

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

January 18, 2001

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, January 18th with Chairman Tim Mutchler presiding. Those present were: Vice Chairman Brad Beyer; Commissioners Rich Becker, Dave Molmen, Attorney Don Olson and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Todd Hanson, Director of Operations; Tim Burke, Marketing/Communications Manager; Gary Baker, Operations Supervisor; and Dave Meagher VMT.

Chairman Mutchler called the meeting to order at 8:10 a.m.

A. Approval of Minutes:

1. December 21, 000

Becker pointed out that the explanation for pursuing the E/W runway project in 2002, under agenda item B, discussion item #2, gives the impression that the reason for moving the project up is that it will not greatly impact the capital improvement plan. Becker stated that the primary reason for moving the project up was the expanding UND pilot program over the next few years. Beyer moved approval of minutes with stated amendment. Becker seconded. **Action Taken:** Motion carried unanimously.

B. Resolutions:

1. #01-01 “Matter of Banking Services Provider”

Johnson explained that banking services for the Authority would be put through a selection process. Johnson also suggested revisions to the policy manual to reflect the process. The requested revisions will be brought back to the Board after review by the attorney.

2. #02-01 “Matter of Pension Discretionary Transition Payments”

Johnson requested that the Board consider approving pension discretionary payments for 2001 per the provisions of resolution #04-99, dated May 20, 1999. Molmen moved to approve resolution #02-01. Beyer seconded. Becker asked for an explanation and history for these payments. Johnson’s explained the process and reason for the payments. **Action Taken:** Motion carried unanimously.

C. Reports:

1. Year To Date Financials:

Crystal reported that since the financials were printed more invoices have been paid and adjustments made. There has been a \$20,000 change in the capital fund bringing that fund to \$323,000. There has been approximately \$30,000 in invoices paid from the operating fund and there will be close to another \$50,000 in adjustments. Crystal announced that the audit would begin February 5th. The final audit should be ready to present to the Board at the March meeting.

2. Year to Date Stats:

Burke reported that enplanments are up 2.26% over last year. Operations have been slowly increasing mainly due to UND activity. Enplaned cargo weight, with the large majority being FedEx, is down slightly but volume is up. Deplaned cargo weight is up almost 7.23%. Becker asked if any cargo was being lost to Fargo and if we should be competing for cargo business. He recommended exploring options. Johnson explained that even though Fargo has routinely made a practice of take business away from GFK the Authority has not adopted a policy of doing the same. Johnson also explained that FedEx's corporate position is that they would like to avoid sharing ramp space but that their position should not drive decisions made regarding other cargo carriers.

3. UND National Meet:

UND students Beth Martin and Levi McMahon provided some history and explained the SAFECON being hosted by UND May 15 – 19.

4. Covered Walkways:

Hanson reported on several options in covered walkways for passengers walking to and from the smaller aircraft. When installed they become a permanent part of the terminal and are not movable. The average cost for an eight-foot wide covered walkway is \$776 per lineal foot. That price does not include windows, doors or heating units. Hanson stated that there are also jetways that will accommodate smaller jets. The jetway presently situated at gate one can be modified and lowered to accommodate CRJs. The jetway at gate two has already been lowered to handle the RJ85s but can't be lowered to handle the CRJs. Becker stated that anything that can be done to improve the perception of the airport as being user-friendly is worth looking at. He suggested that options seriously be considered and a decision be made by next fall as to whether or not to pursue covered walkways for small jets.

5. 200 Beautification Goals:

Linstad reported that 175 beautification recommendations were made, 49 were completed with 11 ongoing. \$13,000 was budgeted to complete goals and just over \$11,000 was used. Mutchler asked if the drain ditch west of the tower had been cleaned up. Johnson replied that grass has been planted twice but the area will probably need more work.

6. FedEx Shelter:

Johnson reported that FedEx has requested that the Authority look into constructing a carport type of structure south of their building to be used to store equipment. An estimate has been submitted to FedEx. This issue will be brought back to the Board for consideration.

D. Discussion:

1. Nodak Flying Club Attorney Fees

Johnson referred to a memo sent to the Board outlining possible alternatives to paying the flying club attorney fees associated with the Writ of Mandamus. Becker expressed his appreciation for the time staff put into the research.

Olson explained the law regarding payment of attorney fees for litigation in North Dakota and stated that they are only allowed when authorized by statute. A court may order the award of attorney fees in certain cases if the party claiming the right to attorney's requested them on the basis that the claim against them is frivolous. The Authority was not the instigator of the law suite and therefore did not cause the flying club to incur attorney fees.

Clint Rodingen thanked the Board for looking into the possibility of reimbursing the club for attorney fees. He explained that Flight Support instigated the Writ of Mandamus and in doing so caused the flying club to become co-defendants with the Authority. Because of this action the Authority and the flying club should have been working together against the plaintiff. Rodingen also stated that he feels the Authority is directly responsible for the flying club having to retain a lawyer and requested that the Board reimburse the club for attorney fees, lend the club the money, or come up with some way to reimburse expenses associated with the law suite. Becker commented that, "Steve has looked into what we can do and I don't think we can do anything else". Rodingen asked if Steve and he could continue with conversations and try to work out some options. Mutchler replied that they could continue to converse about it.

Seifert reported that Flight Support has filed a Part 16 with the FAA, which involves the same issue as the Writ of Mandamus. This action will involve an FAA judge hearing the arguments instead of a municipal judge. There are strict guidelines and the process should move quickly.

E. Other Business:

Becker voiced concerns regarding the possibility of Northwest dropping a jet from the GFK flight schedule. He recommended that the Board work aggressively to persuade Northwest to continue using the DC9s. Johnson explained that presently there are 3 DC9s and an AVRO, which is a jet, providing service to GFK. He also explained that a DC9 is being pulled in April because load factors were down in April of last year and past load factors drive future schedules. In talking to the Northwest scheduler it appears as if the substituted DC9 will be rescheduled for May. Johnson stated that Northwest officials have assured him that GFK will not become a Mesaba only station. Mutchler suggested that the Board make a visit to Minneapolis and visit with Northwest officials. Becker emphasized not waiting until

DC9 service is discontinued. He urged the Board to react now to Northwest stating that once DC9 service is gone it will be hard to get back because capacity numbers would not warrant Northwest bringing it back. Johnson will set up a meeting with Northwest.

Johnson encouraged the Board member to attend the Chamber of Commerce's annual meeting February 13th.

Becker asked about the concern that the FAA ADO will not authorize the construction of an E/W runway due to the lagoon and landfill. Johnson stated that he was not going to bring this issue to the Board until he received notification from the ADO but added that it does not look good because of the wildlife problems associated with the lagoons and landfill. Johnson will bring this issue back to the Board after he receives the decision from the Bismarck ADO.

Meeting adjourned at 9:35 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

March 22, 2001

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, March 22, 2001 with Chairman Tim Mutchler presiding. Those present were: Commissioners Brad Beyer, Clark Cronquist, and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Todd Hanson, Director of Operations; Gary Baker, Operations Supervisor; Dave Meagher VMT and Bob Wood, GF County Commissioner.

The meeting was called to order at 8:00 a.m.

A. Approval of Minutes:

1. January 18, 2001

Cronquist moved approval of the minutes from January 18, 2001. Beyer seconded. **Action Taken:** Motion carried unanimously.

B. Resolutions:

1. #01-01 “Matter of Selection of Banking Services Provider”:

Johnson reported that a request for proposals for banking services was advertised and three responses received. Crystal reported that the three proposals came from Alerus Financial, the Bremmer Institution and Wells Fargo. In reviewing the proposals it was noted that Wells Fargo did not appropriately follow instructions and was not considered. In reviewing the two remaining proposals Alerus had lower fees and higher interest rates on their products. The recommendation is to continue the relationship with Alerus.

Cronquist moved approval of resolution #01-01. Beyer seconded. **Action Taken:** Motion carried unanimously.

2. #02-01 “Matter of Group Health Insurance Services Provider”

Johnson explained that resolution 02-01 is a contingent resolution in the event that NDPERS is selected as the Authority’s health insurance provider. NDPERS requires a resolution and approving a contingent resolution would eliminate any lapse in coverage from when the old plan stops and NDPERS starts. If NDPERS is not selected the resolution will be voided.

Beyer moved to approve resolution #02-01. Cronquist seconded. **Action Taken:** Motion carried unanimously.

3. #03-01 “Matter of Restaurant Agreement”

Johnson reported that he was contacted by the city auditor’s office regarding the Crosswinds Restaurant liquor licenses. The city is holding final approval of the liquor license until the Authority submits documentation that the restaurant’s lease and operating agreement is valid through December 31, 2001. The original lease expired in 1993 and has been extended twice by signature letter. It is currently in effect by mutual acceptance of the conditions by restaurant management and the Authority. Johnson requested approval of the Board to extend the lease and operating agreement to the end of 2001 with the signing of another signature letter.

