

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

**January 16, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, January 16, 2003 with Chairman Tim Mutchler presiding. Those present were 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; and Bob Brooks, GF City Liaison.

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

**A. Approval of Minutes:**

**1. December 19, 2003**

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

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the statements sent to the Board are through the end of close of business on the 31<sup>st</sup> of December. Revenues have exceeded expenses with a total of \$463,192.94. Crystal and Johnson have been working with Simmons Flint on some new marketing ideas and a lot of the prep work will be billed to this year. There is a new pickup that has not been paid for and some other capital items from engineering. There is approximately \$70,000 to \$75,000 of miscellaneous expenses that will get posted to 2002 during the close out. The year will end with a positive balance of \$295,000. As part of the close out there will also be a payment to Northwest Airlines that will come out of the \$295,000 balance.

**2. Airport Terminal Area Layout**

Lonnie Laffen and Jim Galloway presented preliminary concept options to re-building the terminal at its current site. Laffen stated the intend at this point is to start thinking about a parking ramp, terminal location and size. Molmen suggested that general goals be adopted for the process. Johnson replied that a terminal master plan needs to be completed and holding up the process is the decision on where the terminal will be located. Becker voiced concerns regarding building the terminal in phases and suggested looking at a 20-25 year projection and building it in one phase. Johnson stated that the FAA would probably not participate in building a terminal for 25 years adding that if it's build beyond the estimated capacity for ten years the financing would be at 100% for the airport. Mutchler suggested deciding on a time frame. Johnson explained that ground could probably be broken in three years but that the important issue is getting the master plan completed. Mutchler suggested that the necessary information be given to the master planners within four to six months. Johnson stated that all they are waiting for is the decision on where the terminal will be located and then they will work with the architects on the plan. Cronquist stated that in his opinion the terminal should stay in its present location to eliminate more cost and continue to having it be accessible to airport tenants. Laffen will bring another plan back to the Board next month for completing the terminal in one phase along with other parking options.

### **3. Airport Sign:**

Laffen reported that the revision being presented was going from a 30 feet long to 26 feet long sign. This option didn't change the size of the letters but enabled a savings structurally by using the current base. This option lowers the cost to \$50,000 with a \$2,500 credit if started in the spring. The current price is approximately \$47,050. Another option would be to replace the box at the top that had cut-out letters with channel letters. The cost for that option would be an additional \$7,000. This will be placed on the February agenda.

### **D. Discussion:**

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

Johnson referred to his revised suggested process on how engineers and architectural consultants should be selected. Everything would stay the same for federal projects following the FAA Advisory Circular. For non-FAA funded projects Johnson recommended that the selection be for a three year period based on qualifications relative to a list of projects prepared prior to the selection process. It continues to have the option that if a project that is being phased or added onto has a consultant that has the expertise and we are best served by hiring the same consultant we can do that. Item number four is new but the concept is the same. It states that if a new project was not on the original list used when selecting a consultant Johnson could make the determination on whether or not the selected firm is qualified to do the new project. If they are qualified they can do the work but if not then Johnson can select another firm that is qualified. Cronquist suggested that all non-federal providers be selected on a three year rotation to include auditors, attorneys, etc. Johnson explained that he wasn't sure that could be done without changing the policy manual. Cronquist stated that he would like to see the procedure implemented now. Johnson asked if the Board wanted the policy in effect for 2003 or 2004. Becker stated that he would like to see it implemented 2003. Cronquist moved to accept the specific action. Becker seconded. Action Taken: Motion carried unanimously. Johnson will implement the proposal and start the process to change the policy manual reducing the selection of all providers to three years.

#### **2. GFK Flight Support Hangar:**

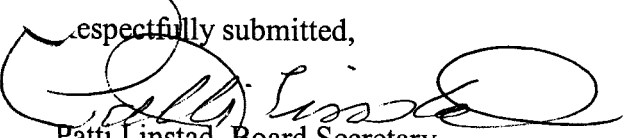
Johnson gave a brief update stating that Corporate Air is interested in building a hangar at the cargo apron. This will eliminate the need for GFK Flight Support to build the hangar they have been discussing because Corporate Air would move out of Flight Support's hangar. Corporate Air has asked Johnson for a drawing and they are in discussions with FedEx about whether or not they will build a hangar. They will get back to Johnson with an answer and that will drive Flight Support's decision. Brent Seifert stated that there will be a hangar built, it's a matter of who will come up with the financing. Johnson will put this on the agenda as things progress.

#### **3. UND Flight Operations Video**

A video highlighting a typical day at UND Flight Operations was shown.

Meeting adjourned at 9:20

Respectfully submitted,

  
Patti Linstad, Board Secretary

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

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

Johnson introduced Alan Doherty, Vice President of Republic Parking and here to help set up the new parking equipment and system.

**A. Approval of Minutes:**

1. February 20, 2003

Cronquist moved approval of the minutes from the February 20, 2003 meeting. Molmen seconded. Action Taken: Motion carried unanimously.

**B. Resolutions:**

1. #01-03 Selection of Professional Service Providers

Johnson explained that this issue has been worked on for several months on how we select service providers. As a reminder, last month the Board agreed with the method that the Authority would use for selecting engineers and architects. That method is that the Authority would do the federal projects, architects and engineers, on a five year rotating basis and the the architects and engineers for non-federal projects on a three year rotation. During that discussion Cronquist brought up that he would like to see all service providers being selected on a three year rotaion basis. Resolution 10-03 spells out the schedule for selecting based on Cronquist's recommendation. There was some question about wether or not the policy manual would have to be amended to make these changes. The policy manual only generally speaks to the selection of service providers and then by resolution or policy the specifics can be directed. Beyers asked why three years when the AIP projects are going to be five? Johnson explained that the existing method is five years on all service providers and this was a move to shorten the commitment that the Authority had to service providers to three years so that more people have an opportunity to participate. Johnson asked for the Board's indulgence on federal project arcitects and federal project engineers because the selection process is pretty involved Johnson would like to continue doint that for five years. Becker added that in his opinion it added more flexiablity for Johnson. Beyers asked if there would be problems with one arcitect working for three years and another working for five? Johnson stated that in his opinion he didn't think so as long as it was broken appart and there was an not. Becker moved to accept resolution #01-03. Beyers seconded. Action Taken: Motion carried unanimously.

**C. Reports:**

## **1. Year to Date Financials:**

Crystal reported that the audit has been completed. Operating funds is negative \$37,000 and during the audit the auditors moved over \$39,000 of expenses that were in 03 back to 02 so the operating fund for January is close to break even. The capital fund shows a balance of \$14,445. Also during the audit they moved some invoices of about \$4,000 this brings the capital fund down to about \$10,000. The debt service fund is \$30,799 unreserved. Becker asked why the auditors are doing adjustments? Crystal explained that the two big adjustments in operating were the Excel Energy bills for December that got paid in January and the other was NSP. Most of the revenue in January has been for 2002. The rebate to Northwest Airlines will be a little over \$55,000 and the refund to Mesaba will be about \$16,000.

