from Parking Paystations International gave a presentation on their parking system operation.

A proposal for this option will be considered for the future.

4. Fuel Farm Enclosure:

Johnson reported that bids came in higher than projected on the fuel farm enclosure project. The low bid was from Baukal builders. Including engineering, the total cost of the project would be \$90,000. One option would be to approve the fuel farm project and delay the general aviation parking lot. Johnson stated that Opp Construction would be willing to move the general aviation parking lot project into 1999 for the same cost.

Molmen moved to complete the fuel farm enclosure and defer the general aviation parking lot as contracted until next spring with the option to cancel the Opp contract. Cronquist seconded.

Action Taken: Motion carried unanimously.

C. Discussions:

1. Alternate Meeting Locations:

Johnson reported that he has had requests from some tenants to hold upcoming Board meetings at their locations. FedEx has requested that the October meeting be held at their facility. CAS would like to host the November meeting. Cronquist recommended that the November meeting be held in the evening. FedEx also request that the October meeting begin with a tour of the facility at 7:00 a.m. Johnson was asked to make arrangements to honor the FedEx and CAS requests.

D. Other Business:

Johnson reminded the Board that there would be a public hearing on October 1, at 7:00 p.m. to address the minor changes to the Rules and Regulations having to do with the fuel farm.

ADJOURN

Respectfully submitted,


Patti Linstad, Board Secretary

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

October 15 , 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the staff lounge of the FedEx Building on Thursday, October 15 at 7:30 A.M. with Chairman Bill Coutts presiding. Members present were: Clark Cronquist, Dave Molmen, Brad Beyer and staff Steve Johnson, Executive Director, Mary Jo Crystal, Director of Finance and Administration; Heidi Ward, Marketing Coordinator and Gary Baker, Operations Supervisor.

A. Approval of Minutes:

1. September 17, 1998

Cronquist moved approval of the minutes from September 17, 1998. Molmen seconded.

Action Taken: Motion carried unanimously.

B. Resolutions:

1. #14-98 Matter of Addition to Rules and Regulations:

Johnson reported that all of the required steps in the adoption process have been completed and a mailing to all known interested parties has been sent. The proposed change was posted in the entrance to the Authority building, a public hearing notice was placed in the newspaper and the meeting was held. Nobody attended the meeting but Frank Argenziano from UND sent a memo requesting that fuel spills exceeding 18 inches be reported instead of the 12 inches written into the change. He pointed out that 18 inches is the measure the Authority has used in another document. Johnson stated that he supports this change.

Molmen moved approval of resolution #14-98. Cronquist seconded.

Action Taken: Motion carried unanimously.

C. Reports:

1. Year to Date Financials:

Crystal reported that operating revenues are continuing to run slightly under budget with operating expenses at 94%. The primary area below budget on the operating expense side is in sundry expenses, made up of three components, travel expenses, insurance expenses and an \$18,000 contingency amount that has not been used. In the eighteen days that Northwest was not servicing the airport, approximately \$13,000 was lost in revenue from the parking lot and \$16,000 was lost in revenue in landing fees and ARFF fees. The reports for the September car rentals and the PFC reports for August are not in yet.

2. Performance Management Goals Update:

Johnson reported on the progress of the Performance Management Teams. In the safety recommendation category most of the teams are at 50% of goal or slightly below. Progress on second team goals varied from zero to almost 80 percent complete.

3. Quarterly Reports:

Ward reported that the third quarter traffic report continues to show a strong pattern. July was up 36%, August up 13%, and September up 11% for a composite of a 21% increase from the previous year. Year to date totals reflect an increase of 24%. AFSS activity was down 4% in July, down 7% in August and down 2% in September. Year to date totals for AFSS are up 9%. and they are anticipating ending the year at an increase of 7 to 9%. The passenger enplanement report shows July up 6% August down 8% and September down 61%. August and September were impacted by the strike. The total third quarter enplanements were down 17% and year to date down 11%.

4. T-Hangar Floors Bid:

Johnson reported that bids were open on October 9th and came in close to the \$30,000 budgeted amount. Johnson recommended that the board award the bid to the low bidder, Valley Contracting, who came in at \$28,500.

Molmen moved approval of resolution #13-98, "Accept Bids on T-Hangar Floors." Beyer seconded.

Action Taken: Motion carried unanimously.