Cronquist moved approval of resolution 03-01. Beyer seconded questioning if the agreement should be extended to 2002. Ron Elder stated that signing an extension for a year would not be in the best interest of the restaurant’s management. He requested that the Board extend the lease for a five-year period. Johnson stated that he is not in favor of a five-year extension until the Board has time to review the agreement. Elder expressed concern regarding the liability of a tax bill that comes every year with his corporation name on it. Johnson explained that in Don Olson’s opinion the city auditor’s office is not pressing for payment of the tax bill and therefore it should not be a concern. Elder explained that he can’t take his corporation anywhere with the tax liability on the books. It was decided that the tax issue would be brought back at a future meeting. Beyer recommended that Elder work with Johnson regarding a five-year lease and bring it back to the Board for approval. **Action Taken:** Motion carried unanimously.

C. Reports:

1. 2000 Audit Report:

Ron Johnke of Brady Martz reported on the 2001 audit. Johnke recommended that a policy be written to deter shift swapping and time clock abuses.

2. Year To Date Financials:

Crystal reported that through the first two months of 2001 the operating fund was showing a deficit of approximately \$20,000. The capital fund had a net income of \$123,000 and the net income in the debt service fund was \$39,000. A sixth fund was created, the unreserved fund balance, to clarify the situation in the operating fund.

3. Parking Paystations Software:

Johnson recommended that the new software and maintenance licenses for the parking system be purchased. He explained that the software upgrade needs to be purchased to allow for support of the operating system. Components for the old system will be difficult if not impossible to replace. Cost of the software is \$15,000. Beyer moved to approve purchase of the new software. Cronquist seconded. **Action Taken:** Motion carried unanimously.

4. Policy Manual Revisions:

Johnson suggested that section 107 of the policy manual be amended to remove the attorney, auditor and engineer as officers of the Authority. The recommended draft includes only the executive director,

secretary and treasurer as officers of the Authority. Johnson also added a sentence that refers to the bank institutions as being one of the service providers that is routinely employed. Don Olson reviewed the proposal and concurs with Johnson's recommendations. Cronquist stated that the Board does not have an appointed treasurer. Johnson replied that the director of finance would perform in that capacity. Cronquist requested that it be noted that the director of finance hold the position of treasurer. Cronquist moved approval. Beyer seconded. Action Taken Motion carried unanimously.

5. Northwest Airlines Meeting:

Johnson presented the results of a meeting with Northwest officials in Minneapolis. Representatives from the Authority and community met with Northwest to discuss various issues including the change in equipment scheduling.

D. Discussions:

1. Flying Club Rules and Regulations:

Johnson reviewed decisions that need to be made regarding the rules and regulations. The next step in the process will be a to hold a special Board meeting to discuss the basic principals. Mutchler stated that if necessary there would be extra evening meetings to discuss this issue prior to a formal hearing.

Clint Rodingen stated that if public hearings are started the flying club is as good as done. Mutchler assured Rodingen that there would not be a public hearing until discussion meetings are held. Rodingen asked if anyone on the Authority Board or Authority staff was associated with GFK Leasing LLC. Everyone stated that they were not.

2. Executive Director's Contract Renewal:

Mutchler stated that he would appoint a couple of Board members to enter into negotiations with Johnson

3. Terminal Information Center:

Johnson reported that Becker has recommended that a terminal information center be developed to display information on the Grand Forks region. He also recommended that an electronic programmable sign be placed in the terminal and changed regularly to provide information on events and community information. The area recommended for the information center is the empty ticket counter space. The cost to renovate the space would be approximately \$500 and the sign would cost between \$3,000 and \$5,000. Becker has identified partners that he feels will participate in purchasing the sign with the option of a joint use agreement. After discussion it was decided to encourage Becker to continue with plans for the center and sign.

E. Other Business:

Sue Vacek asked if the flying club would be getting responses to correspondence sent to Johnson. Johnson requested that Vacek meet with him after the meeting to discuss the correspondences.

Bruce Smith requested that the instrument approaches be open during the runway project this summer. Hanson responded that he has discussed this issue with all concerned and that the tower is in favor of keeping the ILS operational. However, the FAA is adamant against keeping the system operational because of the potential safety risks. Hanson stressed that the FAA makes the decision regarding this matter not the Authority. Beyer asked if there were any options available for keeping the ILS available or to limit down time. Johnson replied that the safety plan states that nav aids would be operational when feasible, but when construction equipment is in critical areas the ILS can not be operational.

Meeting adjourned at 9:40 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

April 19, 2001

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, April 19, 2001 with Chairman Tim Mutchler presiding. Those present were: Commissioners Brad Beyer, Clark Cronquist, Dave Molmen, Rich Becker and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Todd Hanson, Director of Operations; Dave Meagher VMT, Skip Rucinski, Maintenance Technician and Bob Brooks, GF City Liaison.

The meeting was called to order at 7:00 p.m.

Johnson introduced Beth Anderson from Kiehl Hendrickson. He also announced that the airport received a grant for 3.1 million dollars for the runway-resurfacing project.

A. Approval of Minutes:

1. March 22, 2001

Cronquist moved approval of the minutes from March 22, 2001. Becker seconded. **Action Taken:** Motion carried unanimously.

B. Resolutions:

Hanson presented the resolutions out of numerical order.

1. #06-01 "Matter of Parking Paystations Infrastructure Bids"

Hanson reported that the low bid for the parking lot came in at \$29,724 and recommended that it be accepted. Molmen asked for the proposed date of completion. Hanson stated that he is estimating completion to be by the end of May or beginning of June. Molmen moved approval of resolution #06-01. Cronquist seconded. **Action Taken:** Motion carried unanimously.

2. #07-01 "Matter of Electrical Bid Acceptance for Runway Project"

Hanson explained that the bid from Ron's Electric was the lowest at \$284,244 and recommended acceptance. Cronquist moved approval of resolution #07-01. Molmen seconded. **Action Taken:** Motion carried unanimously.

3. #04-01 "Matter of Bid Acceptance for Runway Project"

Hanson requested that the low bid of \$2,980,453.75 from Northern Improvement be accepted. The engineering estimate for the project was \$3,936,672. Molmen moved approval of resolution 04-01. Becker seconded. **Action Taken:** Motion carried unanimously.

4. #05-01 "Matter of Runway Project Engineering Agreement Amendment"

Hanson explained that approval of resolution 05-01 would increase the engineering agreement for the overlay project by \$59,187. This will allow for the rehab of crossover taxiway A2 and A4 to be done along with the runway project. Beyer moved approval of resolution 05-01. Cronquist seconded. **Action Taken:** Motion carried unanimously.

C. Reports:

1. Leakage Study:

Beth Anderson reported on the leakage study conducted by Kiehl Hendrickson.

2. Year To Date Financials:

Crystal reported that the operating fund is \$22,000 in deficit primarily due to winter energy costs. The capital fund has a balance of \$349,000 primarily due to tax revenue coming in early and slow spending. The net income in the debt service fund is showing just over \$60,000 on the report but bond payments have since been taken out.

D. Discussions:

1. Termination of Interspace Advertising Agreement:

Johnson reported that Interspace Advertising contacted him and requested that the management agreement between them and the Authority for the terminal advertising be terminated. It is Johnson's intention to terminate the agreement under the terms and conditions that Interspace proposed upon concurrence by legal council. Molmen asked about the stipulation regarding the assets in the terminal. Johnson stated that the Authority would own all of the advertising displays. Beyer asked what is planned for the terminal advertising once Interspace is done. Johnson explained that options such as managing it with Authority staff or contract it out to a local agency will be explored.

Cronquist moved to have the executive director proceed with the termination of the Interspace Advertising agreement. Molmen seconded. **Action taken.** Motion carried unanimously.

2. Visitors' Center/Signage:

Becker explained that the concept of a terminal visitors' center is tied to the fact that the Authority along others in the community are looking for ways to improve Grand Forks as a destination center. What is being considered for the terminal is to take about 20-25 feet of available space between the restaurant and the Northwest counter and turn it into an information/visitors' center. The idea has been presented to the Chamber, CVB and UND. These groups would like to see brochures and various literature available in the space. It would cost about \$500 to construct a wall between the proposed center and Northwest. Other entities would be approached for manning the center therefore additional Authority staff would not need to be hired. Becker also recommended facing the seating in the non-secure waiting area towards the center.

Another key factor in making the airport more user friendly would be to install a communication board that could be seen from the lobby and non-secure seating area. It could be used to announce events happening in the community and travel information. Burke has researched the communication board idea and cost would be approximately \$2,500 to \$4,000 for that type of signage. Becker explained that there may be money available from another entity but suggested that it might be better to have the Authority make the entire investment in order to have full control. That yet has to be determined and needs to be revisited.

Becker motioned to have the Authority complete the process of installing the visitors' center and conduct a study as to whether it is in the best interest of the Authority to control the signage or share cost with others. Molmen seconded. Beyer asked for further explanation as to what information would be in the visitors' center, who would take care of it and questioned the \$500 cost. Mutchler clarified that the signage would be studied and not a purchase at this time. **Action taken:** Motion carried unanimously.

3. Executive Director's Contract:

Beyer requested a deferral of this agenda item and stated that it would be brought back to the board in a month.