## **2. Airport Terminal Area and Sign:**

Lonnie Laffen and Jim Galloway presented preliminary concept options to re-building the terminal at its current site. Laffen stated the intent at this point is to start thinking about a parking ramp, terminal location and size. Molmen suggested that general goals be adopted for the process. Johnson replied that a terminal master plan needs to be completed and holding up the process is the decision on where the terminal will be located. Becker voiced concerns regarding building the terminal in phases and suggested looking at a 20-25 year projection and building it in one phase. Johnson stated that the FAA would probably not participate in building a terminal for 25 years adding that if it's build beyond the estimated capacity for ten years the financing would be at 100% for the airport. Mutchler suggested deciding on a time frame. Johnson explained that ground could probably be broken in three years but that the important issue is getting the master plan completed. Mutchler suggested that all the necessary information be given to the master planners within four to six months. Johnson stated that all they are waiting for is the decision on where the terminal will be located and then they will work with the architects on the plan. Cronquist stated that in his opinion the terminal should stay in its present location to eliminate more cost and continue to having it be accessible to airport tenants. Laffen will bring another plan back to the Board next month for completing the terminal in one phase along with other parking options.

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## **D. Discussion:**

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can do the work but if not then Johnson can select another firm that is qualified. Cronquist suggested that all non-federal providers be selected on a three year rotation to include auditors, attorneys, etc. Johnson explained that he wasn't sure that could be done without changing the policy manual. Cronquist stated that he would like to see the procedure implemented now. Johnson asked if the Board wanted the policy in effect for 2003 or 2004. Becker stated that he would like to see it implemented 2003. Cronquist moved to accept the specific action. Becker seconded. Action Taken: Motion carried unanimously. Johnson will implement the proposal and start the process to change the policy manual reducing the selection of all providers to three years.

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Respectfully submitted,

Patti Linstad, Board Secretary

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BOARD OF COMMISSIONERS MEETING**

**February 20, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, February 20, 2003 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 8:03 a.m.

**A. Approval of Minutes:**

**February 20, 2003**

Cronquist moved approval of the minutes from the January 16, 2003 meeting. Molmen seconded. Action Taken: Motion carried unanimously.

**B. Reports:**

**1. Year to Date Financials:**

Crystal reported that the statements sent to the Board are through the end of close of business on the 31<sup>st</sup> of January, prior to any audit or year-end adjustments. Revenues have exceeded expenses by a total of \$463,192.94. Crystal and Johnson have been working with Simmons Flint on new marketing ideas and a lot of the prep work will be billed to 2002. There is a new pickup that has not been paid for and other capital items from Ulteig Engineering. There is approximately \$70,000 to \$75,000 of miscellaneous expenses that will get posted to 2002 during the closeout. The year will end with a positive balance of approximately \$295,000. As part of the closeout there will also be a payment to Northwest Airlines that will come out of the \$295,000 balance.

**2. Airport Terminal Area Layout & Sign**

At last month's meeting the Board requested Lonnie Laffen and Jim Galloway return with more options on rebuilding the terminal and the new airport sign. Laffen announced that Baukol would extend their bid for work on the airport sign for one month. Becker stated that the Board needed to give Johnson direction on how to proceed with both projects. Laffen stated that two more reviews were needed. One would be for the layout of the parking ramp and the other to complete costs comparisons on where the terminal should be located. Cronquist motioned to keep the terminal in the same location. Becker seconded. Laffen stated that cost comparisons should be completed before a decision is made on where the terminal is going to be located. He also stated that he could have cost comparisons completed by the next Board meeting. Cronquist withdrew his motion and Becker withdrew his second. Beyer moved to accept Baukol's bid for the airport sign with the 30-day extension. Molmen seconded. Action Taken: Motion carried unanimously. Johnson was not sure whether or not the sign was carried over to the 2003 budget. He asked the Board if they would agree to take the funds from the proposed FBO incubator building, which has been put on hold. The Board gave Johnson permission to use funds from the FBO project.

### **3. Year End Statistics:**

Johnson reported that the year ended with enplanements just under 88,000 as compared to 83,500 for the previous year. Deplaned cargo, made up of cargo from Northwest, FedEx, Mesaba and UPS, is up. The rise is due mainly to an increase of deplaned cargo from FedEx of 74%. Enplaned cargo is also up for the year. Becker asked why UPS won't provide cargo data. Johnson stated that it is not a requirement of their contract. UPS only pays a ramp access charge of \$10.00 per day. Johnson and Crystal have discussed the option of charging UPS more if they don't provide statistics. Air traffic is up for the year mainly due to UND activity.

### **4. Promotion/Advertising Support of Upper Midwest Aviation Symposium:**

Johnson announced that the Upper Midwest Aviation Symposium will be taking place the 1-4<sup>th</sup> of March and requested permission from the Board to dedicate some marketing funds to the Symposium. The Board had no objections to using marketing and promotion funds to support the Symposium.

### **5. 4<sup>th</sup> Runway**

Johnson reported that at a meeting in November with City officials, Dean Smith, FAA, and the Aeronautics Commission it was discussed what it would take to get the 4<sup>th</sup> runway completed by next year. The environmental assessment needed to be done and the wildlife hazard management plan completed and published. There were guidelines given out by the FAA on when these items needed to be done. The FAA was going to send the Authority a letter stating that the city of Grand Forks has to make a decision on closure of the landfill by a certain date or the project was to be shelved. The FAA is now not going to send a letter with a definitive date on the landfill. Rather, they have asked Johnson to write a letter to the ADO explaining everything that's being done to address all of the hazards associated with the potential new runway. There are about four hazards that need to be assessed. One is the lagoon another is the landfill. Johnson has to write a letter and explain that what is being done with the bird control is adequate. Johnson also met with the Grand Forks County Water Resource District about the English Coulee that is also included in the Authority's wildlife study as a wildlife hazard. The wildlife study states that the coulee should be culverted and covered or netted. The Water Resource District only carries a budget for light maintenance on the coulee and at most can clean out vegetation growth and repair erosion. If the grant is received to build the 4<sup>th</sup> runway, but the runway can't be built because of the hazards, that would pose a problem. Johnson would like to remove the runway from this year's capital budget and put it into 2004. It might be possible to get the grant, but the FAA could disapprove the project because of wildlife concerns. Becker suggested a vote on whether or not to push ahead or wait until next year. Molmen motioned to postpone the project. Beyer seconded. Action Taken: Motion carried with Molmen, Cronquist, and Beyer voting for postponing the project and Becker voting against.

## **D. Discussion:**

### **1. Car Rental Facility**

Johnson explained that funds are available in this year's budget to build a consolidated car rental facility. Johnson has 100% concurrence from the car rental managers on building the facility. Johnson requested permission to begin planning for the building and negotiating new agreements with the car rental agencies. The Board agreed to move forward with the project

## **2. Republic Parking Location in Terminal:**

Johnson requested that the Board go over to the terminal after the meeting to discuss where the parking kiosks should be placed to allow payment of parking fees in the terminal

## **3. Legal Lawsuit Against PMI:**

Johnson referred to the lawsuit notice that Don Olson sent PMI for recovery of the costs of the parking system.

