

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

January 17, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, January 17, 2002 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; Gary Baker, Operations Supervisor; and Skip Rucinski, Maintenance Technician.

The meeting was called to order at 8:09 a.m.

A. Approval of Minutes:

Cronquist moved approval of the minutes from the December 20, 2001 meeting. Beyer seconded. Action Taken: Motion carried unanimously.

B. Reports:

1. Year to Date Financials

Crystal reported that there will be \$10,000 in revenue coming in from FedEx that will show on the revenue side of the operating account. She also explained that this account is short two months of commissions from GFK Flight Support that have not been received. On the expense side of the operating account there will be an additional \$20,000 of payables paid out, a portion of the payroll will be accrued and the year end adjustment to Northwest Airlines paid. It appears that the landing and ARFF fees for Northwest will be lower than budgeted. Depending on how the additional security expenses are dealt with, and if they are kept in the operating account, Northwest may be charged additional terminal rent. The operating fund currently shows a deficit of just over \$97,000 and the capital fund is showing a deficit of approximately \$1.1 million. The reimbursement from the runway project should be available next week canceling the capital fund deficit. In the debt service fund there is a current deficit of \$185,000. Buildings and grounds maintenance line item currently shows \$87,000 worth of expenditures against a \$40,000 budget which is also due to security related items. There are also expenses in buildings and grounds for wind and lightening damage that we have not received insurance reimbursement for and a miscoding of repairs done to the Evergreen building that should be on the capital side. Cronquist asked if security could be separated out from buildings and grounds. Crystal stated that it could be a separate line item within the terminal cost center or a cost center on its own.

2. Year End Stats

Johnson reported that enplanements are down 5.5% for the year. The year ended with enplanements at 83,700 versus 88,500 for last year. December 2001 enplanements are up over December 2000. Total operations for the year are approximately 270,000 which is a 14% increase over last year.

C. Old Business:

1. GFK and Dakota Jet negotiations

Johnson reported that he is in conversation with GFK Flight Support and Dakota Jet regarding Dakota Jet using their own 135 certificate or GFK Flight Support's 135 certificate to conduct charter work as a sub-contractor to GFK Flight Support. Johnson is waiting to see the agreement between the two entities before approving the business arrangement.

2. Vehicle Inspections

Johnson stated that he does not have an update on the parking lot waiver request submitted to FAA security. The parking lot should be open within a week to 10 days after receipt of the approval.

3. Fuel Farm Tank Specs

Johnson gave Ulteig Engineers approval to do a mini-spec on integrating the new 20,000 gallon tank into the fuel farm. He also gave them approval to do the design work on the watermain. The proposed bid opening date for the watermain project is March 16th.

4. Security Projects

Johnson has submitted a list of potential security projects planned for this year to the FAA ADO. A similar reimbursement requests for past security related issues is due to the ADO tomorrow.

5. FedEx Parking Lot

The FedEx parking lot expansion estimate has been sent to Memphis. It included an estimate on how the expansion would effect their monthly rent rates.

6. Hangar Management Agreement

The hangar management agreement between the Authority and GFK Flight Support has been put in place. The Authority is doing the billing for the mass and t-hangars and is also the contact for renting hangars. Flight Support will continue to provide in and out service for hangar tenants.

7. Vending Machines

Johnson reported that the Elders are conducting the research on vending machines for the terminal and are considering an-all-in one machine.

8. Car Rental Facilities

No verbal or written communication has been received from the car rental agencies regarding the possibility of a new facility.

D. New Business:

1. Meeting with Aeronautics Commission

Mutchler asked if Johnson had met with the ND Aeronautics Commission regarding a new runway. Johnson stated that he has talked to the Bismarck ADO regarding the need for a meeting, but none has been scheduled.

2. Budget Change

Cronquist motioned that the budget be amended to reflect the elimination of the Director of Operations position. Beyer seconded. **Action Taken:** Motion carried unanimously.

E. Discussion:

1. Public Records Policy

Johnson explained the changes made to the Authority's public records policy that incorporated new Attorney General's guidelines. Following discussion, the Board indicated it's concurrence with the changes.

2. Parking Paystations

Johnson reported that a letter has been sent to Parking Paystations informing them that we would no longer be working with the Paystations system. Johnson requested permission from the Board to enter into discussions with Republic Parking to provide a similar system. Johnson explained that one alternative would be to reinstall the hardware that was in place prior to the Paystations system. Johnson will report back to the Board regarding options on whether or not to pursue Paystations for some reimbursement. Becker asked what is being done in the interim to get the system operational. Johnson explained that technicians will be here either tomorrow or early next week to restore the operation of the computer and Republic Parking can put their spitters back into operation. Becker questioned why Paystations is being paid to get their computer operational stating that they are being paid for non-performance. After further discussion the Board gave Johnson direction to negotiate with Republic Parking and bring a proposal back at the next meeting.

Meeting adjourned 9:090 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

March 21, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, March 21, 2002 with Vice Chairman Brad Beyer presiding. Those present were: commissioners, Clark Cronquist, Rich Becker, Dave Molmen; Don Olson, Attorney and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Rick Audette, Operations Supervisor; Garry Dugan, Safety Specialist.

The meeting was called to order at 8:04 a.m.

A. Approval of Minutes:

Cronquist moved approval of the minutes from the January 17, 2002 meeting. Molmen seconded. Action Taken: Motion carried unanimously.

B. Resolutions:

1. #01-02 "Matter of Bid Acceptance for Water Main Project"

Johnson recommended accepting the low bid from Soberaski Inc. for \$37,650.00. There was one bid irregularity because of the lack of acknowledgment of receipt of the addendum put issued by the engineers. Molmen moved adoption of resolution #01-02. Cronquist seconded. **Action Taken:** Motion carried unanimously.

C. Reports:

1. 2001 Audit Report

Joe Martin of Brady Martz presented the 2001 audit report.

2. Year to Date Financials

Crystal explained that the operating fund for the past two months has a net income of just over \$22,000. The capital fund has a net income of \$146,000. The debt service fund is just over \$60,000 with a small amount of interest in the unreserved fund. The outstanding federal funds from 2001 were received and have been moved over to Alerus Securities and reinvested.

D. Old Business:

1. Parking Paystations

Johnson stated that the use of the Parking Paystations system has been terminated. The equipment has been removed and Bill MacKay notified that the equipment is no longer in use. The lot has been reconfigured with some of the old systems that Republic Parking had in storage and is now in 100% revenue control.

Don Olson explained that he would be hesitant to state on record, without going into executive session, what his analysis of the case is because of the anticipation of litigation. Olson reviewed the history of the relationship between Parking Paystations International (PPI) and the Authority. He explained that he issued an opinion with respect to the tax exempt status of the Airport Authority but did not review any contracts with Parking Paystations. Olson went on to explain that the first issue at this point becomes whether there was substantial completion of the operational guarantee. If there was, then the contract with Bill MacKay of PPI states that the obligations of the contract and the obligations under MacKay's personal guarantee become null and void. The second issue is what actually happened to PPI? Olson stated that he needs to know for certain what happened to PPI and if there is a connection between PMI and PPI before he pursues legal action.

Molmen moved to have Olson initiate inquiries of Bill MacKay and see what has become of both PPI and PMI and give the Board an evaluation on chances of recovering any investments. Becker seconded **Action Taken:** Motion carried unanimously.

2. Republic Parking Systems Proposal:

Johnson reported that when it became obvious that the Authority was done with Parking Paystations he approached Republic Parking and asked for a proposal for an automated parking system, which he reviewed. Johnson checked references provided by Republic and they were all positive about their endorsement of the system and relationship with Republic. Becker called attention to a mistake on the unit costs. Becker also asked if a 10-year agreement would be in the best interest of the airport and voiced concern regarding new technology that may become available within the 10-year time frame. Johnson replied that a three year contract was probably more the standard but the reason for a 10-year agreement was to spread out the cost recovery of the capital equipment. Johnson also explained that he is not concerned about a 10-year agreement because of Republic's past history with us and their reputation in the airport industry. Johnson did not have concerns about Republic keeping up with technology and offering when it became available. Johnson related how the system would work explaining that both exit lanes would be automated but that a pay attendant would be in the terminal building. Molmen moved to accept Republic Parking's proposal. Cronquist seconded. Cronquist asked how many agencies provided this type of service and if the Authority should go out for bids on the service. Johnson stated that this was an option but the last two similar concessions were simply extended. Molmen asked if we could request a clause in the contract that gives the option for a remaining buy-out of equipment so that our hands are not tied for ten years. Molmen amended his original motion to add a clause to the agreement stating that if updated technology became available it would be offered. Cronquist seconded the amended motion. **Action Taken:** Motion carried unanimously.

3. ARFF Physical Testing

Johnson explained that feedback from the employees was less than enthusiastic about returning to physical testing. Shift Supervisor Jerry Aase will work with Crystal, Audette and Johnson in developing standards for testing. The Grand Forks Fire Department does not have physical testing at this time but is developing testing standards. Other major departments throughout the state have physical testing or are moving towards it.

E. New Business:

No new business at this time.

F. Discussions:

1. Parking Lot and Curbside Security:

Johnson reported that vehicles are being inspected as they enter the close-in security area but this service is not operating 24 hours. He has requested that the inspection hours be extended for approximately 12 hours a day as soon as people can be hired to fill slots. Johnson announced that the National Guard has been extended at the airport through the 31st of May. However, they have requested that they downsize by 25% on the 1st of April and another 50% on the 1st of May. North Dakota airports have expressed concerns about this. The Transportation Security Administration (TSA) hasn't hired anyone for check points and are offering contracts to local law enforcement agencies until they are able to hire people to take over the responsibility. Most law enforcement agencies are not interested because they are short of qualified officers and are concerned that their troops would be targeted by the feds to fill the TSA positions. Johnson explained that if the Guard reduces their force to one per shift the airport is mandated by the FAA to have that person at the screening point. There would no longer be lobby patrols or curbside enforcement. This would require the hiring of a parking control company.