D. Discussions:

1. 1999 Budget:

Johnson reviewed the highlights, exhibits and projects outlined in the 1999 draft budget. The final budget will be presented to the Board at the November meeting.

Bill Jackson requested that the drainage problem at UND be put higher up on the priority list for the 1999 budget. After some discussion it was decided to have engineers reassess the project and make recommendations.

E. Other Business:

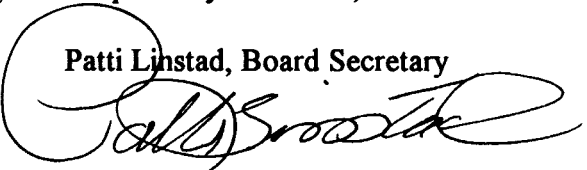
Molmen stated that he would like to see the options explored for making up the short fall to the employees in the pension plan when it was switched from the city's plan. Johnson stated that he would put that issue on the November agenda.

Molmen also requested that a tour of facilities be scheduled for one of the upcoming meetings.

ADJOURN

Respectfully submitted,

Patti Linstad, Board Secretary

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

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

November 19, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the UND CAS Cafeteria on Thursday, November 19 at 7:00 P.M. with Chairman Bill Coutts presiding. Members present were: Clark Cronquist, Dave Molmen, Tim Mutchler and staff Steve Johnson, Executive Director, Mary Jo Crystal, Director of Finance and Administration; and Gary Baker, Operations Supervisor.

Chairman Coutts thanked UND and Frank Argenziano for the tour of the UND facilities conducted before the meeting.

A. Approval of Minutes:

1. October 15, 1998

Mutchler moved approval of the minutes from October 15, 1998. Cronquist seconded.

Action Taken: Motion carried unanimously.

B. Resolutions:

1. #15-98 Matter of 1999 Budget:

Johnson reported that everything remained the same as was presented to the Board at the October meeting except the consultant line item was moved into a more appropriate part of the budget. He also pointed out that landing fees were reduced, ARFF fees remained the same, and terminal rent for Northwest was reduced.

Mutchler moved approval of resolution #15-98. Molmen seconded.

Cronquist asked the status of the airport's water drainage issue that was discussed in connection with the budget at the last meeting. The current motion was suspended by consent until after the report on the UND parking lot drainage.

C. Reports:

1. UND Parking Lot Drainage:

Johnson reported that, based on the board's request, Ulteig Engineers looked at the specifics of the water drainage problem at UND. Johnson gave the board a brief history of the CAS building development and Wes Schon from Ulteig presented to the board their findings on the drainage situation. The recommendation from Ulteig is to put in an underground stormwater lift station and run stormwater system pipes into it. Molmen asked if this system would alleviate the water drainage problem in the administration parking lot. Johnson replied that the lift station would be the first step in working back towards the administration lot and along airport drive west to the old FedEx building. Johnson recommended that the project be considered for the year 2000.

Mutchler withdrew his original motion of approving the 1999 budget, resolution #15-98.

After discussion Molmen motioned that the tower cab phase II be deleted from the capital budget and put on hold until 2000 and that a combination of the UND CAS and administrative parking lot water drainage project be added to the capital budget for a line item total of \$200,000 recognizing that this reduces the net income to approximately \$75,000.

Mutchler seconded.

ACTION TAKEN: Motion carried unanimously

2. Further Budget Discussion:

Mutchler asked for an explanation regarding the variation between city and county taxes noted in the budget. Crystal explained that there was a coding error between city and county taxes in 1997. When the budget for 1998 was done this error carried forward but has been rectified in the 1999 budget

Mutchler moved to approve resolution 15-98, approval of the 1999 budget. Molmen seconded.

ACTION TAKEN: Motion carried unanimously.

1. Year To Date Financials:

Crystal reported that operating revenues are on budget and expected to hold over the next two months. Operating expenses are approximately 96 % of budget. Non operating revenue is over budget due to the state leasehold taxes and revenue received from the Aeronautics Commission for the airline apron.