## **4. ANC Letter:**

Johnson explained the letter he received from Alamo National Corporation is rebutting a letter that Johnson never received. The letter was from Hertz stating their concerns over merger/dual-branding issues.

## **5. Letters to Senators Conrad and Dorgan:**

Johnson explained the letter he sent to Senators Conrad and Dorgan regarding the proposed changes to the Railway Labor Act of 1926 to require mandatory binding arbitration for aviation labor disputes. The Authority has supported Communities Encouraging Strength Through Aviation (CESTA) whose goal it is to bring about the legislative changes. The Grand Forks Chamber of commerce also supports CESTA.

## **6. Minot Charter Service:**

Becker brought up the fact that Minot has lost their charter service because Northwest will not accommodate the baggage handling. Johnson explained that it was restricted to Sun Country, which was a high-level management discussion made by Northwest. The Authority's operations employees and GFK Flight Support now handle the Sun Country charters coming into GFK.

Meeting adjourned at 9:50

Respectfully submitted,

Patti Linstad, Board Secretary



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

**March 20, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, March 20, 2003 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; Skip Rucinski, Maintenance Technician and Bob Brooks, GF City Council Liaison.

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

**A. Approval of Minutes:**

1. Cronquist moved approval of the minutes from the February 20<sup>th</sup> meeting. Beyer seconded. Action Taken: Motion carried unanimously

**B. Reports:**

**1. Year to Date Financials:**

Crystal reported that the operating fund is currently showing a negative balance of \$30,153. The City of Grand Forks changed the way they are billing us for LEO services and we have not received approval from the TSA on the new billing process. Therefore, there are two months that have not been reimbursed for. The capital fund has a balance of \$178,457 and the debt service is at \$65,360 with a small balance of \$43 in the unreserved fund.

**2. Audit Report:**

Joe Martin from Brady Martz reviewed the highlights of the audit and management report.

**3. Airport Sign:**

Lonnie Laffen reported on the lettering for the proposed new airport entrance sign. The Board consensus was that the lettering size was acceptable. Johnson will move forward with plans for the sign.

**D. Discussion:**

**1. Terminal Area improvement Costs and Options:**

Laffen stated that due to the process of updating the master plan a location for a new terminal needs to be decided. He presented a study showing comparisons costs for different sites and options. He stressed that the numbers being presented are budget numbers and not actual estimates since nothing has been designed. Johnson stated that the master planners need a macro decision on whether the existing terminal will be expanded or a new one built on the west side or current site of the airport. After they receive direction from the they can decide which of the options would best fit the needs of the airport. Becker asked if a work session

should be conducted to include the master planners, Laffen, the Board, city and county officials, UND and Northwest. Johnson was directed to set up a special meeting with the master planners. Beyer suggested it be an evening meeting.

### **3. National Car Rental Dual Branding:**

Johnson announced that he had an item for possible consideration that was not on the printed agenda. Kathy Lind, manager of National Car Rental, had asked Johnson several weeks prior to place an item on the agenda authorizing her to dual brand as Alamo/National. Johnson explained that he had forgotten to put the item on the printed agenda but had agreed to let the Board decide whether to consider it today. Johnson told the Board that Shari Storbakken, manager of AVIS, was concerned with the Board considering this matter today without her being present to speak to it. Johnson distributed a letter to the Board from Storbakken requesting that no action be taken at this time. Johnson explained that National had an advertising timing issue in postponing action that Lind could speak more about.

Johnson stated that airport management does support dual branding and that airports throughout the country have already converted to it. In our region Fargo, Minot, Sioux Falls and Minneapolis have all allowed it.

Johnson emphasized to the Board that the significant issue is whether the Board decides to consider and possibly allow dual branding without the AVIS manager being able to speak to the subject or whether it brings the issue back to a future meeting. Bringing the issue back complicates National's advertising process.

Mutchler asked if there was anyone present from AVIS who intended to speak for them. One person from the audience stated that she was present to speak on Storbakken's behalf. Cronquist stated that he felt the dilemma was solved indicating the Board could proceed. Mutchler asked if the Board wanted to hear debate and vote on the issue. Becker stated that he would like to hear some debate, but understood the urgency that National had with regards to their advertising.

Johnson asked Lind to address the issue of urgency for making a decision today. Lind explained that she had already requested a delay from their advertising people pushing their deadline back nine days. She did this expecting that the item would be on the agenda and discussed by the Board at today's meeting. If Lind does not get back to her advertisers by tomorrow National will have to wait an entire calendar year before they can advertise as Alamo/National.

Mark Hovde, General Manager of Hertz stated that he was also asked by Storbakken to request that this issue be put on hold. The local representative from AVIS clarified her earlier comment stating that she was at the meeting only to request a delay on this matter until Storbakken could be present. Lind replied that it was an oversight that the item was not on the agenda and that Storbakken had six months to respond since it had initially been discussed at a previous meeting. She had no communication with the Authority on this matter.

Mutchler asked if the Board wanted to go forward with the issue. Becker stated he would like to go forward primarily from the point of view of other airport managements' decisions to accept dual branding. Becker explained that in his opinion if a decision was not made today the Board would be penalizing Alamo/National if they had to wait another year to get the benefit of their advertising. Mutchler asked for a motion before further discussion took place. Becker moved to accept the executive director's recommendation to allow dual branding for Alamo/National. Beyer seconded.

Mutchler asked those that wanted to speak to the issue to step up to the table to address the Board. No one came forward. Clark asked for the legal ramifications of the situation if taken to court. Johnson replied that not many airports have been taken to court and that the majority of airports where this issue has come up has been resolved by airport management in favor of dual branding. Lind stated that from her knowledge AVIS corporate has pulled out of all their lawsuits regarding dual branding. Beyer asked if the Authority would charge Alamo/National commissions as one agency. Johnson said yes. They would have the ability to

advertise two brands but there would be one lease agreement with the franchise owner. Johnson explained that if the Board accepts dual branding by Alamo/National they are setting a precedent. The Board may be asked to accept dual branding for other agencies in the future if there are mergers or bankruptcies.

Hadley Freng from Hanson Leasing stated that he agreed with Storbakken and that they also have concerns. Their concern is allowing dual branding, dual marketing, with one concession fee. Hadley indicated that National could advertise prices as two separate companies even though they occupy one space and that is a disadvantage to Hertz and AVIS. He reiterated Storbakken's opposition to dual branding. Mutchler asked if this is more significant in a smaller market than in a larger market. Hadley replied that the impact is probably the same. He reminded the Board that this would indeed be a precedent setting decision. Lind explained that all car rental agencies have multiple rates for any single car. Different rates can be charged for the same mid-size car.

Johnson asked if Alamo/National was one company or two companies. Lind stated that it was one company. ANC is the corporation. The airport will be dealing with Rydell Chevrolet/Wes Rydell.

Beyer asked what would happen if they acquired another car rental agency. Johnson explained that there is nothing precluding any other agency from developing a second brand and that there are few limits to what one agency can do in terms of marketing their product. Johnson admitted that Alamo/National has a potential competitive advantage because they were once two companies with separately recognized brands.