2. Minimum Standards Complaint:

Johnson referred to material sent to the Board regarding a complaint against the Airport Authority filed with the FAA ADO by Joe Vacek. The complaint alleges that the Authority has created an exclusive right and is discriminating against Vacek. Johnson answered the complaint but before the ADO received the information Vacek sent additional material to the ADO giving more evidence in his complaint. After discussion the Board decided to review the minimum standards for single service flight instruction providers.

3. FedEx Need For Space:

Johnson reported that FedEx is interested in renting their old building now being leased by UND. UND has requested a release from their existing agreement on that building in the event they build a new maintenance unit south of the tower. Bob Bednarz explained the need for space.

4. Threat Assessment:

Johnson updated the Board on the airport's threat assessment. In order to get permanent relief from parking restrictions in front of the terminal and the two administrative lots a threat assessment consisting of two parts has to be conducted. The first part is to meet with state and local law enforcement officials to talk about the threats in and around Grand Forks and second to complete a bomb blast analysis for the terminal building. Johnson has met with all of the required parties and documented the meeting and results including the bomb blast study. We are waiting for a written report from the specialty engineering firm. Those two documents will then be submitted to the TSA in Washington requesting complete relief from all parking restrictions.

G. Misc. Audience Comments:

Brian Pfeiffer expressed concern about the pavement height difference on the road to the entrance of Airport Drive stating that it is a hazard. Johnson will send a recommendation to the State Highway Department to inspect the grade separation and possibly make repairs.

Bob Bednarz mentioned that based on the amount of volume and equipment coming onto the airport that the intersection entrance onto Airport Drive needs to be upgraded.

Joe Morgan thanked the Airport Authority for assisting AFSS in relaying the message to general aviation that they were now again open for person to person pilot briefing.

Brent Seifert announced that GFK Flight Support has ordered recovery equipment for disabled aircraft.

Clint Rodningen requested that the Authority allow his agency to look at their insurance and bond needs when the time arises. He thanked the Authority on behalf of Nodak Flying Club for their support during the Aviation Symposium in Bismarck and announced that the symposium will be held in Grand Forks next year. He expressed surprise at the elimination of the Director of Operations position.

Dave Cink thanked all parties involved in the incursion meeting that recently took place in the Authority boardroom.

Meeting adjourned 10:47 a.m.

Respectfully submitted,
Patti Linstad, Board Secretary

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

April 18, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, April 18, 2002 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; Rick Audette, Operations Supervisor; Scott Nelson, Safety Specialist; Garry Dugan, Safety Specialist; and Skip Rucinski, Maintenance Technician.

The meeting was called to order at 7:15 p.m.

Scott Nelson introduced Lt. Col. John Trombley who presented Steve Johnson with a certificate of appreciation for the support that he and the Authority gave Scott and the Air National Guard during the recent deployment.

A. Approval of Minutes:

Beyer moved approval of the minutes from the March 21, 2002 meeting. Molmen seconded. Action Taken: Motion carried unanimously.

B. Reports:

1. Year to Date Financials

Crystal reported that the 2002 operating fund revenue is just under \$40,000. The capital fund has a balance of \$397,000 due to the fact the 84% of the tax levy dollars has been received and no capital expenditures have been completed to date. The debt service fund has a balance of \$103,000. April 1st bond payments of \$106,000 were paid out of the debt service fund. There is a balance in the unreserved fund of \$251.00. In mid-April there was a reimbursement of \$41,310 from the FAA for security expenses incurred following the September 11th disaster. Crystal explained the transfer of funds in the statement of revenue and expenditures. Buildings and grounds maintenance is close to its yearly expenditures because of the repairs to hangar #2. Since damage to hangar #2 was caused by the wind storm in mid April these expenses will be reimbursed by insurance and possibly FEMA.

2. Year to Date Stats

Johnson reported that enplanements for the first quarter of 2002 are almost even with the same time last year. Enplaned cargo is up 138% over last year and deplaned cargo is up 115% over last year. This data does not include UPS since their March figures have not been received. Operations is 1.4% behind the same period for last year.

D. Old Business:

1. Review of Minimum Standards for Flight Instruction:

Johnson reviewed the complaint filed by Joe Vacek against the Airport Authority regarding minimum standards for flight instruction. Johnson recommended that the Board decide to 1) keep the minimum standards for single service flight instruction that are now in place or 2) to move toward the standards that Johnson is proposing. Molmen asked what results would follow a decision made by the Board. Johnson explained that if the standards are not altered he would write to the ADO, in answer to Vacek's complaint and defend those standards. The ADO would then decide if the standards were appropriate or needed to be changed. If the Board adopts the minimum standards that Johnson is recommending he would inform the ADO that the new standards made the Authority compliant with grant assurances. With any option, other than keeping the present standards, the standards would have to be taken to a public hearing.

Sue Vacek referred the Board to FAA Circular 5190-5 April 7, 2000 section 11c. which provides sample questions to ask when developing minimum standards for flight training activities.

Johnson stated that in his opinion when deciding whether or not minimum standards are reasonable one of the things the FAA will do is look at airports in the area. Brent Seifert stated that in looking minimum standards for the area most are relevant and comparable. He voiced concerns regarding the proposed building requirement and requested that the 700 square foot requirement be re-considered.

Tom Vasek asked about the reasonableness of a pilot needing an aircraft specific to instruction for instrument ratings. Johnson explained that what he tried to do was take the ratings that, in combination, would represent what most people would come to a flight instructor for.

Sue Vacek questioned the requirement of having a building for short term contracts such as aerial photography that would only take a short time to complete.

Seifert asked if the Authority wants one-time operators operating on the airport or established operators operating on the airport. Mutchler stated that he didn't think the answer was one way or the other. Seifert responded that an established business could capture one time contracts but not if one time providers could randomly complete them. Mutchler asked if there was enough of that particular type of business to warrant building a building.

Sue Vacek stated that individuals can not get a tail wheel endorsement at the airport. Seifert responded that you can not get this endorsement at any of the North Dakota airports.

Cronquist stated that during his experience of flying at the airport transient service providers have not done the airport any good. What the airport needs are providers that will have a presence and intentions of developing a business. Sue Vacek questioned if having a building guaranteed the success of an operator. Seifert explained that the FBO's flight school has grown every year and he attributes that to having the facility to make the training enjoyable with quality flight instruction and classrooms with state of the art equipment.

Mike Moe asked if a change could be made to the minimum standards to allow instructors in the Nodak Flying Club to give instruction to member for compensation. Johnson replied that even under his new proposed standards instructors in the club would still not be able to receive compensation for training.

Johnson requested that the discussion be brought back to the issue before the Board regarding whether or not the minimum standards should be modified for single service providers and if modified are they ready for public hearing. Becker stated that some issues raised are relevant and asked if there could there be an option where the FBO provides transient office space. Johnson explained that that option does exist and has been used. Becker asked if the Authority could rent space from the FBO or construct a building and in turn rent that space out to anyone wanting to provide flight instruction. Johnson replied that that option is feasible.

Sue Vacek asked the purpose of the current standards. Johnson explained that the Authority is making the opportunity for business to come to the airport.

Molmen moved adoption of the proposed minimum standards. Beyer seconded. Molmen stated that the requirement of the Authority is to make the airport available in a way that benefits the public to include commercial and personal users. Minimum standards have been adopted to ensure that everyone using the airport is playing by the same rules in that they have some commitment to what they are doing. Molmen stated that he would be in favor of loosening the restrictions but is in favor of maintaining minimum standards.

Bob Wood stated that by opening the door to single service providers the airport would be stepping back 20 years when things were in turmoil at the airport. Johnson reminded Wood that single service operators are already included in minimum standards.

Mike Moe suggested that a single service permit be developed with a process of registering with the Authority.

Cronquist stated that requiring a building should be sufficient and stated he would like to see the hours of operation, employee requirements and the requirement of hiring a pilot dropped. The individual running the operation would probably be a pilot and this verbiage makes it sound like two people are needed. Johnson replied that the minimum standards do state that two people are needed if the instructor pilot is out instructing during business hours. Cronquist moved to amend the motion to include not requiring a presence at an office at all times, to not require both an operator and pilot instructor and that the facility be permanent (non-transportable). These items fall under sections two, three and five. Becker seconded. Sue Vacek requested that the Board look and number four that requires an aircraft specific to instrument rating. Johnson stated that if four is eliminated three needs to be modified further. Molmen suggested that one amendment at a time be dealt with and then possibly add another before the final motion. Action Taken: Motion passed with Beyer, Cronquist, Becker voting for and Molmen voting against.

Cronquist addressed the issue of requiring an aircraft equipped for instrument instruction under item four. He explained that giving private pilot instruction does require a certain amount of instrument time and asked how that would be accomplished without an aircraft equipped for instrument training. Sue Vacek asked if an aircraft could be temporarily obtained for the process of instrument training. Johnson explained that his intent was for an instructor to provide the means for a student to achieve instrument rating. Paul Hanson stated that in that case an aircraft capable of instrument training would be needed. Johnson stated that by taking out the hours of

operation for a single service provider of flight training the potential of being challenged by other single services providers for the same flexible hours exists. Molmen asked if the standards were passed as amended and went to a hearing what opportunity is there to change them after the hearing process without sending them back into another hearing process. Johnson explained that it would hinge on whether or not the changes made were significant. Action Taken: Motion on the amendment passed as amended with Beyer, Cronquist, Becker voting for, Molmen against.