4. FAA Park 16 Complaint:

Johnson summarized information distributed to the Board. The part 16 is in the hands of the FAA and there is nothing required of the Authority until mandated by the FAA. Once the FAA docket this a case for an investigation, the FAA will not discuss it.

5. Flying club Rules and Regulations (Board Discussion Only):

Johnson reviewed the drafted proposed flying club rules and regulations. Molmen asked if the FAA accepts a lease arrangement as a replacement for ownership of an airplane. Johnson replied that if certain criteria is followed it is an acceptable substitute. Molmen also asked what would happen if a plane was donated to a flying club for their use with no fees paid to the owner. Johnson cited a couple of examples explaining situations where that would and would not work. Becker asked if the current flying club and FBO are subject to existing rules and regulations and minimum standards. Johnson explained that the flying club is currently subject to rules, regulations and minimum standards. Once rules and regulations for flying clubs is established they will only be subject to those. Since the FBO provides commercial services it is subject to rules, regulations and minimum standards.

Mutchler asked what the current schedule was for the adoption of the flying club rules and regulations. Johnson stated that there is a public hearing scheduled for Wednesday, April 25 at 7:00 P.M. Following the public meeting comments will be compiled. That information will then be presented to the Board along with the executive director's comments and recommendations. Cronquist asked what happens if there is substantial controversy over what is proposed. Johnson explained that if there were substantial changes the process would start over again. Cronquist asked how far the Authority could stretch its authority beyond the airport boundaries. He also voiced concerns about not following the process promised in previous meetings. Cronquist moved to table moving forward with the process until Board members meet with the executive director to get clarification and give input. Becker seconded. Mutchler suggested that a time frame be put on the process in order to move it along. Motion did not pass with Beyer voting no. Cronquist moved to cancel the public hearing scheduled for next week.

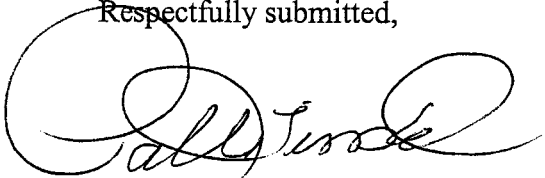
Becker seconded. Beyer suggested continuing with the public hearing and make changes after that. Cronquist disagreed and suggested making the changes first and then take it to a public hearing. Molmen agreed that there should be some consensus of agreement before a public hearing is conducted. **Action Taken:** Motion carried unanimously.

E. Other Business:

Clint Rodingen thanked the Board for canceling the public hearing and requested that a special meeting be held to openly discuss the proposed flying club rules and regulations. He also requested that the flying club's temporary agreement, renewable every 60 days, be dropped and allow the flying club to continue to operate under their regular agreement.

Meeting adjourned at 9:40 a.m.

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
May 17, 2001**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, May 17, 2001 with Chairman Tim Mutchler presiding. Those present were: Commissioners Brad Beyer, Clark Cronquist, Rich Becker and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Todd Hanson, Director of Operations; Tim Burke, Marketing Manager; Dave Meagher VMT, Skip Rucinski, and Bob Brooks, GF City Liaison.

The meeting was called to order at 8:05 a.m.

A. Approval of Minutes:

Cronquist moved approval of the minutes from April 19, 2001. Becker seconded. **Action Taken:** Motion carried unanimously.

B. Reports:

1. Year to Date Financials:

Crystal reported that PFCs increased from \$3.50 to \$4.50 therefore, the financial statement for next month should show an increase in the PFC revenue for the operating fund. The debt service fund is in a deficit because of a bond payment paid in April.

C. Discussions:

1. Visitors' Center/Signage:

Johnson explained that Burke researched the message sign for the terminal lobby. The cost would be approximately \$2,800 not including shipping and other incidentals. The price also does not include the remote programming device or installation which could be done by Authority maintenance. It would be six to seven weeks for delivery. Becker posed the question as to whether or not it would be in the best interest of the Authority to absorb the entire cost of the sign or enter into a shared agreement with other entities. He stated that during discussions with Johnson they felt it was best to have the Authority absorb the entire cost to maintain control.

Becker moved to approve the ordering of the sign. Cronquist seconded. Becker also announced that there is a meeting set up with the East Grand Forks Chamber, the CVB and UND to discuss the terminal visitors' center and its use. **Action Taken:** Motion carried unanimously.

2. Executive Director's Contract:

Beyer moved to accept the new contract for the executive director. Changes in the contract include two year renewals and conducting yearly pay negotiations. The current pay increase recommended in the current contract is for 4%. Cronquist seconded. **Action taken:** Motion carried unanimously.

3. Restaurant Agreement:

Johnson reviewed the restaurant agreement and stated that it will be re-written and changes made to some areas. Becker asked if the gift shop generated revenue. Ron Elder replied that it doesn't produce the revenue that was initially hoped for. Most items that sell are regional tourist trinkets. Johnson asked for Board input on whether to renew the contract with Clean & Green or put the management agreement out for bid. The Board consensus was to renew.

4. Parking Fee Adjustments:

Johnson referred to a memo distributed to the Board members in which a fee increase for parking is proposed. The signage has to be changed to accommodate for the new parking system and this would be timely for changing fees. The increase would be for a daily rate in both long-term and short-term of 50 cents per day adding up to \$5.00 per day in long-term and \$7.00 per day in short-term. There would also be a \$30.00 weekly rate in long-term. Cronquist moved to increase parking fees. Becker seconded. **Action Taken:** Motion carried unanimously.

5. Capital Improvement Plan:

Johnson reviewed the capital improvement plan submitted to the FAA. Dave Meagher requested that a new equipment building be added to the plan. Frank Argenziano asked if there were any plans to widen or add turning lanes to Airport Drive. Becker stated that he feels there are individuals on the City Council that would be in favor of improving Airport Drive and suggested that they be brought into the planning process.

6. Flying Club Rules & Regulations Adoption Schedule:

Johnson stated that the public hearing meetings should be set and notice published immediately in order to accommodate for approval at the June 21st Board meeting. Becker reported that he and Cronquist met with the flying club and it was their understanding that a meeting was going to be set up with the flying club and GFK Flight Support to discuss what was and was not workable regarding the rules and regulations before the public hearings.

Rodningen asked why the flying club's agreement was terminated. Johnson explained that the policy manual does state that every person or organization private or public has to have an agreement. He stressed that this wording should be changed because not every user of the airport has to have an agreement. Johnson cited several examples. Sue Vacek asked how the Authority would know how many flying clubs are present on the airport without agreements. Rodningen gave a rundown of the flying clubs expenses versus how many members actually use the planes. He stated that the club's will no longer be in existence if the proposed rules and regulations are adopted. Johnson explained that it is not the Authority's goal to provide "inexpensive" flying.

Bill and Sue Vacek adamantly voiced concerns regarding the Authority's response to the GFK Flight Support Part 16 complaint. Copies of their concerns were handed out to the Board members. Sue referred to item 3G of the Part 16 that states that the flying club's agreement was canceled because they were conducting commercial activities. Johnson referred to attachments to the Part 16 response that explains that the Board did not terminate the flying club for cause nor has the Authority terminated the agreement at all yet.

Vaceks suggested bringing in an impartial mediator for discussions of the proposed rules and regulations stating that they felt that the Authority is no longer impartial. Mutchler stated that in all fairness, time was needed to review the concerns of the flying club and that there will be an opportunity to meet and discuss these concerns further.

7. SafeCon Competition:

Johnson announced that the 2001 SafeCon competition at the airport has started. Frank Argenziano encouraged people to go over to the five story and view activities.

8. Interspace Advertising Agreement:

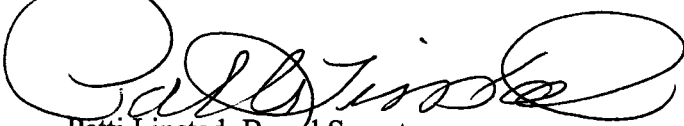
The Interspace Advertising Agreement has been terminated effective December 30,2001.

9. Air Force Base Use Agreement:

Johnson will be signing the temporary use agreement with the Air Force Base Monday.

Meeting adjourned 9:37 a.m.

Respectfully submitted,

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

Patti Linstad, Board Secretary

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

July 19, 2001

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, July 19, 2001 with Chairman Tim Mutchler presiding. Those present were: vice chairman Brad Beyer, commissioners, Clark Cronquist, Rich Becker, Dave Molmen and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Todd Hanson, Director of Operations; Tim Burke, Marketing Manager; Dave Meagher VMT, Gary Baker, Operations Supervisor and Scott Nelson, Safety Specialist.

The meeting was called to order at 8:00 a.m.

Announcements:

1. Commissioner Clark Cronquist has been re-appointed to the Board by the county for another five year term.
2. Todd Hanson will conduct a tour of the project for Board members after the meeting.
3. Johnson commended the operations staff for implementing the shelter procedure for inclement weather last night.
4. Bruce Smith, Dean of the Odegard School of Aerospace Sciences, read a letter he received from Senator Dorgan announcing support for funding of the 8/26 runway.