Mutchler called for a vote on the motion. Action Taken: Motion carried unanimously.

A National spokesperson from the audience defended dual branding as a normal business practice. An AVIS representative mentioned that BSI airport has rejected dual branding.

### **3. Paint Stripper:**

Johnson reported that he was approached by Jim Weber, a past Board member, and a contractor from Thompson urging the Authority to reconsider the purchase of a paint stripper in the 2003 budget. The contractor's argument against us purchasing the stripper was that he's capable of providing the service without the Authority having to make the capital expenditure. Johnson spoke with Rick Audette and Skip Rucinski about the proposal. Some of the concerns raised were the fact that occasionally the painting has to be done on a short notice and at times painting has to be done around aircraft traffic. It's also becoming more difficult to do work on airports due to runway incursion and safety issues. Also, by doing our own painting we are able to bypass the bid process and avoid multiple advertisings over a period of weeks. Johnson stated that staff intends to press ahead with the purchase of a paint stripper. Beyer asked if we have the facilities to take care of the paint and equipment. Rucinski replied that maintenance has the facilities to store and take care of paint and the associated equipment. Beyer also asked Johnson to make sure that the Authority is covered by insurance for incidents that might occur during the painting process.

Meeting adjourned at 9:11

Respectfully submitted,

Patti Linstad, Board Secretary

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

**April 22, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Tuesday, April 22, 2003 with Vice Chairman Brad Beyer presiding. Those present were 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; Skip Rucinski, Maintenance Technician.

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

**A. Master Plan Discussion**

Johnson announced that he has a copy of the executive report of the Terminal Area Study completed for the new Bismarck terminal. He explained that it's important in that it highlights the areas that make a difference to the FAA when they approve or deny the building of a new terminal. The other item handed out by Johnson was a draft master plan update for the Grand Forks airport. He pointed out that the update looks at the airport's current statistics and revises the projections forward to 2015. The original master plan was completed in 1995 and planned out for 20 years. The current plan shows a significant reduction in what was thought would happen in 2015 based on the first 13 years of that period. The other item of note in the draft master plan update is the justification and projections for the fourth runway.

Lonnie Laffen again reviewed the Terminal options put together by Johnson Laffen and Galloway. Laffen stated that the primary goal at this point is to determine the location for future terminal needs. An option not previously considered is to build the terminal between GFK Flight Support and FedEx. The reason that this option was not previously looked at is that it is in line with the fourth runway and would not be allowed if the fourth runway is built. Another possibility would be to build it between Highway 2 and FedEx. Some of the benefits to this option is that rebuilding Airport Drive would be a shorter distance and there would not be any buildings to remove. Also, additional taxiways or ramps and a parking ramp would not need to be constructed. With this option there is more land for parking and the existing terminal could stay open during construction. Becker asked for comments from Johnson and staff regarding the new proposed option. Johnson stated that the master plan shows that area as future air cargo development. Johnson asked Steve Wagner if this would be a feasible location. Wagner stated that there would be restrictions because of the runway protection zones. Wagner explained that one of the reasons they planned the terminal for the west side of the airport was to keep it equal distance off the main runway, keep it close to the crosswinds runway, and keep it away from the runway protection zones.


Wagner addressed the requirement estimates of what the building would need based on several assumptions. According to the analysis based on those assumptions, the building should be approximately 30,000 sq. Wagner stated that the terminal should be on the west side of the airport as laid out in the original master plan. The property that needs to be acquired is designated and was briefly discussed while putting that plan together. Wagner stressed that it is not a project that can happen overnight. Coffman and Associates will aim to have the new building in the intermediate plan as opposed to open in a six to

ten year period. The main question is how much money should be put into the existing building in the interim. Molmen stated that the existing building should not have additions added but maintained to a certain degree to keep it in working order. Becker asked what would happen if enplanements go down over the next few years. Wagner replied that in his opinion GFK will at least sustain what it has.

After discussion the Board directed the executive director and Coffman and Associates to drop the incremental improvement portion for the existing terminal from the master plan and concentrate on planning for a new west terminal. Wagner suggested that improvements to the existing terminal stay in the plan so as to compare the alternatives and make a case for pursuing the west side. All future extension of the existing building could be removed from the plan and noted that it will stay as is until the move to the west is made. The ADO has recommended that a Terminal Area Study be completed as part of any proposal. Johnson will have the information on formulating a study by Thursday's Board meeting. Wagner will also minimize the ideas of putting more money into the existing terminal and concentrating on the new location.

Meeting adjourned at 8:35 p.m.

Respectfully submitted,

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

Patti Linstad, Board Secretary

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

**April 24, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, April 24, 2003 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.

The meeting was called to order at 7:03 p.m.

**A. Approval of Minutes:**

Cronquist moved approval of the minutes from the March 20<sup>th</sup> meeting. Beyer seconded. Action Taken: Motion carried unanimously.

**B. Resolutions:**

**1. #03-03 Matter of Acquiring Dubuque Property:**

Johnson referred to the package of information, which includes a drawing, on what staff is proposing to do in terms of acquiring certain parcels of the Dubuque properties. Johnson also gave a brief history of the process to date for acquiring the land. Johnson recommended that two of the parcels be acquired at the price the Authority's appraiser came up with and that the larger parcel be acquired by splitting the difference between the Authority's appraisal and the Dubuque appraisal. Johnson explained that the Dubuque appraiser has the same standing as the Authority's appraiser in terms of being a DOT certified appraiser. The FAA should be comfortable with both appraisals and the recommendation to split the difference. The total acquisition is 39.49 acres for a price of \$256,793 which also includes two structures. One of the structures is a home that is currently being rented. The renter would like to continue renting from the Authority for as long as possible. The other structure is a metal shop-type building. Technically the smaller parcel is not needed for the RPZ but since it squares off the Dubuque package it was their request that it be purchased as well. There is \$175,654 available from a previous year's federal grant and an additional \$55,000 would need to be used from this year's grant package. Right now this year's grant package is only being used for fencing and crack sealing the main runway which does leave enough available grant money to acquire the Dubuque property. Beyer moved to accept resolution 03-03. Becker seconded. **Action Taken:** Motion carried unanimously.

**C. Reports:**

**1. Year to Date Financials:**

Crystal pointed out that the process of resolving the payment cycle with the TSA for law enforcement services is ongoing explaining why the operating fund continues to be at a higher deficit than was expect for this time of the year. The operating fund shows a deficit of slightly over \$37,000 at this point. Currently, \$27,000 of that is due from the TSA. At the end of last year there was an outstanding balance from the TSA for September, October, November and December and that money was received in April. The capital fund currently has revenues of \$374,000 and the debt service is \$103,000 recognizing that on April 1<sup>st</sup> the bond payments came out.

Crystal also pointed out that on the financial statement the revenue and expenditures for the operating fund are now being broken down by tenant. The reason for doing this is to recognize the tenants that fall behind or are slow paying with their fees. As an example, GFK Flight Support has not paid revenues, commissions or rents for this year which is putting them 60 to 90 days late. Previously, when running the statement in total some of these issues get buried with tenants that pay commissions on time.