2. Pension Short Fall Options:

Johnson reported that he would place on the December agenda a recommendation to use surplus dollars to make up the employee pension short falls. In discussing this with the Authority's consultant it was agreed that placing this money in a deferred compensation program would be the best way for employees to handle the contribution. If the board agrees to this recommendation at the December board meeting the contribution can be distributed before the end of 1998. Cronquist reminded the board members that employees agreed to the process that took place regarding their pension fund split from the city and asked if the Authority has further liability. Johnson stated that the Authority does not have further

responsibility, but is merely making a good will gesture by making up the short fall that the employees experienced. Molmen mentioned that employees did agree to separate from the city, but in the move from a defined benefit plan to a defined contribution plan some future benefits were lost because of the way defined benefit plans are set up. Had the Authority remained with the city plan, chances are employees and the Authority would both be contributing to fixing the problem at a higher contribution rate.

D. Discussions:

1. Smarte Carte Agreement

Johnson reported that he has had discussions with the Smarte Carte people. They agreed that the existing agreement is not a good one and offered some options. These options consist of raising the price of renting the carts, or terminate the existing agreement for a cost of \$2,500. Johnson's recommendation is to terminate the agreement, turn the system back in and purchase six carts that can be used free of charge. Cost of purchasing the carts is \$175.00 per cart.

2. Parking Pay Station Agreement:

Johnson reported that he received price quotes to install two different configurations of parking pay stations in the parking lot. The difference between the two systems is one has a single pay station and the other has two pay stations for a cost of \$159,000 and \$195,000 respectively. The cost of the systems includes installation and is paid by a five-year lease agreement with the company that provides the hardware for the station. If labor costs were dropped from the Republic parking contract the less expensive of the two options would be paid for in five years using those labor costs. If the more expensive system is decided on it will take six years to pay. Johnson recommended that it be targeted for the year 2000 allowing for ample notification to Republic Parking and potential development of other lot improvements

E. Other Business:

1. Car Rental Meeting:

Johnson reported that he, Coutts and Crystal met with Kathy Lind, National Car Rental Manager and Jim Price of Rydells to discuss a new maintenance garage. Johnson proposed that the architects that do design work for Rydells be hired to work with the three car rental agencies and Authority to do a schematic design. The cost of this preliminary design would be \$3,200. The design could then be presented to the car rental agencies and contracts signed before an in depth design is completed. The cost of the schematic design would be rolled into the full package and paid for by users.

2. Meeting with Watson Wyatt:

Johnson explained that he and Crystal met with the Watson Wyatt representatives to discuss the existing performance management program. They asked Watson Wyatt to look at the compensation program,

including how goals are set, how goals are communicated, and how individuals are rewarded. Meetings will be set up for the Watson Wyatt reps to meet with board members and staff to get their input. They will also do a compensation study and communicate to the board their findings on fair pay for job duties.

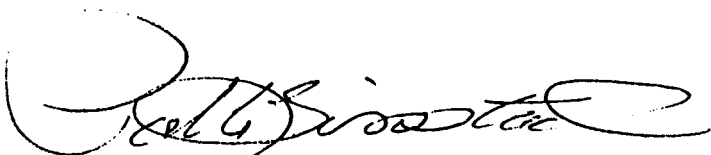
3. Operation Issues:

Dave Meagher passed out a memo addressed to the board from the Operations Shift Supervisors and Safety Specialists stating that he had been appointed their representative to the board. He stated concerns of Operations employees regarding the proposed 2% cost of living raise, the goal process compensation, the hiring of consultants and the impact that lowering Northwest fees has on their wages. Coutts stated that there is not a connection between lowering Northwest fees and employee compensation.

Johnson replied that he was unaware that these issues were coming before the Board and stated that there is not a clause in the policy manual pertaining to an employee representative. He also voiced concerns regarding one individual speaking for an entire work group. Johnson stated that Gary Baker, Operations Supervisor and he are employee representatives to the board and do not see the need to change that system. Molmen emphasized that employees are always welcome to attend board meetings and be present for discussions. He reported that during the retreat, wages and treatment of staff was discussed and the conclusion was that a compensation study was the best assurance that people are dealt with fairly. Meagher also reported that the Personnel Management Plan is something the Operations personnel would like reviewed with recommended changes presented. Coutts replied that the Personnel Management Plan should be reviewed and changes made if necessary. Molmen reminded those present that the Executive Director is the person concerns need to be taken to and the executive director in return will present those concerns to the board.