A. Approval of Minutes:

Cronquist moved approval of the minutes from May 17, 2001. Becker seconded. **Action Taken:** Motion carried unanimously.

B. Resolutions:

1. **#08-01 "Matter of recognizing the Grand Forks Air Force Base for Assistance while the Airport Runway is Resurfaced".**

Molmen moved adoption of resolution #08-01. Cronquist seconded. **Action Taken:** Motion carried unanimously

At this time Chairman Mutchler moved the discussion items up on the agenda to accommodate for commissioner Molmen's need to leave the meeting early.

D. Discussions:

1. Flight Instruction Permits:

Johnson referred to information passed to the Board regarding flight instruction permits. He explained that the Authority was contacted by two instructor pilots asking under what conditions they could provide flight instruction on the airport. Johnson's response to them was that they could either meet the requirements of a single service FBO or negotiate a sub-contract agreement with GFK Flight Support to operate under their umbrella. Johnson's response also stated that he would bring the concept of developing a pilot instruction permit to the Board for consideration. Brent Seifert expressed concerns stating that allowing flight instruction using permits would be competition for GFK Flight Support without having to meet the business requirements. Sue Vacek asked that if the permit process was adopted and was a change to the Minimum Standards would a public hearing need to take place. Johnson replied that the Rules and Regulations allows the Authority to establish permits. It would be up to the Board to decide whether or not permits were an extension of the minimum standards. If that were the case then there would probably have to be a public hearing to amend the minimum standards. Beyer explained that the individuals requesting permits were only going to give occasional lessons on a limited basis and should not be excluded from the airport. Seifert asked how this would be regulated and where the line would be drawn on giving instruction. Molmen motioned to proceed with developing a permit process that can be examined through a public comment process. Cronquist seconded. Becker ask what the time frame for this process would be. Johnson stated that he could develop the language for the permit by the next Board meeting. Molmen explained that if the motion passes the Board should look at distinguishing the dividing line between commercial and non commercial activity and weigh what is in the best interest of the general public. Steve Young stated that to be denied compensation for his services as a flight instructor is an infringement on his rights. He requested that this matter be dealt with in a timely manner and that a special meeting be held so as to not delay it another month. **Action Taken:** Motion carried unanimously.

2. Flying Club Rules & Regulations:

Johnson reported that there is nothing new to report on this subject other than the work done by Cronquist and Becker. Nodak Flying Club submitted an edited version of the Authority's Rules and Regulations for Flying Clubs. Johnson responded to the submission stating that much of the language is acceptable. Johnson explained that GFK Flight Support continues to be adverse to most of the provisions of the initial draft. Cronquist stated that in his opinion the Board is not prepared to act on the issue today. He suggested that a couple of commissioners meet with Johnson and incorporate his comments into the flying club's comments and come up with something reasonable. Mutchler suggested continuing on with the process as suggested by Cronquist. Johnson also mentioned that when the Part 16 is received he is hopeful that there will be some guidance in structuring rules and regulations for flying clubs.

Clint Rodingen asked the Board to retract the original letter to the flying club that canceled their agreement.

C. Reports:

1. Year to Date Financials:

Crystal reported that the operating fund is showing a deficit of just over \$31,000. Two of the factors influencing this are the fluctuating fuel prices and insurance expenditures that are due early in the year. The capital fund is still flush with \$459,000 and the debt service fund shows \$50,000. The unreserved fund is cash sitting in investments and has earned \$41,000 in interest. The increase in PFCs is beginning to show in revenues. Becker asked if there were any major surprises anticipate over the next couple of months. Crystal reminded the Board that the published budget shows deficit spending. There have been some pleasant surprises in terms of capital expenditures with some coming in less than anticipated. Becker asked if excess could be ear-marked for the possible 8/26 runway project in 2002. Johnson replied that a decision will have to be made as to where the Authority's portion (10%) of the project will come from. Cronquist asked if the Authority's cost would be know by the budget process. Smith stated that he would keep the Authority updated as the process progresses. Johnson stated that there would be \$55,000 picked up in grant closeout money from the cargo apron that was not original applied for.

Becker expressed his appreciation to Johnson, Hanson, Burke and staff for work that has been done on the terminal welcome center. He stated that it should be complete by this Monday with the exception of the message sign.

2. Quarterly Stats:

Burke reported that for the first half of the year enplanements are up 3.4%. Cargo totals are up almost 9% and operations up almost 20%.

Item 5 SCBA Equipment was moved forward on the agenda.

5. SCBA Equipment:

Hanson explained the new self contained breathing apparatus purchased from the 2001 capital budget while Scott Nelson demonstrated.

3. Parking Paystations:

Hanson reported that Parking Paystations is installed and functional. There has been some software, financial and hardware issues but those appear to have been fixed. Johnson added that the advertising of the system has been put on hold until all the glitches are taken care of. News releases and signage will be out soon.

4. Air Carrier Operations Transition:

Hanson reported that the transition to the Air Base has gone very well. He thanked Northwest, GFK Flight Support and staff for making the transition go as smooth as it has. The project should be complete on schedule, August 17th.

Commissioner Molmen left the meeting.

6. Evergreen Aviation Lease:

Johnson reported that FedEx negotiated with USPS to haul all of their priority over night mail and packages. Evergreen Aviation Ground Services Group got the contract and requested space on the airport. A lease to use the old Aero Center One building has been given to them for consideration. The revenue generated from Aero Center One could potentially be used to build a structure to house the equipment that is now in that building.

7. Terminal TV:

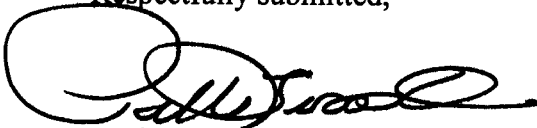
Hanson explained that the TV system in the terminal is on a roof mounted antenna with marginal reception. Hanson explored the possibility of entering into an agreement with CNN but it is cost prohibitive. Hanson looked into local commercial satellite services and will also look into the home user systems.

D. Other Business:

Cronquist brought up the previously discussed issue of GFK Flight Support using one airplane for training. Under minimum standards it states that "Operator shall own or have available at all times at least one aircraft capable of providing each of the following services." It also states that, "Operator shall own or have available at all times at least one aircraft capable of providing non scheduled twin engine passenger cargo charter services." At this time GFK Flight Support uses one plane for these services. He explained that his interpretation means that there should be an aircraft to provide each service and stated that in his opinion the Board should address this issue. Johnson recommended that he present this issue to the Authority's attorney for opinion.

Meeting adjourned 9:30

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Patti Linstad', is written over a large, loopy circular flourish.

Patti Linstad, Board Secretary

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

August 16, 2001

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, August 16, 2001 with Chairman Tim Mutchler presiding. Those present were: vice chairman Brad Beyer, commissioners, Clark Cronquist, Rich Becker, and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Dave Meagher VMT, and Jerry Aase Shift Supervisor.

The meeting was called to order at 8:15 a.m.

Announcements:

1. Johnson announced that the ribbon cutting for the runway took place just prior to the Board meeting and the runway would reopened shortly.
2. The new tractor that was part of this year's budget is available for viewing after the meeting.

A. Approval of Minutes:

Cronquist moved approval of the minutes from July 19, 2001. Beyer seconded. **Action Taken:** Motion carried unanimously.

B. Resolutions:

1. #09-01 "Matter of Change Order on Runway 17R/35L Rehab Electrical Construction".

Johnson explained changes that were made to the electrical system in the amount of \$20,617. The system is already installed and being used. Beyer Moved adoption of resolution #09-01. Becker seconded. **Action Taken:** Motion carried unanimously

C. Reports:

1. **Year to Date Financials:**

Crystal reported that the net income in the operating fund is a negative \$33,000. The net income in the capital fund is a negative \$56,000. The debt service fund has a net income of almost \$81,000. The net

income in the unreserved fund is just under \$48,000. Becker asked if there was an update on Parking Paystations. Crystal stated that the biggest financial issue at this point is that the link between the new system and the credit card processing system is incomplete. Johnson explained the reason for the delay in installing the system and stated that the software needed is in the mail. Beyer stated that Paystations be told that if the software is not installed by the end of September that they will have to pick up the Bank's excess charges. Becker agreed that Paystations share in the cost of delays.

2. GFK Flight Support Aircraft:

Johnson summarized the letter sent to commissioner Cronquist regarding the question Cronquist asked about the attorney's opinion on whether or not GFK Flight Support could use a single aircraft to meet multiple standards. In talking with Mr. Selig, Johnson reported that it was Selig's understanding that GFK Flight Support could meet multiple standards with a single aircraft. GFK Flight Support has in the past been meeting multiple standards with a single aircraft. Based on these facts it was the attorney's opinion that Flight Support was currently meeting standards. Becker asked if the market is willing to pay the higher rental rate for the aircraft GFK Flight Support provides. Brent Seifert responded affirmatively. Beyer stated that obviously the market is not there or they would have a multi-engine plane that is flying but that they could not be mandated to purchase a aircraft worth thousands of dollars for just a couple of students. Seifert explained that in '94, '95 and part of '96 they owned and operated a Piper Seminol and by the time the plane was sold they had lost \$60,000.