Crystal explained that there is a discrepancy regarding the hangar tenants from where the numbers are budgeted to where they are currently being posted. Now they are being posted as other tenant revenue but should be under airport revenues. Beyer suggested coming back to the Board next month with a recommendation on how to keep tenants current.

## **2. SafeCon**

UND students presented the program for this year's SafeCon competition taking place May 7<sup>th</sup> through 21<sup>st</sup>. Approximately 350 student aviators with about 100 team coaches and advisors representing 30 top flying programs from 11 regions are expected to participate.

## **3. EASE Study**

Johnson explained that last year the city of Bismarck obtained a small community air service development grant to study options for potentially enhancing air service to North Dakota. The group that did that study goes by the acronym EASE. Johnson introduced two UND students involved in the process, John Boehle and Shawn O'Keefe. John Boehle explained that EASE stands for Expanded Air Service Enterprise. He also explained the process in bidding the Bismarck contract and how they were successful in obtaining the contract. They announced that the study has been concluded and what the findings were. Boehle explained that Grand Forks is also interested in exploring options for alternative modes of air service development. They presented a video produced by NASA and the small air craft transportation system lab which has responsibility for the upper great plains region and with whom they are working in partnership with to develop alternative air service. One of the first steps would be to complete a market analysis of the region. Assuming the market analysis findings are applicable they will proceed with a goal of completion by 2005. Becker asked why Grand Forks was not a more logical choice than Bismarck because of UND and SAS and how Bismarck knew about this particular grant. Boehle explained that choice of city was not their decision and that the information they received regarding the grant came from the Bismarck city administrator's EDC offices. They did successfully argue that Grand Forks should be analyzed as at least a spoke onto their system to which they agreed. Boehle went on to explain that they are looking for strategic partners for both funding and facilitation of the study. Boehle and O'Keefe will meet with Becker and bring a report back to the Board.

## **D. Discussion:**

### **1. Terminal Area Master Plan:**

Johnson reported that Ulteig was the prime contractor firm for the terminal area study that Bismarck did. Ulteig explained that the cost of that study was not to exceed \$200,048. Johnson explained that he was not sure if the Authority had to do the same type of study that Bismarck did but was informed by the ADO in Bismarck that something similar needs to be drafted. A major part of the cost was transportation for individuals to travel to research information for the study. \$100,000 of the \$200,00 went to two architects with the other \$100,000 going to Ulteig for design work schematics. Tom Schauer from the Bismarck ADO

is willing to meet and review the statement of work. Beyer asked where the \$200,000 came from. Johnson explained that it was entitlement money and Ulteig was Bismarck's contractor of record so any work on AIP projects would be assigned to them.

## **2. Water System Plan Update/Watermain**

Johnson reported that he had hoped to have more than discussion on this item but one of the consultants did not respond to his request in time. Johnson explained that in 1995 WFW did the last water study analysis for the airport. They surveyed all the existing watermains and calculated needs and flows. Johnson asked Tom Hanson of WFW for a cost to update the plan since several changes have been made to the water system since 1995. He also requested an estimate on calculating whether or not the water line that runs south of the AFSS building to UND's new hangar needs to be updated. UND will need this question answered within 30 days therefore, a special meeting to approve the study may need to be held.

## **3. Capital Plan:**

Johnson reported that every year he is invited to a grant meeting in Bismarck to compete for state grant funds. Typically the grant ranges from \$30,00 to \$150,000 depending on what projects are taking place that year. The ten year capital plan is due to the ADO also. Johnson stressed that the ADO is mainly interested in capital projects taking place over the next three years. Because the plan involves one or two large projects the Authority will get a personal meeting with the ADO. Crystal prepared a work sheet showing project revenues and expenses for the next ten years and how the capital plan would work. Johnson reviewed the proposed plan presented and briefly explained the projects.

## **4. Representation in Salary Study:**

Johnson reminded the Board that there was money in the budget for an employee salary study. Crystal has made arrangements for consultants to come in on May 9<sup>th</sup>. They have requested that there be representation from the Board from the beginning of the process. Mutchler will discuss the option of representing the Board with Molmen and get back to Johnson.

## **5. Executive Director's Performance Review:**

Beyer motioned to accept the recommendation of the review committee. Becker seconded. **Action Taken:** Motion carried unanimously.

Meeting adjourned at 9:04 p.m.

Respectfully submitted,

Patti Linstad, Board Secretary



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

**May 15, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, May 15, 2003 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.

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

**A. Approval of Minutes:**

Beyer moved approval of the minutes from the April 22<sup>nd</sup> meeting. Cronquist seconded. Action Taken: Motion carried unanimously.

**B. Resolutions:**

**1. #04-03 Adoption of Building Code:**

Johnson explained that since the creation of the Airport Authority the airport has been under the Uniform Building Code(UBC) which was adopted by resolution #29-89 in 1989. The City of Grand Forks is moving to adopt the International Building Code (IBC) and to be consistent Johnson requested the Board's concurrence in adopting the IBC. Cronquist moved approval of resolution #04-03. Becker seconded. Action Taken: Motion carried unanimously.

**2. #05-03 Hangar Ground Site Lease with UND Aerospace Foundation:**

Johnson stated that he has been working with UND on the consolidated lease and the lease for their new hangar with the Aerospace Foundation. The policy manual states that the Board has to approve leases of space such as the new UND hangar. After approval Johnson will sign the lease subject to review by the Authority's attorney. The lease will be written the same as all other leases with the same standard provisions and rents. Johnson also explained that this lease will be in effect when the UND leases are consolidated. He has explained to the University that it is only fair that they pay a commission on the business they conduct that's not strictly academic, such as when they contract for flight training services, or those aircraft should pay a landing fee. UND was not receptive to the commission idea so the Foundation lease will include landing fees for those aircraft not associated with undergraduate pilot training. Becker moved approval of resolution #05-03. Cronquist seconded. **Action Taken:** Motion carried unanimously.

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the operating fund still has a deficit balance because the TSA continues to hold payments. If the payments were received from TSA the balance would be closer to a \$15,000 positive balance. Part of the problem in the operating fund is that it was discovered that adjustments to Mesaba and

Northwest had been posted to current operations instead of posted on the balance sheet. The capital fund is \$392,692, the majority of which is mill levy money. The debt service fund has a balance of \$77,266 with a negative balance of \$38,195 in the unreserved fund.

Becker asked how long it would take to receive payment from the TSA. Crystal reported that their appears to be some issues going on within that structure causing some small administrative issues. Crystal expects them to be chronically late payers. Johnson stated that he believes that the LEO contract is up the end of this month and that represents the payments the TSA is delinquent on.