Johnson explained that the Board cannot take action on a change to the minimum standards until 30 days after the public notice of intent is given. A public hearing can not be conducted any sooner than seven days after the notice is provided to the public.

2. Part 16

Johnson gave a brief history of the Part 16 explaining that the Authority was found to be in violation of its grant assurances with respect to its treatment of the flying club. The FAA has directed the Authority is to adopt rules and regulations within 60 days bringing it into compliance with respect to lease provisions for flying club aircraft. The Part 16 does reference the draft rules and regulations that the Authority submitted during the Part 16 process. The Board's current revision of rules and regulations is now different from what was sent to the FAA. Johnson asked the FAA if the current document going to public hearing meets the requirements with respect to becoming compliant on the grant assurances. The FAA responded that the current document does meet the requirements. In addition they clarified a point with respect to flying clubs selling products to themselves. Flying clubs are allowed to profit from the sale of materials to each other but they can not sell to the public and any profits derived from sales can not be contributed to the base lease but can contribute to the overhead. Johnson proposed that the draft rules and regulations, that were last reviewed, be taken to public hearing with two exceptions. The first would be to add a sentence clarifying the issue of flying clubs selling equipment to their members. The second addition would be to add a sentence that would make it easier to enforce the rules and regulations. Johnson suggested that sentence read: "The club must maintain its books and records in sufficient detail such that its compliance with these rules and regulations can be verified". With those two exceptions Johnson requested that the Board go forward with the public hearing. Cronquist requested an addition to Section B 11.04 be made that a flying club member who leaves the club without paying the remainder of base lease payment cannot rejoin the club for two year. Johnson indicated that that verbiage has been added. Molmen moved to go to public hearing with the two amendments and one correction. Beyer seconded. Action Taken: Motion carried unanimously.

Johnson announced that the public hearing will take place at 7:00 p.m. May 16th. If the rules and regulations are approved there will be a Board meeting on Tuesday May 21st at 8:00 a.m.

Meeting adjourned 8:40 p.m.

Respectfully submitted,
Patti Linstad, Board Secretary

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

May 16, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, May 17, 2002 with Chairman Tim Mutchler presiding. Those present were: commissioners, Clark Cronquist, Rich Becker, Dave Molmen; Don Olson, Attorney and staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Rick Audette, Operations Supervisor; and Bob Brooks City Council Liaison.

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

A. Approval of Minutes:

Cronquist moved approval of the minutes from the April 18, 2002 meeting. Molmen seconded. **Action Taken:** Motion carried unanimously.

B. Reports:

1. Year to Date Financials

Crystal reported that the operating fund net income through the month of April is just over \$78,000 based on revenues of \$641,000. The net income in the capital fund, exclusive of any transfers in and out, is \$471,000 with revenues of \$481,000 and expenses of only \$10,000. The net income in the debt service fund is just over \$25,000 that is based on revenues of \$153,000 with expenditures at \$117,000. The net income in the unreserved fund is \$265.00.

C. Discussions:

Mutchler requested that individuals commenting during the public hearings step up to the podium and identify themselves. Five minutes of comments per person will be allowed with everyone being allowed to speak once before second comments are taken.

1) Public Hearing for the purpose of amending minimum standards relating to single service flight training operators

Sue Vacek asked the reasoning behind the 700 sq. foot requirement for a building for flight instruction. Johnson explained that the reason that the minimum standards for single service flight instructors came before the Board was partially because of the complaint Joe Vacek filed with the Airports District Office in Bismarck. His complaint, rather than focusing on just his original concern, broadened to cover the minimum standards for flight instruction. Johnson explained that he took a look at the standards for flight instruction and came to the opinion that the Board should revue the standards. The Board agreed and the revisions presented are the results

of the Board's review of minimum standards for single service flight instruction providers thus, the square footage requirement. S. Vacek asked if this was an invitation to do business on the airport or to prevent instructors from coming to the airport. Johnson replied that in his opinion the revised minimum standards are probably the most relaxed of any in the state of North Dakota and that they represented the way the Board would like to see business conducted on the airport. Mutchler stated that the Board was not meeting to re-debate the issues but to allow the public to state their positions. Molmen explained that the purpose of the hearing was to allow input from individuals that the Board could consider as it moves forward in finalizing the standards. S. Vacek commented that the 700 foot proposal came up at the last meeting and she didn't feel that there had been discussion concerning the issue. Don Olson suggested that it may be appropriate for the Board to explain why a permanent facility of that square footage is appropriate for this airport.

Becker referred to comments made at previous meetings where individuals stated that to do less than what is being done would take the airport back 20 or 30 years.

Johnson explaining that it is his opinion that the total building space requirement of 700 feet includes a ten by 20 foot office and reception area, with two, ten by 20 multipurpose rooms and an area of ten by ten for one unisex handicapped accessible restroom.

Brent Seifert reminded S. Vacek that the Board has gone from 4,800 sq. ft to 700 sq. ft.

Clint Rodningen stated that he didn't believe that there has been any public input in developing the minimum standards and requested that public input be gathered before standards are written. He also commented that in order to do business in the size building being proposed an individual would have to charge \$200 an hour to cover costs of instruction, insurance, license, building, rent, and taxes. Cronquist reminded Rodningen that the Board is looking for input, suggestions and recommendations not complaints. Molmen asked if Rodningen was suggesting have a permitting process rather than minimum standards.

Johnson stated that the proposal in front of the Board is an amendment to the minimum standards, not new standards.

Joe Vacek recommend that the Board structure the minimum standards to allow individual instructors to charge a minimal fee.

Tom Vacek explained that the way he interprets the standards is that a student can only fly with an instructor. He stated that all but approximately 20 hours of instruction is done solo and that the amount of dual time is not significant compared to the flying time logged. He suggested looking at what other airports require. He asked if there was any 700 square foot space to rent on the airport. Johnson replied that there was not at this time but the Authority would entertain the option to build if there was interest.

Brian Pfeiffer suggested that the Board look at other airports to see how they handle these types of situations.

S. Vacek asked if someone could explain the difference between a flight school and a part 61 flight training operation.

J. Vacek explained that a flight school operates under Part 141 and flight training under Part 61 and Part 141. Vacek referred to the safety issues with regards to the two stating that Part 141 flight schools have a higher occurrence of accidents. Molmen asked if there were statistics showing the proportion of incidents per hours of flight. Vacek stated that the accident statistic are low up to approximately 40 hours. People with 100 hours of flying are the most dangerous because they have more confidence than ability. Molmen asked how Vacek would translate this information into minimum standards that would benefit everyone and safety. Vacek explained that the part 141 schools have strict policy and procedures and students are vigorously regulated. Training under part 61, even though less regulated, produce accidents because of experience. Molmen asked Vacek if he was advocating a permitting system rather than minimum standards. Vacek agreed that that would be a viable option.

Seifert commented that it's important to note that the Part 61 accident rates, as compared to hours flown on a national basis, are higher than a Part 141 school. He also explained that what the FAA requires to be a flight instructor is not what's required to operate a business.

Chairman Mutchler closed the minimum standard public hearing at 7:57 p.m.

2) Public hearing for the purpose of amending rules and regulations adding a new section relating to flying clubs.

Pfeiffer asked why flying clubs are being added to rules and regulations rather than minimum standards. Johnson explained that historically minimum standards have dealt with businesses, and flying clubs are non-profit and don't do business on the airport therefore, they are more appropriately regulated under rules and regulations.

T. Vacek stated that the wording "to operate" under paragraph 11.01 is vague. Johnson explained that if the flying club routinely uses the airport's runway and it's aircraft are based here it is operating on the airport. Vacek voiced concerns about everyone coming up with their own interpretation of this statement. Johnson replied that he would be concerned if the wording was limited to "based at the airport" and sited an example of an aircraft being based at another airport put conducting flying from GFK. Vacek stated that the Authority can't control who goes out and uses the runway. Johnson explained that the Airport Authority does have the right to control who uses the runway adding that they can't restrict usage but can control it.

T. Vacek requested that the Board look at other options rather than base lease. He suggested 50% of the value of the lease might be another option.

Vacek referred to section 11.05 part C and D. He explained that part D allows a flying club to establish a savings account to accumulate funds for the eventual purchase of an aircraft. However, part C says the club may not derive a greater revenue from the use of its aircraft than the amount necessary for the operation,

maintenance and replacement of aircraft. He asked if a flying club could buy an airplane while leasing it. Johnson replied that if the club is allowed to charge more than is necessary for the operation and maintenance of that aircraft the individuals in the club are accumulating property rights. If they're building up property rights then they start moving away from the requirements for being non-profit.

Don Olson explained the differences between a for profit and nonprofit entity under North Dakota law.

Seifert stated that the purpose of a base lease is to ensure that a flying club is not an FBO masquerading as a flying club. He explained that in his opinion the Board has swung far to the left in trying to accommodate the flying club and what is being proposed is grossly low.

S. Vacek stated that the FAA has not set an amount for a base lease but has just stated that there has to be base lease. She asked why it would be prohibited to have someone lease them a \$1.00 a year if the flying club paid the hangar maintenance and all other costs. Johnson explained that the FAA would view this a sham and economic discrimination against the FBO.

Seifert commented that the purpose for the base lease is to establish the difference between an aircraft rental operation and a flying club.

Rodningen asked if separate accounting had to be kept for each airplane base lease per member. Cronquist asked if the flying club currently kept track of all aircraft time fuel used. Rodningen replied that everything is not kept separate for each airplane. Cronquist explained that all that is required is to keep the records separate.