ADJOURN

Respectfully submitted,

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

Patti Linstad, Board Secretary

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

BOARD OF COMMISSIONERS MEETING

December 18, 1998

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Authority building on Thursday, December 18 at 8:00 A.M. with Chairman Bill Coutts presiding. Members present were: Clark Cronquist, Dave Molmen, Brad Beyer, Bob Brooks, City Council Representative; and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Gary Baker, Operations Supervisor; Rick Audette, Shift Supervisor; Scott Nelson, Safety Specialist; and Dave Meagher, V & M Technician.

A. Approval of Minutes:

Cronquist moved approval of the minutes from November 19, 1998. Beyer seconded.

Action Taken: Motion carried unanimously.

B. Reports:

1. Year to Date Financials:

Crystal reported that there will be an operating and non-operating surplus for the year. This surplus is the result in part to the fact that lease hold taxes were not budgeted for. From initial communication with the State Tax Department the thought was that there would not be any state lease hold taxes paid, but a check was received. The second issue was that the State Aeronautics Commission awarded an \$82,000 supplemental payment for the air cargo expansion project that was not known about during the budget process.

2. Employee Pension:

Johnson reported that he received information from the pension attorney and had begun speaking to the employees regarding the pension issue. He also received a report from the actuary stating who among the employees suffered the short fall and stating that some of the short fall was from employee underfunding. He requested that the board set aside the amount specified by the actuarial consultant and identify it as potential future benefits while continuing to explore ways of distributing it. The actuaries have calculated the short falls based on the net present value of the benefits at the time the old plan was dissolved. What they came up with is a short fall of \$16,000 creditable to four individuals. Johnson stated that this doesn't take into consideration that there may be an employee component that should be

factored in. Molmen stated that he has concerns about what was meant by "the present value of the accrued benefit". After discussion it was decided to not designate an amount for possible payback at this time.

Molmen motioned that staff have further discussions with actuaries and auditors and hold a conference call or special board meeting with a designated board sub-committee authorizing staff to make distributions as appropriate. Beyer seconded.

ACTION TAKEN: Motion carried unanimously

Chairman Coutts and Vice Chairman Molmen will make up the sub-committee.

3. Employee Assistance Program:

Dr. Laura Sloan from the Family Institute in Grand Forks gave a presentation on their employee assistance program.

4. Bismarck Meeting:

Johnson reported on the meeting he attended in Bismarck regarding the Grand Forks landfill issue.

5. Cirrus Update:

Johnson reported that during an economic development summit meeting, Alan Klappmeier in response to a question from the audience, stated that they do plan to build and assemble multiple airplanes at the airport.

6. Rydell Facility:

The architect working on the car rental facility has the building design completed and is working on the parking lot and infrastructure. The schematic should be available before the end of the year and at that time a meeting will be held with the car rental managers and owners to discuss the lease.

7. Mission Air:

Johnson reported that Mission Air, operating out of Winnipeg, is interested in running scheduled charter service between Winnipeg, Fargo and Grand Forks. Johnson will keep the Board posted on this issue as it develops.

8. Smarte Carts:

The Smarte Cart unit has been removed from the terminal and the six carts purchased by the Authority are available for free use by passengers.

9. UND Asphalt Apron:

Work has begun on designing the UND/CAS asphalt apron reconstruction.

10. Security Violations:

Johnson reported that at the last FAA Security inspection several violations by tenants were noted. Johnson has worked with the tenants involved and responses have been sent to the FAA. He is now waiting for the FAA to respond regarding any action they will take.

11. Personnel Manual Update:

Work has begun on updating the personnel manual. Revisions will be brought to the board in January.

12. Accounting Software:

Crystal is working on getting the new accounting software up and running. January 1st is the start date to begin using the software.

13. Fly ND Program:

Mike Wanner, Northwest's Station Manager has reported that the Fly ND Program is doing well.

14. Holiday Party:

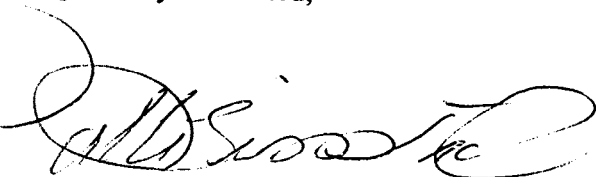
Johnson reminded everyone that the Airport Holiday Party is tonight at the Ramada Inn.

15. Aero Center One Building Lease:

The Authority is looking into leasing a part of the old Aero Center One building to the FAA Airway Facilities Department.

ADJOURN

Respectfully submitted,



Patti Linstad, Board Secretary