## **2. Recommendation on Late Fee Payers:**

Johnson reported that he and Crystal put together a policy for late payers. It's difficult to always charge a percentage because it's not known what is supposed to be paid until two months after the actual payment is due. Crystal reported that one issue is that in 1999 when the new accounting software was purchased one of the options lost was the ability to automatically calculate finance charges on outstanding balances. The old software was business based accounting software and could automatically trigger finance charges. The system currently being used is a non-profit government based accounting system and calculating finance charges is not an option. Late fees would now have to be manually calculated. There is the option of setting a rate charge and a flat fee. Crystal came up with ranges based on 1% of the highest amount listed with about 1.1% on the lower amounts. Becker stated that in his opinion the Authority should have a policy for late payers but voiced concern that there may be mitigating circumstances with any potential customer as to why they are constantly late. Beyer suggested that the terms be opened to 90 days and after 90 days a charge of 2% per month be assessed. Crystal stated that if terms are open to 90 days we would be carrying most of our tenants. Beyer then suggested that anyone over 120 day late be placed on a monthly report to the Board. Johnson suggested an alternative would be to having a policy that allows staff to administer late payments as in the past. Beyer moved to table the issue of finance charges indefinitely. Becker seconded. After discussion Cronquist moved to amend the motion to remove the term indefinitely. Beyer seconded. **Action Taken on the amendment to the motion.** Motion carried unanimously. **Action Taken on the motion of tabling the issue for now.** **Action Taken:** Motion carried unanimously.

## **D. Discussion:**

### **1. Water System Plan Update/Watermain:**

Johnson reported that he requested that Tom Hanson of WFW update the fire flows and drawings for UND's proposed new hangar. Tom Hanson gave an overview of the study and recommended that no changes to the watermain are necessary to provide the needed fire flows for the new hangar. The hanger should plan on using a fire boost pump to provide the necessary pressure for the sprinkler system and the airport should continue to plan and budget for a 12" watermain on the west side of Airport Drive.

Item three under discussion was moved up at this time.

### **3. Proposed Air-21 Grant Application:**

Becker reported that he met with individuals from EASE. They had just completed a year's study largely funded by an FAA grant to look into the possibility of having a regional airline covering a 10 to 15 city region. The outcome of that study was that it was not feasible. The DOT has come up with another



opportunity which they are willing to fund the major of on a 70/30 split. The option is for various cities to step forward and look at other propositions. One of those options is an air taxi service. The grant has to be in by June 30<sup>th</sup>. At a meeting with Becker, Mutchler and Johnson on Monday John O'Keef and Shawn Boehle indicated that at this point in order to move forward they needed financing. Becker handed out a proposed draft grant application for consideration and referred to an article that appeared in the Bismarck Tribune regarding air taxi service. Becker stated that the grant could be written for a cost of \$4,500 seeking \$1.2 million in total grant request. That \$1.2 million would be used over the life of the grant which would be about three years with 70% federal and 30% local money. If the grant is not received the Authority has lost \$4,500 and it doesn't go any further. A market analysis needs to be completed for a cost of \$50,000 of which is 100% local money to determine if this service makes sense in this area. There would then be a economic impact study for a cost of \$50,000 with \$40,000 being FAA funded. If everything worked to this point there would be a major marketing advertising campaign of around \$600,000 which is 70% FAA funded. This campaign would be to see if there is enough interest from individuals willing to pay for the service. The last part of the grant money would be used for leasing of aircraft. The EDC is very interested in partnering with the Authority and they are willing to fund \$62,000 a year for three years. Bruce Smith is willing to add on mechanics to provide maintenance services and 10 plus pilots from UND SAS would be used. There would also be an administrative head with a possible presence in the terminal. Becker requested that the Board authorize the \$4,500 for EASE to write the grant. Johnson referred to the draft proposal stating that during the meeting with EASE questions came up that could not be answered. If the funding is approved to draft the grant application there is one more chance for the Board to review the grant application before it's submitted. Johnson also stated that in his opinion the grant would not be written for UND exclusively ruling out other parties that are already providing similar services. Johnson also voiced concern regarding the cost of leasing one aircraft. Beyer stated that in his opinion this is an EDC issue and the airport shouldn't be funding it. Brent Seifert voiced concerns about the proposal since this service is being provided by FBOs throughout the region. He has drafted a letter of concern to state and local officials raising the issue of using tax dollars to subsidize an air service that is currently provide in all the involved cities. He stated that he hoped the Board would not use tax dollars and exclude FBOs. He recommended excluding UND from the equation and looking at it from the point of networking the ten major FBOs in the region with a 100% funding from them. Becker suggested that a meeting be arranged with EASE, regional FBOs and the Board and bringing the issue back to the June meeting. Cronquist stated that he has a bias against subsidizing businesses that are in competition with businesses that are already paying taxes in the city.

## **2. Stormwater Improvements: (Resolution #06-03):**

Johnson referred to a handout on the engineer's estimate for the stormwater improvements. The total is \$92,000 but there is also a contingency built in for \$7,000. Johnson speculates that it's probably an \$85,000 project. The improvement will run south along Airport Drive and will service UND's new parking lot and new hangar. The way Authority leases are written now, the Authority can ask the owner of the new development to provide the extensions. Johnson stated that he does not consider this an extension for UND but a choice of whether we want to run stormwater into the ditch or bury it so that it's functional year around. The project is affordable since we didn't build the runway this year and without altering the budget the cost can be absorbed. Mutchler asked if the recommendation should be in the form of a resolution. Johnson agreed that it should since it's a significant capital project that wasn't in the budget. Beyer Moved to authorize the executive director to put the work out for bids and proceed. Cronquist seconded. **Action Taken:** Motion Carried unanimously.

#### **4. Hangar Development:**

Brent Seifert announced that they have reached an agreement with FedEx to establish a new FedEx hangar. The hangar will be adjacent to the cargo ramp, facing west. He and FedEx requested infrastructure support to the facility from the Authority. This would include developing the access road, establishing a vehicle access gate, and sewer and water. Johnson stated that sewer is not a problem since the lift station is right there. Water is on the other side of the road and whether or not it can be accessed from the current FedEx building's hook up is an engineering question. Normally the tenant pays for connection to the facility unless it can be part of some future development. After discussion it was decided to allow Johnson to begin the preparation of the lease of the property and bring back an engineer's cost estimate on the infrastructure improvements.

#### **5. State Grant Award:**

Johnson announced that at the recent state grant meeting in Bismarck Grand Forks was awarded \$151,000. They gave matching shares of 50/50 on a high percentage of our regular capital projects.

#### **6. Other:**

Dave Cink announced that the tower received an award for outstanding customer service. AFSS was awarded the national facility of the year award.

Meeting adjourned at 9:53 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

**June 19, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, June 19, 2003 with Chairman Tim Mutchler presiding. Those present were Vice Chairman Brad Beyer; commissioners Dave Molmen, Rich Becker, Clark Cronquist, and staff, Steve Johnson, Executive Director; Rick Audette, Operations Supervisor.

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

**A. Approval of Minutes:**

**1. April 24<sup>th</sup> Minutes:**

Beyer moved approval of the minutes from the April 22<sup>nd</sup> meeting. Cronquist seconded. **Action Taken:** Motion carried unanimously.