S. Vacek asked that if someone gave an airplane in the form of a gift and said, "I don't want any money from this", is that a lease not ownership. Cronquist asked if the situation meant handing over the title. Vacek explained that there would be no exchange of title just a gift of reduced rent. Johnson stated that the FAA would probably see that as economic discrimination.

Molmen stated that it was his understanding that ownership was the only option acceptable and having a base lease was a replacement of ownership explaining that it is not just to demonstrate equal contribution by members.

J. Vacek stated that one ramification of not having minimum standards is that there would not be use agreements adding that agreements are good for both sides of the issue.

Johnson replied that if the Board wished the flying club to have a use agreement within the confines of rules and regulations he would not have any objections.

Mark Hewitt referred to paragraph 1 that refers to a flying club as being a corporation associated with a partnership asking if the rules were going to cover partnerships as well. He stated that he would like to see the

rules distributed to owners of all jointly owned aircraft based on the airport to make sure they are in compliance. Hewitt also referred to the last paragraph that states that if the flying club violates the rules it can be terminated immediately. He requested that a written notice be given to the flying club with 30 days to respond and then a public hearing with the majority of the vote required for termination.

Lon Shroyer addressed the issue of leasing asking why it can't be left at exclusive lease and deleting all other rules and regulations regarding leasing. Johnson explained that the FAA has criteria that would allow a flying club do an exclusive lease but will not just accept exclusive lease without the other qualifiers.

Paul Hanson voiced concerns regarding the amount of bookwork that will be required and asked what the airport will be looking for. Johnson explained that the only time the airport would go looking is if someone complained that the club was not following the rules and regulations. Then areas looked at would be base lease payments to ensure that everyone is making base lease payments on the aircraft, if there is other revenue from other sources being used to augment that base payment and if the club is adjusting the base lease payments when people come and go from the club.

Cronquist commented on the terms for termination. He suggested that notice be given before they are required to terminate all operations. Olson explained that adding this condition would not constitute a significant change and send minimum standards back to another public hearing.

Chairman Mutchler closed the rules and regulations public hearing at 9:25.

Mutchler stated that the minimum standards will not be dealt with again until the next regular meeting which will be held June 20th. The rules and regulations will be considered next Tuesday morning at 8:00 a.m.

Becker voiced appreciation for all the contributions from the audience explaining that the Board is reaching out to hear all comments and take them seriously.

Meeting adjourned 9:30 p.m.

Respectfully submitted,
Patti Linstad, Board Secretary

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

May 21, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, May 21, 2002 with Chairman Tim Mutchler presiding. Those present were: vice chair Brad Beyer, and commissioner Rich Becker via teleconferencing; staff Mary Jo Crystal, Director of Finance and Administration; and Authority attorney Don Olson.

The meeting was called to order at 8:02 a.m.

A. Approval of Minutes:

Beyer moved approval of the minutes from the May 16, 2002 meeting. Becker seconded. **Action Taken:** Motion carried unanimously.

B. Resolutions:

1. #04-02 "Matter of Amendment to Rules and Regulations Relating to Flying Clubs"

Beyer moved approval of resolution #04-02. Becker seconded. **Action Taken:** Motion carried unanimously.

Meeting adjourned 8:07 a.m.

Respectfully submitted,
Patti Linstad, Board Secretary

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

June 20, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, June 20, 2002 with Chairman Tim Mutchler presiding. Those present were: vice chair Brad Beyer, commissioner Rich Becker; staff Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; and Rick Audette, Operations Supervisor.

The meeting was called to order at 8:03 a.m.

A. Approval of Minutes:

Beyer moved approval of the minutes from the May 21, 2002 meeting. Becker seconded. **Action Taken:** Motion carried unanimously.

B. Reports

1. Year to Date Financials:

Crystal reported that the net income is showing an income, exclusive of transfers in and out, of approximately \$533,700. Of that \$6,500 is in the operating fund, \$467 is in capital and just under \$60,000 is in debt with a small amount in the unreserved fund. The August wind damage reimbursement from FEMA was received in the amount of \$62,499. Crystal reviewed the 2002 annual report.

2. FedEx Parking Lot:

Johnson reported that FedEx has expressed a need for additional employee parking. Engineering estimates and financial information have been completed and an amendment to the FedEx agreement drafted. The amendment states that the Authority will build the parking lot at a cost of approximately \$60,000. FedEx will repay the Authority over a 60 month period including principal, interest and 1% administration fee. Beyer moved to approve the construction of the FedEx parking lot as presented. Becker seconded. **Action Taken:** Motion carried unanimously.

3. LEO Screening Support:

Johnson stated that the initial offer from the TSA for law enforcement support at the screening point was \$27 an hour. That amount will pay for regular hours worked but if the police department pays overtime the cost increases to \$39.50 an hour. Johnson has appealed the \$27 award and has requesting acknowledgement of his

appeal. The amount they offered GFK is less than has been offered to any other airport in North Dakota. Johnson will bring this back to the Board once there is a reply to the appeal.

C. Discussions:

1. Matter of Parking Paystations:

Johnson referred to a letter received from Don Olson regarding Olson's assessment of the Parking Paystations situation. Johnson summarized the letter that states there is probably better than a 50/50 chance of succeeding in a suit against Paystations. PMI is still in existence and an active corporation in Canada. Johnson recommended that Olson send a letter to PMI advising them that damages are being sought against them under the contracts the Authority has with them. Johnson recommended monitoring the process and evaluating probabilities of success and financial recovery with each step.

2. August Meeting Change:

Johnson requested that the August meeting be moved from the 15th to the 22nd. The Board concurred.

3. GA Parking Expansion:

Johnson stated that GFK Flight Support has expressed interest in building a corporate hangar north of the existing Rydell hangar. Johnson explained that it has been the Authority's policy that the tenant building the new facility pays for the expense of tying into the main utility connections provided by the Authority. Johnson stated that if the main trunk lines are in the vicinity of the proposed hangar Flight Support would be responsible for paying those connection fees. Otherwise, the Authority will fund bringing those utilities into the area. Johnson went on to explain that a more important issue is the pavement needed for a driveway and parking area. In 93-94 the Authority built the driveway and parking area in front of what would become the Rydell hangar with FAA money. Johnson proposed that the Authority fund the 25 foot wide road that will pass through that corporate hangar complex but that the hangar owner pay for any parking that comes off of that road toward the hangar. Seifert requested that the Authority provide infrastructure support stating that providing a 25 foot wide road is not a lot of support. Seifert also brought up the fact that the Authority provided the parking lot for the Rydell hangar. Johnson replied that the Authority has in essence provided the lot for Rydell but the original intent was to create a general aviation parking lot. Johnson explained that the infrastructure was installed prior to the Rydell hangar construction but is uncertain why the initial roadway and parking was built prior to having a tenant. Becker stated that the Authority may or may not have built the parking for the Rydell hangar but posed the questions as to whether or not the Authority wants to continue that practice. He explained that under most circumstances it would be the developer's responsibility and voiced concerns for setting a precedent. The matter was tabled until the next meeting in order to establish when the roadway and parking area were built and what specific utility infrastructure is needed for the GFKFS hangar.

4. Matter of Amendment to Minimum Standards Relating to Single Service Flight Training Operations:

Johnson referred to a memo sent to the Board requesting that the Board not act on this matter explaining that it warrants more discussion. Seifert expressed disappointment in bringing this subject back to the table. After discussion it was decided to table this item and bring it back to a future meeting.

5. Property South of Highway 2:

Johnson reported that he met with appraisers and the property owner regarding the property south of highway 2 that's in the airport's runway protection zone. The FAA does not require condemning the property or using eminent domain to take the property but when it becomes available they encourage purchasing it.

Meeting adjourned 9:05 a.m.

Respectfully submitted,
Patti Linstad, Board Secretary

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

July 18, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, July 18, 2002 with Chairman Tim Mutchler presiding. Those present were: commissioners, Rich Becker, Clark Cronquist and Dave Molmen; staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; and Rick Audette, Operations Supervisor and Bob Brooks, city council liaison.

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

A. Election of Officers:

Cronquist placed in nomination Tim Mutchler for the Chair position. Becker seconded. **Action Taken:** Motion carried unanimously with all voting for Mutchler to continue on in the Chair position.

Becker nominated Brad Beyer for the vice-chair position. Molmen seconded. Action Taken: Motion carried unanimously with all voting for Beyer to continue on in the vice-chair position.

B. Approval of Minutes:

Cronquist moved approval of the minutes from the June 20, 2002 meeting. Becker seconded. **Action Taken:** Motion carried unanimously.

C. Reports

1. Year to Date Financials:

Crystal reported that revenues are about \$610,000 higher than expected. Crystal pointed out that on the statement of revenues and expenditures the landing and ARFF fees are behind schedule. Some of that is due to the fact that FedEx is always a month behind in reporting their revenues. Terminal advertising is behind schedule but progress is ongoing to obtain more advertisers in the terminal. Crystal handed out a list of capital items and Johnson reviewed their status.

2. Year to Date Stats:

Johnson reported that operations are down slightly over last year. Enplanements are slightly below last year with year-to-date down 3%. Cargo stats shows FedEx up year-to-date by 139% over last year with UPS up 37% for the year.

D. Discussions:

1. Minimum Standards for Single Service Flight Instruction:

Johnson referred to a packet of information handed out to the Board. Johnson reviewed questions he felt needed to be answered before taking action on minimum standards for single service flight instruction. One area of concern is if a person giving flight instruction is providing two services, renting aircraft and providing instruction. Johnson referred to an item he felt should be added to clarify some of the issues.