3. Terminal Satellite TV System:

Johnson reported that commissioner Becker has been working with Authority staff to upgrade the reception on the TV in the terminal building. The only effective way to accomplish this is to install a satellite dish. Johnson referred to a memo sent to the board regarding cost. Becker moved that the installation of the system be completed to improve television service to the traveling public. Beyer seconded. **Action Taken:** Motion carried unanimously.

D. Discussions:

1. Flight Instruction Permits:

Johnson reviewed and summarized the draft flight instruction permit that was distributed to the Board. It was also sent to all interested parties and the three individuals requesting permission to conduct flight instruction on the airport. Mutchler stated that the draft permit can be addressed as a change or addition to the minimum standards or the Board can authorize Johnson to go ahead with implementation. Cronquist suggested that permits be reviewed on a case by case basis. Beyer suggested that the number of hours that an instructor can instruct a student be limited to such areas as a biannual check or a private to multi-engine upgrade. Bill Vacek voiced concerns regarding the permit stating that it is tied to the proposed rules and regulations for flying clubs with too many gray areas and high costs of getting a bi-annual. Johnson explained that the permit does not pertain to flying club instructors and that another permit would be drafted to cover those individuals. Sue Vacek challenged the idea that the Board could

authorize permits outside of minimum standards. Seifert voiced concerns regarding approval of the permit process since most parties had only one day to review it. He also stated that Flight Support would be put out of business if forced to compete with independent flight instructors. Clint Rodningen commented that no one would apply for the permit as drafted because it was too costly. Johnson said he did not believe that the three persons seeking to perform flight training intended to limit themselves to biennial checks. Becker stated that in his opinion the draft permit appeared to be suitable and supported it as drafted. Johnson stated that, after hearing the previous discussion, he felt some areas of the draft permit could be improved such as categorizing types of instruction and assigning appropriate fees. After further discussion Becker stated that maybe the permit process should be studied further. Cronquist agreed. Beyer stated that he felt that the permit process was not right or fair to the FBO that has invested money and time in a businesses that is operating under the standards set by the Board and was in disagreement regarding permitting flight instruction. Mutchler asked Board members if they wished to take action. He asked if they wished to revisit the issue at a later date. There was no response and no further discussion.

2. Flying Club Rules & Regulations:

Mutchler stated that Cronquist and Becker have been working with the Nodak Flying Club to resolve and modify the proposed flying club rules and regulations. Johnson stated that he had met with members of the Board yesterday and heard their opinions. He explained that he had taken the latest copy of the rules and regulations drafted by Nodak Flying Club and incorporated as much as possible into his draft. Johnson explained that among the Board members he noted two remaining issues that need resolution. One area is paragraph 11.03.B.2 which deals with base lease payments. Johnson said Cronquist and Becker had suggested to him that there be a lease payment of not less than 5% of the "fair market value". Johnson said that Beyer and Mutchler discussed with him whether or not the 5% was a large enough base lease. Johnson said Beyer and Mutchler had also suggested the use of "certified appraised value" or "Blue Book" value, which would take the "judgement" out of a fair market value determination. There was discussion of using "insured value" as the term of choice, but that was rejected. Woods explained that when he assesses the value of a plane he goes by Blue Book value. Johnson asked if the wording should be "...base lease payment shall be not less than 5% of the Blue Book value times the number of years in the term of the lease". After extensive discussion it was decided to use Blue Book as the operative term. Seifert argued for a higher percentage lease, but the Board settled on 5%.

Johnson explained how paragraph 11.04.B had been rewritten to allow the club members to make payments to the base lease in monthly installments. If a member is in good standing at the end of the base lease and leaves the club, that member can return at any time. Johnson will reformulate the draft paragraph to include the provision that an active member who leaves the club and makes base lease payments through the end of the lease period, may rejoin at the club's discretion. If base lease payments are not completed, the member cannot rejoin the club for two years. This paragraph, as rewritten, eliminates the requirement for members to pay the base lease lump sum at the beginning of the lease. At the request of Cronquist and Becker, Johnson reviewed those wordings recommended by the flying club that he had incorporated into the new draft.

Sue Vacek asked for an explanation of the term "administrative operation of the club" from paragraph 11.05.A. Johnson agreed to eliminate that phrase from the sentence. There was significant discussion on a flying club being "non-commercial," yet its members would be charged commissions as part of permits associated with flight instruction and aircraft maintenance.

Rodningen suggested that the insurance requirements in the draft appeared to be out of date, were too low, and did not match the requirements currently in minimum standards for flying clubs. Rodningen further argued that a flying club should be treated similar to an individual and individuals hangering aircraft at the airport were not required to have liability insurance. Johnson agreed, saying he felt requiring liability insurance of aircraft hangared on the airport was "overdue."

Bill Vacek asked for clarification of the Board's position on permits for flying club activities. After some discussion the consensus was that all reference to permits would be removed from the draft.

Beyer moved to hold a public hearing for the flying club rules and regulations at the regularly scheduled October evening meeting. Becker seconded. After discussion it was agreed that Johnson would distribute the next draft of flying club rules and regulations—resulting from decisions made today—prior to the September Board meeting. **Action Taken:** Motion carried unanimously.

Meeting adjourned 10:20 a.m.

Respectfully submitted,

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

Steve Johnson
for

Patti Linstad, Board Secretary

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

September 20, 2001

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, September 20, 2001 with Chairman Tim Mutchler presiding. Those present were: vice chairman Brad Beyer, commissioners, Dave Molmen, Clark Cronquist, Rich Becker, and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; and Todd Hanson, Director of Operations.

The meeting was called to order at 8:05 a.m.

Johnson introduced Mary Meyer the new manager of the Grand Forks US Customs office.

A. Approval of Minutes:

Cronquist moved approval of the minutes from the August 16, 2001 meeting. Beyer seconded. **Action Taken:** Motion carried unanimously.

B. Reports:

1. Year to Date Financials:

Crystal reported that the operating fund is showing a deficit of just over \$2,000. There was a glitch in the new upgrade of the accounting software so there is only one payroll shown for the month of August. There is another payroll of about \$25,000 that isn't posted. This should be rectified by September. The capital projects fund is showing a deficit of \$508,000. \$650,000 has been transferred to it from the unreserved fund. That transfer leaves that fund with a net revenue of \$141,000. The debt service fund currently has a net revenue of \$107,000. The obligation for October 1st for that account is \$408,000. There will be another transfer into that fund to meet the bond covenants.

2. Terminal Satellite TV System:

Hanson reported that the system is not installed but should be completed either today or tomorrow. Programming consists of news packages including CNBC, CNN, Cspan, and MSNBC Fox News.

3. Terminal Information Sign/Marketing Plan:

Burke reported that the terminal information signs he ordered several months ago have been canceled and others are on order. The new signs are slightly smaller, but unlike the previous signs are in stock. A discount has been offered because of the waiting period on the previous signs. They should be delivered by next week and operational within a week after that. Becker asked about installation. Burke replied that the hardware to hang them comes with but that electrical power will have to be run to the locations.

Burke also reported on marketing activities. He stated that plans were in the works to run a similar campaign to what was run last year. After the events of September 11th it has now been decided to wait to run the revised newspaper and radio spots. The billboards and ad board at the Engelstad Arena will continue as scheduled.

4. Security Changes:

Johnson reported that in addition to changes in the parking lot, security patrols, random badge checks and additional perimeter checks of fencing are taking place. There has been no word as to when this will change or loosen up. Other areas outside the parking lot may have to be opened up for parking.

D. Discussions:

1. Legal Services Provider Selection:

Johnson explained that in 2002 there should be reconfirmation or selection of a new legal service provider. Johnson recommended that Don Olson be appointed for another term as legal council to the Authority. Johnson explained that he is aware of only one other firm in town that has experience in aviation issues similar to our current provider.

After discussion Beyer moved to accept the recommendation of renewing the contract with Camrud, Maddock and Olson for another five year term. Cronquist seconded. **Action Taken:** Motion Carried unanimously.

2. Flying Club Rules & Regulations:

Mutchler announced that the UND Flying club was present and had requested time to review the proposed changes by asking the Board to table discussions for one month. Becker asked for clarification as it was his understanding that the UND Flying Club was operating in conjunction with GFK Flight Support. Brent Seifert explained that GFK Flight Support has had an agreement with UND Flying Club since 1995 that is still in effect but that the club has not had any members and has not been operational for several years. A spokesperson for UND Flying Club stated that when they get back into operation it will not be in conjunction with Flight Support. Johnson asked for clarification on what areas of the proposed rules and regulations UND Flying Club thought was tailored more to the Nodak Flying Club

and would give their club difficulty. They referred to 1104.C and went on to explain that a certain amount of money is obtained from UND and other non-profit contributors and that they would like to use that money for the base lease on the airplanes. The other issue is that they would like to be able to take the donation of an airplane if offered. Becker suggested that another 30-day extension would be acceptable. Molmen asked if the questions concerning the UND Flying Club couldn't be asked during the public hearing process. Following Johnson's explanation of the adoption procedure, Molmen agreed that the public hearing is the format to hear, change or adopt the document. After discussion it was decided to let the process continue as planned.