**2. May 15<sup>th</sup> Minutes:**

Becker noted a correction in the May 15<sup>th</sup> minutes under "Proposed Air-21 Grant Application". Sentence mid-way through paragraph should read: " The EDC is very interested in partnering with the Authority and they are willing to consider funding \$62,000 a year for three years". **Action Taken:** Minutes approved with correction.

**C. Reports:**

**1. Year to Date Financials:**

Johnson reported that the car rental commissions in the operating fund are down about 13% for the year which is about \$46,000 below budget. GFK Flight Support is a month behind in commission payments. The TSA still owes \$41,000.

**2. GFKFS/Corporate Air Hangar, UND Aerospace Development:**

Brent Seifert explained that they had considered placing the new GFKFS/Corporate Air hangar on the heavy air cargo apron but realized that the best place to locate it in order to allow expansion at the airport would be near the light air cargo apron. Becker asked what percentage of the hangar would be utilized by FedEx and is there a long term commitment from FedEx. Seifert explained that 100% of the hangar will be dedicated to FedEx with an escape clause written into the lease. Johnson reported that the latest estimate for infrastructure is \$166,000, including engineering fees and a small contingency. Some of this development is not just to serve the Corporate Air/GFKFS hangar but will benefit the airport beyond the hangar development. Of the \$166,000, \$91,000 could be attributable to the new hangar facility with the remaining \$75,000 for development beyond that facility that should be done while there is construction in that area.

The project is intended to take the access road for the hangar to the apron so that FedEx has a second way off of the cargo apron. Also, more water will be brought to that area beyond that needed to serve that hangar. This would also be the time to put the infrastructure in that will allow additional hangars or services in that area. Johnson requested that the Board approve the funding of the \$166,000 infrastructure to make the hangar development a reality. Mutchler asked if the road would come all the way up to the hangar. Johnson replied that it would therefore eliminating a 90 degree turn onto Airport Drive. Also a 12" water main will be taken across and under Airport Drive. This is a segment that our consultants have been encouraging us to provide for the west side of Airport Drive.

Johnson also reported that the UND Aerospace Foundation is planning to build a hangar south of the tower. Not only will the Corporate Air/GFKFS hangar be an un-budgeted expense but also stormwater drainage to support the UND hangar is an un-budgeted expense. Johnson reviewed the capital expenses explaining that the revised capital expenses are approximately \$270,000 less than was originally budgeted with the revenue about \$400,000 less. If all the projects are completed there will be a deficit spending of another \$130,000 above what was budgeted. There will be overall deficit spending of \$770,000 for the year. One could attribute the deficit to the car rental facility, however, over the next 10 years that \$750,000 will be recouped.

Johnson reported that UND went out for bids on their hangar facility. Synhorst explained the update on the stormwater project and how it relates to the UND hangar. Johnson explained that the stormwater project is a continuation of the overall plan to get as much of the storm drainage underground as possible.

Johnson reported that RFPs went out on the fencing project and the single bid came in \$300,000 over the estimate. Synhorst reviewed the original project and how it stands today. He recommended that the contract be awarded based on what was bid and then issue a change order to remove items that will bring the bid down to the budgeted cost. Synhorst summarized costs.

Infrastructure for Corporate Air/GFKFS hangar: (Resolution 07-03) Molmen asked Johnson to explain the benefits of the hangar to the airport for industrial development and the airport's recovery of costs. Johnson explained that he does not know what the exact ground rent will be for either the UND or GFKFS site but that it locks the two users into a perpetual ground rent of approximately \$10,000 a year each. Plus, enough development has been completed for the next cargo apron hangar. Molmen emphasized that it helps build business on the airport, provides recovery and long term return on investment of the infrastructure dollars and extends the infrastructure to help construct future developments. Molmen moved to approve the infrastructure support for the Corporate Air/GFKFS hangar. Becker seconded. **Action Taken:** Motion carried unanimously.

Infrastructure for UND hangar: (Resolution 08-03) Molmen moved adoption of the project as proposed. Cronquist seconded. **Action Taken:** Motion carried unanimously.

Fence Project: (Resolution 09-03) Cronquist moved acceptance of the fence bid as amended by a change order. Beyer seconded. **Action Taken:** Motion carried unanimously.

## **D. Discussion:**

### **1. Proposed Air-21 Grant Application:**

Becker reported that as a result of concerns raised by regional FBOs at the last Board meeting there was a meeting with some of the FBOs and the EASE group to discuss their concerns. Those concerns have been rectified and there is the feeling the this could be a win-win situation for all players including the FBOs. Becker proposed a motion that would state that the Airport Authority in partnership with GFK Flight Support

come up with the initial \$4,500 to successfully complete the grant request. The grant request is for \$1.25 million to evaluate and study the requirement that could be satisfied through an air taxi service. This is the first step and there is no obligation to the FBOs or the Airport Authority beyond the first step. If the grant is awarded the EASE group has a responsibility for raising the dollars needed for market surveys and advertising campaigns. Some of the dollars raised would be local dollars and others would be split 50/50 or 70/30 with the federal government. Becker motioned that the Airport Authority co-sponsor, along with GFKFS, the initial 50/50 sharing of a \$4,500 fee to EASE for the purposes of complying with a grant request for \$1.25 million dollars to be completed and turned in by June 30, 2003. Molmen seconded. Johnson asked John Boehle if the Airport Authority would be the grant applicant. Boehle replied that the legal sponsor, under the language enabling the funding of this grant, has to be a community. Boehle stated that they have met with city officials and they are aware of the grant application. Boehle suggested that the Authority along with the city form a Board to advise the administration of the grant. **Action Taken:** Motion carried unanimously.

## **2. July Meeting Date:**

Johnson requested that the regular July meeting set for July 17<sup>th</sup> be moved to July 24<sup>th</sup> to accommodate his schedule. The Board concurred.

## **3. Car Rental Facility:**

Johnson reported that this year's budget provides for construction of a new consolidated car rental facility. Along with building that facility there is the opportunity to re-write the old car rental leases. Johnson stated that in his opinion it would be a good idea to bring in someone who has a feel for what is going on nationally in the car rental industry to assist with negotiating and writing the car rental agreements. Payment for the new facility and operation of the facility could also be tied into the leases. Mary Carroll LLC has worked in the rental car industry for over 20 years and has been working as a consultant to airports for the past couple of years. Johnson would like to involve her to the degree necessary in the development of the new agreements and in constructing the rental car consolidated facility. Johnson proposed that the Board allow him to negotiate and use Mary Carroll LLC to assist with the process however appropriate. Johnson has received a written proposal from Mary Carroll that outlines four areas that she could assist with. There was no objections raised by the Board for Johnson to contract with Mary Carroll LLC.

## **4. ArtCO FTZ:**

Johnson reported that he and Becker met with a representative from ArticCat and that they are interested in establishing a Foreign Trade sub-zone. Johnson and Becker are keeping communications with ArticCat open.

## **5. Entrance Sign:**

Johnson reported that all the materials for the entrance sign are in. Baukol is ready to begin the project as soon as the area dies out.