"When an aircraft specified in 2.04 D.4 is used for instruction with an operator employed flight instructor aboard, use of the aircraft is an integral part of that instruction activity and the combined activity is deemed to be a single aviation service. Use of the aircraft specified in 2.04.D.4 by a student without an operator-employed flight instructor aboard (solo) is deemed to be aircraft rental subject to Aircraft Rental Minimum Standards."

Molmen suggested removing the requirement for aircraft ownership or exclusive lease and clarify that if the plane is part of the instruction then the operator must meet aircraft rental minimum standards. The Board gave Johnson instructions to modify the minimum standards for single service providers and go back to public hearing. Becker voiced concern over an unintended circumstance of this action asking how much business would be lost. Johnson stated that he didn't think there would be a loss of business and under these standards it would be easier for someone to compete with Flight Support.

2. Paul Hanson Correspondence

Johnson reported that he recently received correspondence from Paul Hanson, President of Nodak Flying Club, regarding two members leaving. Paul is arguing that minimum standards are unfair and discriminatory when it comes to allowing individuals back into the club within two years. Hanson has requested that the Board rescind that part of the Rules and Regulations for Flying Clubs. Johnson reminded the Board that that clause is in there to deter the in-out-in-out option of a flying club member. Following discussion the Board instructed Johnson to not make any changes.

E. Other Business:

1. Updates

Johnson updated the Board on the following items: 1) Bids came in on the FedEx parking lot under the engineer's estimate. 2) Bids were opened on the terminal beautification project to install paving bricks in some of the rock areas. That bid came in equal to the beautification grant amount from the city. 3) The TSA agreed to the new payment amount for LEO reimbursements. A contract has been sent to GSSC to perform parking enforcement in front of the terminal. If they accept the proposed contract language they should start providing patrol August 1st. 4) Johnson also looked into paving costs for a driveway in the event a new GFK Flight Support hangar was built. The paving associated with the hangar alone would be \$17,000 and to finish the loop and tie it back into airport drive would be \$68,000. The Board decided to not pay for any additional pavement beyond the access road in front of the hangar.

2. TSA Space in the Terminal:

Becker raised the issue of the potential security space needed in the terminal. Johnson reported that the TSA has stated that the corridor, where screening now takes place, doesn't meet their minimums that are to be met at all airports. An alternative solution is to put up a temporary passage on the north side of the terminal that would go outside the building and come back into the hallway next to the bag claim area. Johnson explained that that would not be feasible in North Dakota winter weather. Johnson suggested that the mechanical room be moved to the north and open up that area. He explained that the TSA is responsible for terminal modification to meet their standards. Becker shared this information with Lonnie Laffen and Laffen is willing to meet with the Board regarding this issue. Johnson will report as more information is received from TSA.

3. Recycled Runway Material:

Sven Mikels asked what happened to the idea of placing recycled material, taken from the runway project, on the road south of highway 2 to improve that road. Johnson explained that he's not sure that the airport owns any of the recycled material stating that he thinks it was sold back to the contractor. Johnson and Mikels will discuss this further.

Meeting adjourned 9:38 a.m.

Respectfully submitted,
Patti Linstad, Board Secretary

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

August 22, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, July 18, 2002 with Vice Chairman Brad Beyer presiding. Those present were: commissioners, Rich Becker, Clark Cronquist and Dave Molmen; Don Olson, Authority Attorney; and staff, Steve Johnson, Executive Director; and Rick Audette, Operations Supervisor.

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

A. Public Hearing:

1. Minimum Standards for Single Service Flight Instruction

Vice Chairman Beyer opened the public hearing.

Johnson stated that the only minor change from the last proposed draft of minimum standards for single service flight instruction was addition of a note under 2.04.D that states, "If an operator under this section furnishes or otherwise provides the aircraft used for flight training that operator is also required to meet the minimum standards for aircraft rental service". This issue was discussed at the last meeting and the Board instructed Johnson to add the language.

Sue Vacek asked when the notice of public hearing was published. Johnson explained that it was published seven or eight days prior to the meeting. It was not published in the legal ads but in the meetings and notices section of the Herald. Vacek also asked when the current rule had been approved by the attorney? Johnson replied that he spoke to Olson within the past two days. Olson explained that the proposed rule is legally unobjectionable. Sue characterized Joe Vacek's concern that the required minimum 700 square feet of office space is unreasonable and that he would not be able to make a go of it under those conditions. At \$100 per square foot of construction the cost of space is prohibitive. She indicated the Authority was "on the right track" when it was previously considering permits for this type of activity. This would allow a limited business to grow into a full-time business. The standard being considered doesn't address other types of operators.

Clint Rodningen asked if the Authority had received any written comments on this proposed change. Johnson responded that nothing had been received. Rodningen asked if anyone had contacted the Authority about starting a flight instruction business since we started these discussions. Johnson indicated that he had not received any contacts. Rodningen said that the whole public hearing was a waste of taxpayer money. It serves no purpose. It does not address what Mr. Vacek wants to do. Clint characterized what he viewed Vacek's desires were relative to flight instruction. Clint said there was not enough business on the airport to justify Vacek establishing a fixed location because of construction cost, utilities, etc. He again stated that this process was a waste of time and money. Clint read from an FAA document that "...any airport that has been developed or improved with federal grant assistance is required to operate that airport for the use and benefit of the public and make it available for all types, kinds, and classes of aeronautical activity." Clint alleged that prohibited types of activity are allowed to exist and we ignore it rather than dealing with it through minimum standards.

Brent Seifert refuted Rodningen's allegations about illegal operators indicating that the Authority does enforce its standards. He stated that allowing permits for flight instructors would eliminate his flight instructor

employees. He indicated that GFKFS intends to capture the flight instruction business as part of its full service FBO status. Brent argued against the permitting process, specifically for fueling.

Tim Bosey asked where the Civil Air Patrol falls under minimum standards. Johnson explained that the Civil Air Patrol is not a commercial operator and minimum standards apply only to commercial operators. Clint Rodningen voiced disagreement stating that the Civil Air Patrol is a commercial operation. Clint Rodningen said he disagreed with Johnson's assessment of the non-commercial status of Civil Air Patrol. He said that because Bosey has a commercial license that makes their flight instruction a commercial activity regardless of any payments. For clarification Johnson will check on the status of the civil air patrol and minimum standards. Rodningen said he has asked for ten years for a definition of commercial activity and has never received one. To him the definition of commercial activity has nothing to do with money. He feels the definition in the Authority's rules and regulations is pretty vague.

Rodningen asked how GFK Flight Support conducts "under the umbrella" flight instruction. Brent Seifert explained his existing business arrangement with a Cirrus flight instructor. Brent confirmed that he currently has no one providing flight instruction "under the umbrella".

Sue Vacek asked Brent to describe how an "under the umbrella" arrangement would function. GFKFS would still remain responsible insuring compliance with minimum standards for that umbrella operator. Rodningen asked several questions of Seifert relating to a potential umbrella operation.

Commissioner Becker asked Seifert if he saw circumstances where GFKFS would bring on umbrella operators who duplicated services already provided by GFKFS. Brent indicated he couldn't foresee any unless the instructor brought access to a segment of the local market that GFKFS did not previously have. There was ensuing debate among several audience members and Brent as to the impact of GFKFS having the sole discretion on allowing an umbrella operation and whether that constituted a monopoly. Sue Vacek asked other hypothetical questions of Brent reference umbrella operations. Johnson caution the Board about the relevance of these specific GFKFS inquiries because another full service FBO might do things differently and that could also be acceptable to the Authority.

Clint asked what this umbrella operation is all about. He asked if there was anything written about it. Johnson explained that the option is available for an individual to work this out with a qualified operator under mutually acceptable conditions and that the Authority would review and approve any arrangement. The detail isn't specified. Responding to a Rodningen question, Johnson explained that the parent FBO has to insure that the umbrella operator meets minimum standards.

Sue Vacek asked for confirmation that under the proposed standard an flight instruction SSO could not use an aircraft he/she owns for flight instruction unless they also meet the standard for aircraft rental operations. Johnson clarified that the scenario Joe Vacek proposed would be that of an independent operator versus an SSO. Sue asserted that she had never heard a reason for the Board's decision to not allow permitting.

Vice chairman Beyer closed the public hearing.

Approval of Minutes:

Cronquist moved approval of the minutes from the July 18, 2002 meeting. Becker seconded. **Action Taken:** Motion carried unanimously.

C. Reports

1. Year to Date Financials:

Becker asked about the statement of revenues and expenditures for July stating that it would appear that most of our revenue items should be well beyond the 50% mark and in many cases are not. Johnson will have Crystal address this issue at September's meeting.

2. Parameter Fence:

Johnson explained that there are two issues related to this project. The first is an irregularity on the bid opening. Steve Synhorst, Ulteig Engineers, explained that there were three bids submitted on time and that requirements for the specifications is that they have two envelopes, one containing the bid and the other envelope containing the bid bond, contractor's licenses, and DBE form A. There are a number of places that the requirements are specified. Some are in the newspaper ad, the specification section 100, information to bidders, and specification section 490, specifications on the program and on the bid form. When it came to opening the bid from Texas Commercial Fence they did not have the DBE certificate form in the bid security envelope.

Therefore, it is considered a non-responsive bid. The bid was not opened. Texas Commercial Fence challenged the non-opening of the bid and requested that it be opened and read out loud. The bid from Dakota Fence was under the engineers estimate by approximately \$50,000. Security Fence was over by approximately \$8,000.