Johnson also reported that the Authority's insurance carrier has recommended that the Authority require liability insurance from tie-down and hangar tenants of not less than one million dollars. Johnson stated that he has been contacted by two general aviation individuals requesting a lower amount. Cronquist motioned to require both tie-down and hangar tenants to have \$500,000 worth of insurance as part of written rental agreements, thus taking it out of the rules and regulations. Molmen seconded. **Action Taken:** Motion carried unanimously.

Johnson announced that that Authority Board has tentatively scheduled a retreat for November 9 – 11 to be held in Winnipeg. Notice will go out as usual announcing the meeting.

Meeting adjourned 9:00 a.m.

Respectfully submitted,



Patti Linstad, Board Secretary

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

October 18, 2001

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, October 18, 2001 with Chairman Tim Mutchler presiding. Those present were: vice chairman Brad Beyer, commissioners, Dave Molmen, Clark Cronquist, Rich Becker, and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Todd Hanson, Director of Operations; Rick Wockovich, Safety Specialist; and Bob Brooks, City Liaison

The meeting was called to order at 7:05 p.m.

A. Approval of Minutes:

Cronquist moved approval of the minutes from the September 20, 2001 meeting. Beyer seconded.

Action Taken: Motion carried unanimously.

B. Resolution:

1. #10-01 "Matter of Runway Overlay Change Order"

Steve Synhorst, Ulteig Engineers explained that the FAA allows and participates in bonuses to contractors who exceed the FAA's pavement quality standards. Northern Improvement Company exceeded both asphalt and concrete standards on the runway overlay project qualifying for \$71,384 in bonuses. Molmen moved approval of resolution #10-01. Becker seconded. **Action Taken:** Motion carried unanimously.

2. #11-01 "Matter of GFK Flight Support Hangar and Ground Site Lease"

Brent Seifert outlined the hangar expansion project planned for GFK Flight Support. Johnson requested that the Authority enter into an agreement with GFK Flight Support explaining that the terms will be the same as the existing agreement. GFK Flight support will lease an additional 15,000 square feet of ground site area, upon which it will construct a 120' X 120" hangar building. The new agreement will be for an initial term of thirty years with two five- year options to renew. Molmen moved to approve resolution #11-01. Cronquist seconded. **Action Taken:** Motion carried unanimously.

C. Reports:

1. Year to Date Financials:

Crystal reported that the net income in the operating fund shows a negative \$23,368.91 with the net income in the capital fund showing a negative \$507,288.23. The net income in the debt service is at \$112,570.29 and the net income in the unreserved fund is \$55,354.83. Crystal also reported on the status of the commissions for various tenants.

D. Discussions:

1. Parking Lot Rates

Johnson explained that there is no longer a short term lot and only part of the long term lot exists. Current rates are a \$1.00 for the first hour and .75 cents for each hour after for a maximum of \$5.00. Johnson requested that the Board amend the rates to \$1.00 for the first hour and \$1.00 for each hour after until the \$5.00 maximum is reached. Molmen moved to approve the change in fees. Beyer seconded. **Action Taken:** Motion carried unanimously.

2. Over Flow Parking

Hanson explained that there is a lack of overflow parking. He requested that the Board consider adding over flow parking east of the car rental garages. This will gain approximately 30 to 50 free or discounted parking spaces. Molmen moved to approve the construction of the over flow lots. Cronquist seconded. Action taken: Motion carried unanimously.

3. Parking Lost Set Back Status

Johnson explained that the Senate aviation security enhancement act passed last week has a provision in it that requires the FAA to consult with state and local law enforcement officials on the exact set-back distances at each small community airport. The FAA is also requesting expanded use of national guard troops at airports that may allow national guard troops to search rental cars. If this use of troops is allowed it may be possible for rental cars to stay inside the set back distance. This will free up some of the dedicated space provided to the car rentals.

2. Part 16

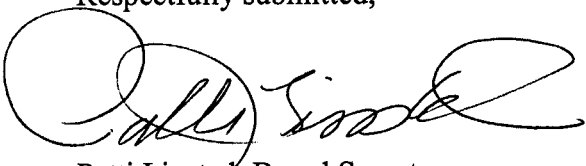
Johnson reported that the FAA compliance offices returned his call regarding the status of the Part 16. The deadline for a response from the FAA on the Part 16 was Friday, October 12. Johnson was informed that the FAA is extending their response deadline and don't know what the new deadline will be. A letter will be sent once a deadline has been set.

E. Public Hearing:

Cronquist moved to postpone the public hearing for the adoption of flying club rules and regulations. Molmen seconded. After discussion it was decided since the Part 16 has not been received adoption of Rules and Regulations should be postponed. **Action Taken:** Motion carried unanimously.

Meeting adjourned 8:00 p.m.

Respectfully submitted,

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

Patti Linstad, Board Secretary

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

November 10, 2001

The Grand Forks Regional Airport Authority Board of Commissioners met in the Terrace Room of the Radisson Hotel downtown Winnipeg, Manitoba on Thursday, November 10, 2001 with Chairman Tim Mutchler presiding. Those present were: vice chairman Brad Beyer, commissioners, Dave Molmen, Clark Cronquist, Rich Becker, and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Todd Hanson, Director of Operations

The meeting was called to order at 8:21 a.m.

A. Approval of Minutes:

Cronquist moved approval of the minutes from the October 18, 2001 meeting. Beyer seconded. **Action Taken:** Motion carried unanimously.

B. Resolution:

#12-01 "Matter of Approval of Personnel Management Plan Changes"

Johnson explained the changes proposed for the Personnel Management Plan. **Action Taken:** Motion carried unanimously.

C: Budget Discussion

1. Recent Past Financial Performance:

Johnson reviewed historical operating revenues and expenses, non-op revenues and expenses, reserves, and total assets for the last several years. He explained again the philosophy of running the airport day-to-day on operating revenues and growing or improving the airport using non-operating revenues. Crystal answered questions relative to the Authority's recent accounting system changes and about future change (12/03) in evaluating capital assets according to GASB. Johnson and Crystal showed the Board the yearly pay-out schedule for the airport's outstanding bond issues.

2. Future Financial Look:

Johnson and Crystal shared with the Board a pro forma income statement projecting revenues, expenses, debt service, and capital projects for the next ten years. They emphasized that with so many uncertainties (FAA AIP funding, discretionary funding success, borrowing matching share, PFC levels, growth of city and county valuations (4 mills), service by NWA and others, closure of AFB, and success of JDOSAS) it is unlikely that the projections are accurate beyond next year.

3. 2002 Budget:

Johnson and Crystal reviewed each exhibit of the budget, highlighting changes and answering questions. There was significant discussion—both pro and con—on the need for an employee to perform marketing/communications/development duties. The Board resolved that staff attempt to reassign as many of the Marketing/Communication Manager duties to others and report back on what remained. A staffing decision would be based on that information. Molmen recommended talking to the city about whether or not someone in its communications department could be job-shared. Mutchler suggested that before anything is voted on, the job description needs to be redefined.

Johnson explained that there is \$20,000 in next year's budget for an air service development consultant. This is in preparation for a proposal to airlines soliciting westbound airtservice.

The significant increase in maintenance agreements is due to a preventive maintenance contract on the jetways. We are attempting to reduce costly major failures and downtime.

Contract parking enforcement is budgeted at \$90,000. This reflects having officers to search vehicles entering the pay lot and maintaining 24-hour surveillance on the lot. That way we can regain the close-in parking spaces.

Johnson briefed that the budget included revenues from charging non-Grand Forks NWA and Mesaba flight attendants, pilots, ground crew, and mechanics annual parking fees. Fargo charges their aircrew \$40/year.

Johnson reviewed the process, contained in our agreement with NWA, for calculating terminal rent rate, landing fees, and ARFF. The landing fee per thousand pounds for 2002 will decrease by \$.01 in this budget over 2001 and the ARFF fee will increase by \$.01. The terminal rent rate per square foot remains the same.

Johnson walked the Board through each budgeted item on the non-AIP capital list. At the end of the discussion, Hanson mentioned that he had inadvertently left a 20,000-gallon Jet A fuel tank for the fuel farm off the list. Johnson said staff would consider the tank in the final list presented to the Board in December.

The Board adjourned for lunch at 12:14 p.m.

The Board reconvened at 12:46 p.m.

4. Tower Cab:

Molmen gave a brief history of the terminal tower cab. Johnson stated that by the December Board meeting he could have a number for consideration that would put the stairs in and provide an austere viewing area for warm weather use only. Molmen stated that FedEx has expressed an interest in the cab and that it should probably be given up. Beyer questioned if we should get a price for disposing of it. Johnson stated that he doesn't feel that FedEx realistically has the money to move the cab and set it up. The consensus was that Johnson should contact Bob Bednarz and advise that the tower cab is available to FedEx whenever it wishes. Moving and other expenses to be paid by FedEx.