Olson stated that the DBE certificate has to go into the bid security envelope according to the bid instructions. The general specifications in connection with the bidding, covers language that comes out of the FAA regulations. Olson explained that if the Board decided to open the Texas Fence bid, review it and then decided who to award the contract to, they would have to determine that the submission of the form A in the bid envelope rather than the bid security envelope was a minor irregularity. They would also have to find that the minor irregularity did not give that bidder a competitive advantage over the other two bidders. After discussion Cronquist moved to reject the bid from Texas Commercial Fence due to the irregularity in the bid package. Molmen seconded. **Action Taken:** Motion approved unanimously.

Johnson requested acceptance of the low bid from Dakota Fence. Johnson explained that there is an alternate item on the bid and regardless of whether or not the alternative bid is accepted it is still lower than the other bidder. Johnson explained the reason for the alternate bid was that last year, due to some effort by the university and airport management, the airport received a discretionary grant of \$725,654. Johnson called attention to the handout he provided. This grant is dedicated to either the environmental assessment, the update of the airport master plan, airport fencing or the acquisition of property associated with the fourth runway. The ADO will not allow the airport to spend the money on property for the fourth runway at this time because the environmental assessment is not done. The areas still in the running are the environmental assessment and update to the master plan. The current estimate for the environmental assessment is \$61,922 and the master plan revision is \$26,990. Those estimates are almost a year old and Synhorst has requested that Coffman Associates submit an updated figure on the master plan. The Dakota Fence bid for \$612,231 including engineering and administration costs and then adding the \$61,000 from the grant for environmental and \$26,000 for environmental the total comes to \$765,440 which appears to be over the grant amount. Johnson explained that when there is a federal grant it's a nine to one match so the airport has to put in 10% on top of any federal funds that are spent and that's where that second line item comes from. That's the total amount of grant eligible projects that the airport can do under that \$725,000 grant. If the Dakota Fence bid is accepted there will still be

adequate funds to do the environmental assessment and the master plan even if the price of goes up. Johnson also mentioned that the ADO informed us that the airport has \$175,000 of entitlement funds from previous years on the books. Apparently there was a situation where we had a higher discretionary grant on the runway than we anticipated so we didn't spend as much of the entitlements. If you take that and add the 10% there is a \$195,000 worth of construction that can be done above and beyond the discretionary grant. One option is to fund the alternate on the fencing bid of \$151,782 or a second alternative would be regarding the Dubuque property. Becker asked what the reason for an alternative bid was. Synhorst explained that the plan and specs were done and within the week before the bid went out the FAA informed the airport that there was \$175,000 that could be spent on fencing but there wasn't time to go out and survey and put a plan together. Johnson recommended that the Board approve the base bid. Molmen motion for approval of the base bid. Becker seconded. Becker suggested that the money available be spent to complete the fence. **Action Taken:** Motion approved unanimously.

At this time it was decided to address the discussion item and then return to reports.

D. Discussion:

1. Dubuque Property Appraisals

Johnson explained the appraisals that were done on the Dubuque property and referred to a map with attached parcel numbers. Johnson pointed out that one option available is to purchase all of the property which would require taking money out of airport reserves. That option would buy all of the runway protection zone. Other options are to purchase parcels two and four or just purchase parcel four. Johnson recommended purchasing parcels two and four for \$232,000 which would require spending reserves of approximately \$40,000. The \$40,000 would be eligible for reimbursement from the federal government in a subsequent year's grant. The FAA does not require it, but encourages airports to acquire all the property within their RPZs. Johnson will bring actual negotiated prices on the parcels back to the Board at next month's meeting. Becker suggested that the airport purchase all four parcels. Cronquist asked if the FAA would reimburse for property outside the RPZ. Johnson stated that he believed they would but would check with the ADO to be sure.

Continuation of reports:

3. Airport Entrance Sign:

Johnson referred to drawings completed by Johnson and Laffen regarding a proposed airport entrance sign. The sign would use the existing base with veneered brick. The lettering would be illuminated and lights would shine up into the space frame design. The estimate to complete the sign is \$39,790 with the budgeted amount for \$40,000. Becker encouraged the Board to move ahead with the new sign and moved approval of the sign design. Molmen seconded. **Action Taken:** Motion passed unanimously.

¶. Other Business

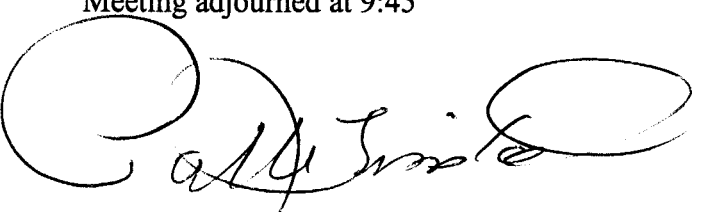
1. Jet A Tank:

Johnson explained that the capital budget for the year includes installation of another jet A tank. The bids have come in significantly higher than budgeted with Hobbs as the low bidder at \$61,538. The Airport budgeted \$47,000 for the project and the engineer's estimate is \$70,000. Hobbs was approached last year and asked what should be set aside as a target number for the budget and that's where the \$47,000 came from. Seifert addressed the Board explaining that jet fuel inventory can now reach critically low levels, especially if Northwest or FedEx brings in an extra flight. Jet A is shipped by truck from Bismarck, Minneapolis, Sioux Falls, and Billings. Two tankers a day are coming in with a tanker on Saturday and Sunday but the weekend tankers are not dependable. By obtaining a new tank Northwest and FedEx could have more fuel on the field. Molmen moved to accept the Hobbs bid of \$61,538. Cronquist seconded. **Action Taken:** Motion carried unanimously. Cronquist asked about the tank that was used at the airbase. Johnson explained that it is was being kept for the possibility of being used as a self fueling tank, but that staff would explore selling it.

2. Comment:

Molmen clarified his understanding of "under the umbrella" operations. He indicated that a full service operator as the right to contract with another operator on their mutually agreeable terms. There is no requirement or guarantee – no safe harbor – that demands that a full service operator accommodate an umbrella arrangement. The only way to guarantee access to a commercial service is to establish an independent business and meet the minimum standards and rules and regulations.

Meeting adjourned at 9:45



Respectfully submitted,
Patti Linstad, Board Secretary

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

September 19, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, September 19, 2002 with Chairman Tim Mutchler presiding. Those present were: commissioners, Vice Chair, Brad Beyer; Rich Becker, Clark Cronquist and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Rick Audette, Operations Supervisor and Skip Rucinski, Maintenance Tech.

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

A. Approval of Minutes:

A motion was made and seconded to approve the minutes of the August 22, 2002 meeting.

Action Taken: Motion carried unanimously.

B. Resolutions:

1. #05-02 Amendment of Minimum Standards

After discussion it was moved and seconded to approve resolution #05-02 Amendment of Minimum Standards. **Action Taken:** Motion carried unanimously.

C. Reports:

1. Year to Date Financials:

Crystal reviewed the year to date financials and reported that a draft budget would be brought to the Board at the October meeting. Johnson reviewed expenditures to date on the capital list and status report on each project.

2. SafeCon:

A presentation was made by UND students Anna Hollerung and Tyler Kolden regarding the 2003 SafeCon. The event will run from May 17 through the 21^s, 2003.

3. Tri-annual Drill

Rick Audette conducted a presentation on the airport's tri-annual emergency response drill.

4. Advanced Engineering Briefing on Utility Map

Representatives from Advanced Engineering presented an overview on the status of the utility map project. This is the first of a multi-year project.

D. Discussion:

1. Procedure for Adoption of Policies and Standards

Johnson reported that the Authority's attorney recommended that the public hearing process be more formalized. Johnson reviewed the major policy changes for adoption of rules regulations and standards. The changes were acceptable to Commissioners.

2. Dubuque Property Appraisals

Johnson reported that on the recommendation from the Board he approached Joan Johnson for a reconciliation of the appraisals received. After reviewing the appraisals Joan excused herself from the process. The material has been sent to another appraiser and hopefully the information will be back by the next Board meeting with a recommendation on actual value of the properties.

E. Other Business

1. Comments:

Clint Rodningen stated that in his opinion the procedure for adoption of policies and standards should go through a public hearing process. Mutchler stated that the changes were not significant enough to warrant taking them to a public hearing. Johnson explained that it is important for individuals that are going to address the Board to organize their thoughts and to speak directly to the issue before the Board. This hasn't always happened in the past

Meeting adjourned at 9:15

Respectfully submitted,
Patti Linstad, Board Secretary

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

October 17, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, October 17, 2002 with Vice Chairman Brad Beyer presiding due to the late arrival of chairman Mutchler. Those present were: commissioners, Rich Becker, Clark Cronquist Dave Molmen; Chairman Tim Mutchler; and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Rick Audette, Operations Supervisor and Bob Brooks, GF City Council Liaison.

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

A. Approval of Minutes:

Cronquist moved approval of the minutes from the September 19, 2002 meeting. Becker seconded. Action Taken: Motion carried unanimously.

B. Reports

1. Year to Date Financials:

Crystal reported that the operating fund has a balance of \$196,000.. The net income in the capital fund is at approximately \$377,000. The debt service fund has dropped because bond payments came out October 1st. Crystal went on to explain that that the operating fund is above projections mainly due to the increase in UND activity causing fuel flowage and storage fees to be higher. Hangar rentals are over budget with the t-hangars full and the mass hangars beginning to fill also.

2. Budget Revue:

Johnson and Crystal reviewed the proposed 2003 budget. This item will be placed on the November agenda for further review or adoption.