5. Freight Gate:

NWA had requested that we make the freight gate available for use as soon as possible. Hanson explained current guidance from FAA security. The bottom line is that if the freight gate is put back into service, with direct access into the SIDA, then that gate has to be manned. Staff has communicated this information to NWA and based on the frequency of use, has recommended that NWA use a gate outside the SIDA.

6. Parking Paystation:

Becker asked where we stand with parking passes for Board members and visitors on airport business. Crystal replied that the cards are ready but the card readers are not working. Hanson and Rucinski have done some troubleshooting but have not come to a resolution. Parking Paystations has not been helpful with this situation.

7. ADO Security Project List:

Johnson explained that he had been asked by the FAA Airports District Office in Bismarck to submit a list of every AIP eligible security-related project that the airport might wish to undertake in the next several years. They also asked for cost estimates. Johnson walked through each of the projects and answered questions. Johnson explained that it is difficult to have a meaningful capital plan for the future when there may be so many expensive security-related issues on the horizon.

8. UND Runway:

Johnson reported that the UND runway is not on the 2002 capital list for several reasons. First, there are a number of costly security-related projects (see above) that the Authority may be forced to accomplish right away. Second, there are environmental issues that must be studied before the runway is started. Third, when our FAA certification inspector was here last month we were directed to install a deer fence around the airport perimeter in accordance with recommendations in the ecological study. That fence is estimated to cost \$2 million. Also, the State Aeronautics Commission is not 100% in concurrence with building the UND runway. They feel it may not be in the best interest of the state aviation community to build a crosswind runway on the airport when Northwood has just refurbished their crosswind runway and made it available. The point in upgrading the Northwood runway was to use it as a UND reliever. The Aeronautics Commission also believes that by putting a third of a million dollars into Grafton's crosswind they can create another crosswind for UND use. The ADO in Bismarck is also a "lukewarm" advocate of the runway because of the wildlife issues created by the landfill.

Johnson recommended that the runway be postponed one more year in order to see what the security issues will be and resolve the issues with the Aeronautics Commission. Beyer stated that it's inappropriate to expect students to go to Northwood or Grafton where there is poor snow removal, no ARFF coverage, and no air traffic control tower. Traffic continues to grow and with no control there is a danger. Becker suggested that the political input be gathered before a decision is made. Johnson stated that if the runway is built it ties up two years of the airport's entitlement money plus four million of discretionary money. The Aeronautics commission is willing to host a meeting for interested people to voice all sides of the issue and discuss it. Johnson stated that he is keeping the fence on the capital list for 2002 regardless of any contrary decision on the runway.

9. Borrow Pit – Eco Study:

Beyer asked if we would ever be able to get rid of the borrow pit. Johnson replied that after fencing, the next priority was to take care of wetlands.

10. Rotating Beacon:

A question was asked about why the rotating beacon was inoperative so often. Steve explained that the beacon needs a new light head and the cost is approximately \$4,000.

II. Long Range Planning:

1. Succession Planning:

Johnson explained that the authority does not have a succession plan. If the executive director is unavailable the director of operations takes over. In the event of the director of ops is unavailable the director of finance and administration would be in charge. Beyer expressed concern about what will be lost when some of the long-term employees leave. He emphasized the importance of the newer employees working with the senior employees.

2. Review of the Terminal Area Master Plan:

Johnson reviewed an extract of materials from the 1995 master plan relating to the terminal area. The master plan projected in the year 2000 that Grand Forks would have 150,000 enplanements, 200,000 enplanements in 2005, and 300,000 enplanements in 2015. Johnson explained that you don't build a terminal based solely on the projections; the decision to build must be based on solid numbers. According to the master plan, most of the terminal area is adequate except for the departure lounge and lobby waiting areas. They are too small. Johnson explained that the ND DOT estimates that Airport Drive capacity will be adequate for the next 20 years. The plan, however, did not anticipate what is happening at FedEx. The master plan shows that long-term and short-term parking for customers is currently adequate and the curb frontage is adequate. The study indicates expansion of the terminal building in its present location is the most feasible alternative to accommodate forecast demand.

Discussion followed regarding Airport Drive and access to FedEx. Becker stated that he believed Airport Drive should get resurfaced as soon as possible. He also voiced concern regarding Grand Forks' future as compared to the two other main airports in the state. He suggested gradually improving the airport to stay competitive. Johnson recommended that one of the first steps in terminal area upgrade is moving the car rental facilities south of the entrance road to GFK Flight Support. Following further discussion, Johnson was asked to get a price from the consultant for an update to the terminal/access road master plan. Beyer also asked for an update on the project costs in the plan since they are now seven years old. Becker asked about the possibility of purchasing the land that Nodak Contracting has south of the airport. Johnson said he would look into that.

3. West-bound Air Service:

Johnson reviewed with the Board a study done by SH&E, *Air Service Changes After September 11th*. Johnson reported that the state of ND has hired SH&E to perform a state air service update. Becker suggested that the Authority make it's presence know on a regular basis to west bound airlines. Johnson presented two schedules for potential airline visitation—one using Kiehl Hendrickson would happen in

January the other likely using SH&E would occur in early summer. The Board consensus was to wait and receive the SH&E study information and then reconsider a visit.
Foreign Trade Zone

Becker asked what is being done with the Foreign Trade Zone. Johnson explained the concept behind use of a Foreign Trade Zone and details of Grand Forks' zone. Johnson reminded that Board of the Imation subzone arrangement in Whapeton and mentioned that there are two additional local firms exploring the potential.

III. Follow-up on Board Actions/Questions/Concerns/Recommendations:

Beyer asked if there were things that have been left un-done from previous board meetings and requested a better way of communicating when business had been completed. Crystal suggested a change in the agenda adding an old business agenda item.

1. Economic Development:

Johnson explained that there are three land areas on the airport that could be used for development. One is east of Airport Drive which is 105 acres, one is south of the FedEx complex which is 18 acres, and the third area is south and west of the west end of runway 8-26 which is about 54 acres. Becker suggested that economic development on the airport be an extension of the industrial park but more in tune with aviation. Becker clarified the types of aviation-related businesses he viewed as possible candidates. If a second E-W runway is built for UND, almost half of the airport's development land is lost. Johnson also stated that maybe there are other quarter sections around the airport that should be purchased.

2. NWA Plan to Return to Seven Flights/day:

Becker stated that he believes that the Authority should meet with Northwest on a regular basis. Johnson reported that NWA doesn't have a specific plan as far as bringing the seventh flight back. NWA evaluates boardings and selects equipment and frequency to insure a certain rate of return on investment. There was some discussion of modifying a jetway to accommodate the possibility of CRJs.

3. Improving the Welcome Center:

Becker asked if there is a need for volunteer staffing to take care of the visitor's center. Johnson replied that at this point he doesn't think so. Several agencies are currently stocking material at the center.

4. Better Utilization of Restaurant/Gift Shop:

Crystal reported that the restaurant commissions through July are down 17% over last year. Johnson reported that the Authority is planning to provide complimentary coffee for the first flight in the morning while the restaurant is not open. The Authority will also buy 10 discounted Heralds for the next 30 days and make them available in the waiting area for use by passengers. There was discussion on renewing the restaurant operating agreement.

5. Improving perception of airport as positive, business-friendly place:

Johnson explained that for the most part tenants feel that the airport is a good place to work. Mutchler mentioned a program that NW is running called "Looking through the customer's eye". This involves a

walk through with the station manager and supervisors. Mutchler initiated meetings with Bednarz of FedEx and DeFusco of NW and shared some of their concerns with the group. Mutchler said he would give staff a list of concerns NWA felt had not been adequately addressed.

6. Working Closer with UND:

Johnson stated that he feels the Authority has a solid relationship with UND. Johnson has been serving on UND airport facilities committee and is abreast of ongoing needs. Johnson mentioned the potential for a new aircraft hangar.

7. How to Stop Disagreements Between GFKFS and Nodak Flying Club:

Johnson reported that in the process of extending the GFKFS lease, he discovered that the company's assets are in fact held by GFK leasing LLC. Don Olson is looking at what it means for us to have an agreement with GFKFS rather than the LLC. Johnson will keep the Board advised on this issue.

8. Why is GFKFS not a full service FBO?

Cronquist reported that GFKFS does not advertise twin engine training and one could surmise from that that the training isn't available. Johnson replied that GFKFS is not required to advertise twin engine training. Johnson advised the Board that they could recommend changes to minimum standards whenever they felt adequate service to the public was lacking. Becker suggested that we tell GFKFS that we wouldn't press the twin engine issue if GFKFS would end their complaints against Nodak Flying Club. Johnson said he felt the two issues weren't related and shouldn't be linked.

9. GA Concerns:

Johnson received a call from a GA patron regarding the retreat. There was no concern about the retreat itself in Winnipeg, rather disappointment in not having a second meeting later in November. Johnson asked if the Board wished a second meeting. It was decided not to.