3. Terminal Area Planning

Jim Galloway from Johnson Laffen Galloway Architects gave a brief presentation on the preliminary terminal plan prepared by his company. Steve Wagner of Coffman and Associates explained the pros and cons of updating the existing terminal versus building a new terminal on the west side of the airport and how it ties into the Master Plan. Johnson explained that the current Master Plan shows incremental expansion of the terminal in its existing location. He stated that if the terminal is going to be relocated now is the time to plan for that to accommodate the Master Plan update. Molmen suggested that the Board have more discussion regarding this issue. Becker stressed the importance to economic development of the airport's appearance. Mutchler suggested that the Board have a couple of work sessions to discuss this matter further.

4. Year to Date Stats:

Johnson reported that as of the end of September enplanements are up over last year by 1.01%. Enplaned cargo is up 139% with deplaned cargo up 110%. Operations to date are up approximately 6% over last year.

C. Discussion:

1. Dubuque Property Appraisals

Johnson explained that he expects the reconciliation appraisal tomorrow and will fax the results to the Board. Johnson will go over the results with Don Dubuque and have proposals for acquiring the property at the November meeting.

2. Car Rental Dual Branding:

Johnson reported that he was approached by the National Car Rental manager regarding the merger of National and Alamo to form ANC. There has been on-going issues with how airports treat this merger. The issue around the country seems to be whether or not to allow National to dual brand from its current counter space and pay only one minimum or should the arrangement be considered two separate agencies. It appears that the trend at other airports is to go along with the request and allow the dual branding from their counters. National has requested a letter from the Authority giving them approval to dual brand the National and Alamo brands from their rental space in the terminal. Johnson has reviewed the agreement with National and stated that in his opinion it is appropriate to allow ANC to assume the concession agreement that is currently in place with National.

Shari Storbakken, manager, Avis Car Rental voiced concerns and objections to the dual branding of National and Alamo. Jason Johnson manager of Hertz Car Rental also voiced concerns regarding the dual branding. Kathy Lind, National Rent A Car manager stated that it has not been decided whether or not National wishes to dual brand in Grand Forks.

Meeting adjourned at 8:55

Respectfully submitted,

Patti Linstad, Board Secretary

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

October 25, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Friday, October 25, 2002 with Chairman Mutchler presiding. Those in attendance were Vice Chairman Brad Beyer; Commissioners Dave Molmen and Rich Becker and staff Steve Johnson, Executive Director; and Rick Audette, Operations Supervisor.

The meeting was called to order at 1:10 p.m.

1. Approval of Ground Sight Agreement with GFK Leasing

Johnson referred to his memo and draft agreement distributed to the Board regarding the proposed hangar lease with GFK Leasing. Johnson explained that the area where the hangar will be located is north of the Rydell hangar and is 110 feet long by 136.6 feet wide. GFK Flight Support is negotiating a 20 year sub-lease with the INF (Boarder Patrol) but has requested a 40 year lease from the Airport Authority based on their lender's requirements. The commission to the Authority for the sub-lease is 3% based on the fact that the operator is a signatory aviation service provider. Flight Support will assume all expenses for the hangar. The Authority will need to install the roadway adjacent to the hangar. Johnson explained that in consultation with the FAA they voiced discomfort with leases that extend for 40 years. They might allow a 30 year lease if the Authority provides provisions to cancel the lease if the property is needed for other public development. Johnson stated that those specific provisions are in the lease. Sue Vacek asked who the agreement would be with, GFK Flight Support or GFK Leasing. Johnson responded that it's structured to be with GFK Leasing. Vacek asked why. Johnson explained that GFK Flight Support is the operating entity and GFK Leasing owns all of the property. Vacek asked why the lease is not with Flight Support. Johnson explained that the lease is with GFK Leasing because they are the entity that approached the Authority. Brent Seifert added that the lease has to be in the same name as the financing and GFK Leasing and Community National Bank is who the FBO Operating Agreement is with now. Vacek asked why the Authority didn't advertise for development of the hangar. Johnson replied that all of the available ground on the airport that's designated by the Master Plan is available to any party who comes to the Authority and wants to lease it. Vacek then asked why the Authority didn't finance and develop the hangar. Johnson explained that there is probably more revenue by doing it this way instead of the Authority financing it given the generous terms that the Authority has given to people in the past on financing facilities. Johnson stated futher that if the Board Patrol wants to approach the Authority to finance the building they may.

Clint Rodningen stated that requirements for coming on to the airport and doing business are restrictive due to the requirements of business plans, financial statements, and construction bonds. He asked if the Authority has these items for GFK Leasing. Johnson explained that the Authority had that information on GFK Flight Support when the agreements were inacted. Johnson stated that he is not sure that the Authority has them with the agencies to which the GFK agreements were assigned. Rodningen asked if was no longer GFK Flight Support's program but GFK Leasing. Seifert explained that GFK Flight Support has already been through the financial history profile and the five year experience was completed in 1994. Seifert stated that he would share the share holders names with the Board if they wished. Mutchler stated that maybe there is some due diligence that needs to be done to make sure everything is appropriate.

Rodnigen asked what would happen if the Board Patrol defaulted on their agreement with GFK Leasing. Johnson explained that the lease doesn't give a lot of detail about controlling the agreement between GFK

Leasing and a sub-lessor. It basically says that the sub-lessor has to comply with the same provisions that are in the base lease agreement.

Becker asked if the FAA is adamant on not having a 40 year lease or if that was just a recommendation or guideline. Johnson stated that it's very nebulous on discouraging long term agreements with tenants that locks up parcels on airports. Johnson asked for guidance from the Great Lakes Region Compliance person and they gave him 30 as the outside edge of the comfort zone and only if all the other provisions are locked up so that the land can be taken if needed. It's also predicated on how valuable the property is and how much other demand there is for that particular piece.

Rodningen asked if any of the UND leases were over 20 years. Johnson explained that some of them would have to be because the majority of them expire in 05. That meant they were written in 1995.

Vacek reminded the Board that it already had a complaint regarding lease duration. Johnson asked if that was part of her husbands complaint stating that he doesn't recall it being in the complaint but if it were it would have to be answered.

Rodningen asked if the airport is allowed to adjust ground site over a four year period. Johnson explained that it is adjusted annually with the cost of living.

Becker stated that it appears that the agreement would be good for the Authority and GFK Leasing. The only argument seems to be how solid is GFK Leasing's agreement with the Boarder Patrol. Molmen asked that if the FAA, at any point, rules that any of the Authority's agreements are out of compliance with its grant assurances is there a mechanism or terminology in the contract that will null and void it. Johnson explained that its up to the good will of GFK Flight Support to work with the Authority to amend the agreements. Molmen asked if the Authority could agree to the 40 year term, recognizing that the FAA is not in favor of 40 years, and write in the provisions that states the Authority has to stay in compliance with FAA grant assurances.

Rodnigen asked if there would be more due diligence with regards to this agreement. Mutchler stated that he is sure that Johnson will make sure everything is appropriate before the document is signed. Johnson asked what it is he should do as far as due diligence is concerned. He added that the Board's attorney has looked at GFK Leasing and approved the transfer of the FBO Operating Agreement to GFK Leasing.

Becker moved approval of a 40 year ground site lease agreement with GFK Leasing and for the lease to have additional language that addresses the possibility of a grant assurance problem on the duration and how that would be dealt with if there is that challenge. Beyer seconded. **Action Taken:** Motion carried.

Meeting adjourned at 1:55

Respectfully submitted,

Patti Linstad, Board Secretary

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

November 21, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, November 21, 2002 with Chairman Tim Mutchler presiding. Those present were: Vice Chairman Brad Beyer; commissioners, Rich Becker, Clark Cronquist; and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Rick Audette, Operations Supervisor and Bob Brooks, GF City Council Liaison.

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

A. Approval of Minutes:

1. October 17, 2002 Minutes

Beyer moved approval of the minutes from the October 17, 2002 meeting. Cronquist seconded. Action Taken: Motion carried unanimously.

2. October 25, 2002 Minutes

Cronquist moved to accept the minutes of the October 25, 2002 meeting. Becker seconded. Action Taken: Motion carried unanimously.

Discussion item 3.

Johnson requested that item number three, under discussion, be moved up on the agenda before approving resolution #09-02.

Johnson reported that in reviewing the Organizational and Policy Manual he found four items that needed to be revised. He referred to a memo sent in the Board packet that explained the four items that need to be amended. The first one has to do with the selection of professional service providers. In the past, the Authority has re-selected an auditor, legal council, engineer, architect and banking institution every five years. Johnson proposed that insurance agent be added to the list of providers. The second change would be to insert a sentence that states that the insurance agent must be licensed in the state of North Dakota and must be a full service provider. The third change being proposed is a change to the bidding process. The Authority's attorney has suggested that a statement be added to the policy manual that allows the Authority to waive certain irregularities in bids. One condition would be that waiving irregularities doesn't interfere with state law and two that it doesn't compromise the competitive bidding process. The final item is changing the name of the airport in the manual to reflect what it really is. It's referred to in the manual as the Grand Forks Mark Andrews International Airport. The official name is, the Grand Forks International Airport - Mark Andrews Field. Johnson requested a vote on these items. Becker moved to approve the proposed changes to the Organizational and Policy Manual. Beyer seconded. Beyer disagreed with the change regarding waiving irregularities in bid documents voicing concerns over the legal aspects. Beyer moved to amend the motion eliminating the provision on waiving irregularities on bids. Cronquist seconded. Motion to amend was unanimously approved. Action taken on the motion to approve changes to the policy and organizational manual as amended was unanimously approved.