10. Aging Workforce and Impact on ARFF Personnel:

Johnson reported that several ARFF personnel are approaching 50 years old and are facing inevitable physical limitations, medical conditions, surgeries, medications, etc. There will eventually come the time when a valued employee may not be able to perform ARFF functions. There are no alternative positions a person can expect to move to. Johnson offered a suggestion that an upper age limitation be applied to future ARFF hires and appropriate adjustment made to the retirement plan. There was discussion about physical performance testing and the organization's history with that. The consensus of the Board was that we should again implement that program. There was also discussion on transferring ARFF responsibilities to the City of Grand Forks along with a number of ARFF qualified personnel. Johnson indicated that GFFD chief O'Neil would like to see that happen and that he and Crystal had had conversations with O'Neil on the subject. The Board encouraged continuation of those discussions.

11. Problem Solving Process:

Johnson explained that employees currently can appeal any issue all the way to the Board of Commissioners. It is Johnson's intention to limit that somewhat. Serious issues would continue to be

subject to appeal, but minor disagreements or issues that are clearly the prerogative of supervisors would be eliminated from appeal.

12. Hangar management agreement with GFK Flight Support:

Johnson gave Flight Support notice that he wants to terminate the hangar agreement in order to gain better control over the hangars. Johnson and Seifert are still discussing the matter and are looking for a good mutually acceptable solution.

13. Bio Vector test at airport:

This company has volunteered to install their finger print readers at some of the airport's secure access doors to work in tandem with our existing system. This will be a "proof of concept" for Bio Vector and will allow them to show their system in operation. Bio Vector is apparently working with JDOSAS to install the system in their buildings. Johnson will bring this back to the Board as more information is available.

14. Aging equipment:

Hanson explained that our FAA certification inspector noted that certain pieces of snow removal equipment are beyond useful life. There is a projection to replace one of the primary crash trucks in 2004.

15. Parking Paystations:

Johnson stated that he is getting close to the end of the line with Parking Paystations. He's almost ready to wash his hands of them and take the loss. There is a serious lack of reliability in the ticket spitter hardware and Paystations as an organization is either unwilling or unable to provide the necessary support. We would save what equipment we could and incorporate it back into Republic Parking systems.

16. Rental car facility:

Johnson requested concurrence to move forward with the new car rental facility and relocation. This involves funding construction of the facility with a \$1/vehicle day facility fee. The cost of ground site rent, utilities, and operation and repair of the facility would be the combined responsibility of the agencies. The consensus of the Board was to move forward.

17. Concept of Portfolios:

Johnson explained that this meant that the Board would select a member as liaison with staff on each major issue/project. Staff would involve and keep that person more informed than the remainder of the Board. When it came time to take action or make decisions, the person with that portfolio item could speak or knowledgeable to it. There appeared to be no interest by the Board in pursuing this suggestion.

18. Employee Morale:

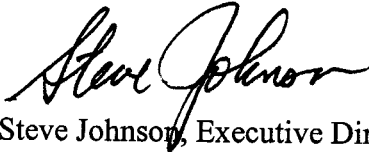
There was discussion on recent personnel issues (scheduling, benefits, supervision, et al) and their possible impact on morale.

19. Organization:

Johnson shared the current organizational chart with the Board. He explained one potential personnel move he was considering would eliminate the Operations Supervisor position and create a new maintenance supervisor position. Becker stated that the organizational chart indicates that the organization is top heavy.

Meeting adjourned 5:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Steve Johnson". The signature is written in black ink and is positioned above the printed name and title.

Steve Johnson, Executive Director
for Patti Linstad, Board Secretary

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

December 20, 2001

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, December 20, 2001 with Chairman Tim Mutchler presiding. Those present were: vice chairman Brad Beyer, commissioners, Dave Molmen, Clark Cronquist, Rich Becker, and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; and Todd Hanson, Director of Operations, Gary Baker, Operations Supervisor; and Skip Rucinski, Maintenance Technician.

The meeting was called to order at 8:10 a.m.

A. Approval of Minutes:

Cronquist moved approval of the minutes from the November 11, 2001 meeting. Beyer seconded.

Action Taken: Motion carried unanimously.

B. Resolutions:

1. #13-01 "Matter of Approval of 2002 Budget"

Johnson reviewed highlights and changes made to the budget since the last presentation and requested approval.

Becker asked if there was a preliminary design for the airport entrance sign and when it would be started. Johnson replied that there is a space frame design available from several years ago and construction could begin whenever the Board wanted. The space frame design does not use the existing base and Mutchler suggested that a design be selected where the base can be used.

Mutchler asked if the Cadd Map project would be an ongoing project. Johnson explained that it would be for at least two to three years.

Brian Pfeiffer asked if there is anything budgeted for paving T hangar loops. Johnson explained that when the taxiways are completed the hangars would be done at that time. It is scheduled for 2004 predicated on whether or not the UND runway is done. If the UND runway is done in 2003 there will not be any federal money available in 2004. If done with federal money the earliest the paving could be done would be 2005. If done with local money it can be done any time at an estimated cost of \$335,000.

Beyers motion approval of resolution #13-01. Molmen seconded. Vote recorded Beyer, Molmen and Becker for and Cronquist against. **Action Taken:** Motion carried.

2. #14-01 "Matter of Discretionary Payments"

Johnson reviewed the history of the annual discretionary payments for pension makeup on selected employees. Beyer moved adoption of resolution #14-01. Cronquist seconded. **Action Taken:** Motion carried unanimously.

3. #15-01 "Matter of Management Agreement for Food Service Concessions"

Johnson stated that after discussion with the attorney, the Elders and some Board members the consensus opinion was to renew the food service concessions management agreement, that expires the end of December, for five years without extensive changes. Molmen moved approval of resolution #15-01. Becker seconded. **Action Taken:** Motion carried unanimously.

B. Reports:

1. Year to Date Financials:

Crystal reported that the Operating Fund through the end of November is showing a deficit of \$45,500. The Capital Fund is showing a deficit because of payments due from the federal government on the most recent project. The Debt Service Fund is showing a deficit of \$216,000. Becker asked if the deficit in the Debt Service Fund was normal. Crystal explained that it's due in part to airline boardings and fuel storage being down.

C. Old Business:

1. Parking Lot Inspections:

Hanson reported that he has submitted a waiver to the FAA to enable Republic Parking to do restricted area parking checks. Once the waiver is approved Republic Parking along with the National Guard can search cars prior to entry into the 300 foot restricted area. Molmen asked if that was the only option for getting some of the parking back. Hanson explained that the other option would be to do a threat assessment and submit recommendations based on that assessment. However, new guidance has been received from the FAA that is as restrictive as their original requirements and represents a significant effort and time delay. Johnson reported that the Aeronautics Commission had agreed to fund blast assessments for the four major airports but has since delayed that funding. Molmen encouraged re-establishing parking without restriction as quickly as possible.

2. Parking Paystations:

Hanson reported that the Parking Paystations system was down for an extended period of time. Since then hardware changes have been made and it has been working.

3. Part 16

Johnson reported that the new FAA reply deadline for the Part 16 is January 20th.

4. GFK Flight Support:

Johnson explained that the GFK Operating Agreement has been signed and the old hangar management agreement terminated. The new hangar management agreement provides for the Authority doing the billing and tracking who is in the hangars.

5. Land owned by Nodak Contracting:

Johnson contacted Nodak Contracting and reported that they are not interested in selling the land south of the airport.

D. New Business:

1. Discussions with ND Aeronautics Commission regarding runway

Mutchler asked what kind of schedule was being put together for the new runway project and if a common push was needed at the upcoming Washington conference?. Johnson replied that it is premature to have a schedule and that all players should sit down and have an open meeting regarding this issue. Johnson cited the landfill issue and recent recommissioning of the Northwood runway as considerations. Johnson committed to organizing such a meeting. Beyer mentioned that the Authority was not involved in any discussions with regards to making Grafton and Northwood reliever airports for UND.

2. Housing on County #5

Frank Argenziano asked if any measures were being taken to stop the housing development on County Road #5. Beyer explained that when lots are purchased waivers are signed so purchasers should be aware of the airline traffic and potential noise problem.

3. Board Liaisons

Mutchler announced that Becker will act as the liaison for economic development, Beyer as liaison to the tenants and Mutchler as liaison for employees.

D. Discussions:

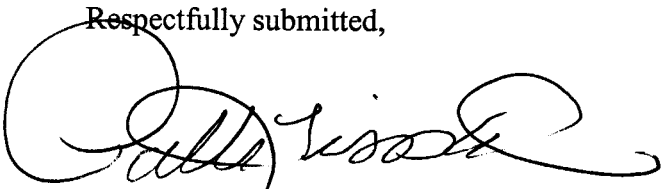
Becker thanked staff for the improved look of the terminal.

Ron Elder announced that the restaurant will be opening at 6:30 a.m. to accommodate the new flight schedule. He also stated that in his opinion vending machines would be useful in the terminal.

Brian Pfeiffer requested that if the Board was going to hold retreats out of town that regular Board meetings also be held for that month.

Meeting adjourned 9:07 a.m.

Respectfully submitted,

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

Patti Linstad, Board Secretary