B. Resolutions:

1. #09-02 "Matter of Selection of Professional Service Providers"

Johnson explained that resolution #09-02 is a continuation of resolution #44-91 adopted ten years ago that set the schedule for the selection of service providers. Johnson extended the schedule for another nine years and added the selection of an insurance agent to the schedule. Beyer moved to accept resolutions #09-02. Becker seconded. Beyer suggested that the Authority make it known when the selection process for auditors and insurance firms is going to take place. Crystal explained that there should be selection criteria in order to establish experience, background, and prior audit experience. That criteria could then be used as a defense for who is selected. Johnson suggested that resolution #09-02 be approved as the calendar for the selection process. He will then bring back to the Board an amendment to the policy manual that would explain how the process is done and that the Authority must establish a set of minimum criteria to be met by service providers. Becker recommended adopting the city's process. Johnson asked the Board if it wished to strike architectural from the five year rotation and select architects on a rotating basis or on a project to project basis. Action Taken: Motion carried unanimously as written.

Johnson recommended Brady Martz be re-appointed as the Authority's auditing firm for 2003-2007. He referred to a memo sent to the Board justifying this decision. Becker motioned to approve the re-appointment of Brady Martz as the accounting firm for the Authority for the next five years. Beyer seconded. Action Taken: Motion carried unanimously.

C. Reports:

1. Year to Date Financials:

Crystal reported that the Authority's net income for the past ten months is a negative \$58,753. The operating fund has a surplus of \$253,382 and the capital fund has a negative net income of \$130,036. The debt service fund has a negative balance of \$187,185. The unreserved fund has generated \$5,085. The activity by fund in the statement of revenues and expenditures should be at 84% of revenues and expenditures but operating revenue is slightly below where it should be. The PFC revenues are off due to the stagnant growth in enplanements. Landing and ARFF fee revenue from FedEx lags by a month so there is only nine months showing on that source. Commissions, parking lot revenues, and hangar rentals are significantly over budget. The operating expenses continue to be under budget. Non operating revenue, federal airport grants and state airport grants, are off from budget to actual primarily due to the fact that the federal projects this year were late in the construction season.

D. Discussion:

1. Budget Review

Johnson explained the differences in the current proposed budget as compared to the proposed budget discussed last month. \$20,000 was added to the operating budget for a salary study. Previously, employee compensation showed a 1 ½% increase that has been changed to 2%. An \$80,000 expense for replacing the security system has been dropped from the capital budget. There is also a decrease in landing and ARFF fees. Cronquist moved to approve the budget with a hold on the general aviation facility pending further discussion. Becker seconded. Brent Seifert voiced concerns that the amount budgeted for the general aviation facility would

construct the offices between the hangars but existing hangar tenants would have to be relocated adding to the expense. After discussion the motion carried unanimously.

2. Dubuque property appraisals:

Johnson reported that he had nothing new to report on this subject. One of the two appraisals were found to be lacking and has been resubmitted for review.

4. INS Hangar

Johnson announced that GFK Flight Support will find space in one of their hangars for the Boarder Patrol aircraft so the project is on hold for now.

5. Tank Project

Johnson reported that the tank project is almost completed. The final connections are being hooked up in the fuel farm and it may be turned over today as fully operational.

6. Consolidated UND Lease

Johnson is meeting with UND officials tomorrow to re-open this project. There is only a few issues left before it can be finalized.

7. Sign Project

Bids where opened for the sign project and where higher than the architects anticipated. Lonnie Laffen will talk to the low bidder about some possible amendments to the project to make it more affordable. It will be presented to the Board before bids are accepted.

8. ACTC Award

Dave Cink explained that GFK's ATCT received an award for the amount of traffic handled with no accidents.

9. Bismarck Grant

Becker explained that UND graduate students are working on a grant request from the Bismarck airport to establish an air service program. Johnson stated that it was the city of Bismarck that received the grant not the airport. Becker voiced disappointment that this grant went to Bismarck instead of Grand Forks.

10. Terminal Security

Johnson reported that Tuesday was the deadline for airports to convert to federal screeners. GFK transitioned several weeks before the deadline. The TSA is in place and conducting the screening. The next deadline is December 31st for checked luggage screening. Radley Austin the deputy federal security director for Grand Forks has been assigned. The TSA is leasing office space in the terminal for five months but there will be a proposal going to the TSA for the rental of a double wide mobile structure to be parked south of the large

hangar by operations. An request has been submitted to the TSA to replace the police department at the screening point with Bis-Man Security. The TSA has approved the change in funding.

Becker reminded the Board that there were to be some work sessions for plans for the terminal. Johnson reported that he met with Lonnie Laffen and Lonnie is in the process of designing a tentative re-build of the entire terminal area.

Meeting adjourned at 9:20

Respectfully submitted,

Patti Linstad, Board Secretary

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

December 19, 2002

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, December 19, 2002 with Chairman Tim Mutchler presiding. Those present were: Vice Chairman Brad Beyer; commissioners, Rich Becker, Clark Cronquist; Dave Molmen and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance and Administration; Rick Audette, Operations Supervisor.

The meeting was called to order at 8:08 a.m.

Johnson introduced Sharon Heley, station manager for Northwest Airlines and Radley Austin, TDS Deputy Federal Security Director.

A. Approval of Minutes:

1. November 21, 2002 Minutes

Cronquist moved approval of the minutes from the October 17, 2002 meeting. Beyer seconded. Action Taken: Motion carried unanimously.

B. Resolutions:

1. #13-02 Matter of discretionary Payments"

Johnson reviewed the terms of the resolution explaining that it allows payment to some employees that relates back to the Authority's change from a defined benefit plan to a defined contribution pension plan. This same type of resolution has been presented in the past for several years. Johnson reminded the Board that the pay-out was purely a discretionary decision by the them. Molmen moved adoption of resolution #11-02. Cronquist seconded. Action Taken: Motion carried unanimously.

C. Reports:

1. Year to Date Financials:

Crystal reported that through November the operating fund had a surplus of \$242,818. The capital fund had a deficit of \$187,042 and the debt service had a deficit of \$145,513. The unreserved fund had an income of \$5,236.

2. Airport Sign:

Lonnie Laffen reported on the status of the airport sign. There were four bidders with the bids coming in higher than expected. Laffen approached the low bidder with a revised drawing and asked them to come back with a cost on the revised drawing. The main change to the revised drawing was a change to the lettering making them

a condensed letter style. Laffen suggested that if the Authority was considering building a new terminal and wanted the sign to match the terminal it should be done when the terminal is constructed. Laffen also recommended that the sign box be shrunk down with lighted channel letters across the it. This would illuminate the sign and give a bigger presence from the highway possibly for a lesser cost. Becker stated that the Mark Andrews lettering should have the word "Field" added to indicate the purpose of the name. Lonnie will check prices on both suggestions and bring the proposal back to the Board.

D. Discussion:

1. Process for the selection of engineering and architectural firms:

Johnson reminded the Board that there was some discussion at the last meeting about how the selection of architectural and engineering firms is done. Johnson reviewed a draft of the procedure for this process. Molmen voiced concerns on whether the process of changing providers with each project would get us the quality and continuity needed by the airport. Cronquist stated that he is not in favor of the process due to the fact that it might bring in someone that is not capable of handling a given project. Synhorst suggested that in the bid process each firm list their strengths. Becker stated that in his opinion the rotation does not work in the best interest of the airport. Johnson asked for direction from the Board on whether or not the process was to be on a rotation basis, long term selection, or if every project should be bid. Molmen stated that the first duty of the Board is to make sure that the quality of the airport is upheld by insuring continuity and that in his opinion the process should be left as is. Becker commented that he would rather have a criteria based selection for non-federal projects. Beyer spoke in favor of having only one provider. Synhorst suggested pulling the non-federal projects out of the process and selecting a firm based on their strengths. Johnson will re-write the procedure and present it to the Board at the next meeting.

2. Organizational & Policy Manual Change – Waiver of Irregularities in the Bidding Process

Johnson reminded the Board of the changes proposed at last month's meeting. All the provisions were accepted except the one stating that the Authority had the right to waive minor irregularities in the bidding process as long as it doesn't violate state statute or compromise the integrity of the competitive bid process. Cronquist voiced concern about who would decide what is and isn't a minor irregularity. Beyer stated that the AGC is sponsoring four seminars regarding this issue and suggested that the decision be tabled until these seminars are held.

3. GFK Flight Support Hangar

Johnson reported that the Authority has been approached by GFK Flight Support about whether the Board would entertain the possibility of GFK Flight Support building a mass hangar north of the t-hangar taxiway. They also asked if the Authority would be interested in financing the hangar under the same terms that other businesses are financed on the airport. Johnson referred to a handout from the Airport Compliance Requirements Manual that addresses what airport's responsibilities and requirements are with respect to either providing services to the public or allowing service providers the facilities to provide services to the public. Johnson paraphrased the FAA's requirements stating that if there is a need for commercial services on the airport and there is space available to allow someone to provide those services the airport is compelled to make the space available. One of the arguments that might override these requirements would be if there were plans to use the space in question for another purpose. In the Master Plan the area being looked at is designated for general aviation. Cronquist suggested that this issue be placed on next months agenda to give the Board time to

get more information and review the proposal. Molmen stated that the Board needs to know the scope of the project and structure of the financial arrangements. Sue Vacek asked if the airport needed the business. Johnson stated that one of the criteria is whether or not there is a demonstrated need for another hangar. Seifert explained that Flight Support can build the hangar without financial support from the Authority but wanted to discuss options with the Board mainly regarding the location. The Authority's hangars are full and Flight Support's are beyond capacity. Seifert explained that there is a need to serve corporate business with heated hangars. Seifer expressed concern about the Board making a decision because there is only 90 days to put the project in place so that when the weather breaks construction can begin. Mutchler asked Seifert to come back to the Board in 30 days with financial information.

Meeting adjourned at 9:20

Respectfully submitted,

Patti Linstad, Board Secretary