## **6. Wireless Internet:**

Johnson stated that planning for installation of the wireless internet system in the terminal building is progressing and the system should be operational by mid-July. Laptop users will get the first 15 minutes free and then they will pay approximately \$3.95 an hour or \$7.95 for all day use. Polar Communications is putting in all the hardware free of charge and after one year it will be assessed to see if it makes economic sense. If appropriate a long term agreement will be signed. Molmen asked if Polar owns the hot spot air space or if it belong to the airport. Johnson replied that it would be under the Authority's control.

## **7. Parking System:**

The new parking management system will be up and running by mid-July. Construction of the small kiosk area in the terminal is about half done.

## **Other:**

Seifert thanked the Authority for providing the hors devours for the meeting of regional FBOs held at GFKFS.

Dean Smith thanked everyone involved in the SafeCon event held at CAS. He also stressed the importance of keeping the issue of the landfill going in order to allow CAS to get their new runway. Molmen stressed the importance of keeping local officials aware of the situation by reminding them that CAS could get the runway but the landfill issue needs to be resolved. Beyer stated that the Authority needs a drop dead date from the city on when the landfill will close and take that date to the FAA. Molmen mentioned that the landfill issue would be a good item for the Chamber Planning Summit agenda coming up in September. They are planning on having a special segment to discuss common problems in development of business and industry.

Joe Morgan announced that next week the FAA administrative phone lines will be replaced and all the published numbers will be wrong. Numbers will be re-published and formal announcements will go out when the project is complete.

Meeting adjourned at 9:26 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary



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

**July 24, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, July 24, 2003 with Chairman Tim Mutchler presiding. Those present were Vice Chairman Brad Beyer; commissioners Dave Molmen, Rich Becker, and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations Supervisor.

The meeting was called to order at 7:58 a.m.

Chairman Mutchler recognized Jeff Hoff of Republic Parking who spoke on the status of the parking system.

**A. Approval of Minutes:**

**1. June 19, 2003 Minutes:**

Beyer moved approval of the minutes from the June 19<sup>th</sup> meeting. Molmen seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

**1. #10-03 "Matter of Imation Expansion:**

Johnson reported that he received a request from the Imation Corporation in Wahpeton to expand their foreign trade zone by adding an additional building. Johnson recommended that a resolution be adopted by the Authority in the event that the Foreign Trade Zones Board wants some formal action. Molmen moved to approved resolution #10-03. Becker seconded. **Action Taken:** Motion carried unanimously.

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the operating fund shows a deficit of \$50,845 with just over \$28,000 of that owed by the TSA for April and May. The capital fund has a \$399,000 surplus and the debt service fund has a surplus of just over \$100,000. The next bond payments will come out of the debt service fund in October. The unreserved fund balance is \$7,545. Crystal pointed out that in the operating fund, Northwest's landing and ARFF fees are under budget with Mesaba over budget. FedEx landing fees are up. The car rentals are off from actual over last year. The trend in the past has been increases in car rental revenue. On the expenditure side, buildings and grounds maintenance is approximately double of budget. There were some miscodings in this area and Crystal continues to look at it to see why.

**2. Stormwater Extension Project:**

Johnson reported that bids were opened on both the UND hangar storm sewer extension and phase 1 of the infrastructure for the potential GFK/Corporate Air hangar. Both projects came in over the engineer's estimate. There is a signed lease agreement in place with UND that specifies the Authority will put in the

storm sewer infrastructure. Synhorst talked to Greg Opp and he agreed that their bid was high and has agreed to reduce it to better reflect the true costs. There is the option of cutting out the project extension which would reduce the price closer to budget. Johnson recommended that changes to the project not be made since the project had already been authorized. Johnson stated that he only brought it back to the Board because the bid prices were significantly over the engineer's estimate.

## **2. GFK/Corporate Air Hangar Development:**

Synhorst reported that Naastad was the low bidder and that that the bid came in approximately \$13,000 over budget. He stated that in his opinion the project came in over budget due to material costs and there isn't anything to eliminate from the project. Johnson reported that this bid is for part one of the two pieces of infrastructure that have to go into the hangar site. The other part is completing paving. A date for opening those bids has not been set. Synhorst stated that bids could be opened for that part of the project during the winter for construction next year. Construction of the hangar is scheduled for completion December 1, 2003. Johnson asked Brent Siefert if they foresaw any access problems for hangar users during the winter months without a paved road. Synhorst stated that he spoke to individuals at ICS and they want the paving held off until they're done because of heavy equipment that needs access to the area. Johnson stated that he thinks it's important to construct the hangar even with this part of the project coming in over budget. In his opinion construction costs won't get any better and it sends a message to one of our important clients of our willingness to support their mission. The Board voiced no objections to accepting the Naastad bid.

## **3. Year To Date Stats:**

Johnson reported that enplanements are down slightly over 2002. FedEx enplaned cargo is up almost 13% for the year with deplaned cargo up 9% over last year. UPS no longer provides numbers for tracking cargo. Airport traffic is up 6% over last year.

## **4. FAA ADO Letter Referencing The 4<sup>th</sup> Runway:**

Johnson reported that he received the letter from the FAA ADO in Bismarck indicating that the 4<sup>th</sup> runway cannot be built without closing or re-locating the landfill.

## **D. Discussions:**

### **1. Terminal Sign:**

Becker asked what it would take to speed up the completion of the airport entrance sign. Johnson will contact Baukol Builders and express the Board's concerns.

### **2. Car Rental Facility:**

Becker asked for discussion regarding construction of a new car rental facility. Johnson stated that the Board had given him guidance previously to press forward with the construction of the facility. In attempting to be user friendly, Johnson along with Mary Carroll, entered into conversation with the three car rental agencies. Discussions were good but agency concerns were expressed about not knowing if the terminal was going to be relocated. Molmen stated that it is impossible to know where the new terminal will

be located, however, moving to the other side of the airport does not seem to be the highest probability at this point. Molmen recommended constructing the facility and add in options to assist the car rentals in paying for it. Johnson reported that hurdles have been overcome with regard to design of the facility but the big issue is if the Board wishes to make the commitment and re-write the contract so that there is a facility charge to pay for it. Mark Hovde of Hertz stated that they are prepared to upgrade the present facility and voiced concerns about investing in a new building that may potentially have to be moved. Becker stated that in his opinion the Authority cannot afford to do nothing for the next three to four years. He suggested that the Board give serious consideration to moving ahead and constructing it this year. Molmen agreed. Johnson stated that he is working to revise the existing agreements and incorporate some provisions that the car rental agencies would like to see along with provisions the Authority would like to incorporate. Becker stressed the need to complete the new agreements with the clauses that are mutually acceptable to both parties so that construction can begin as soon as possible. This item will be placed on next month's agenda.

### **3. Tower Cab:**

Beyer asked about the status of disposal of the terminal tower cab. Johnson stated that he has a letter of intent from the Hillsboro airport to purchase the cab. Beyer suggested Johnson touch base with Hillsboro to see what the status is.

Meeting adjourned at 9:05 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

**August 21, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, August 21, 2003 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 & Administration; Rick Audette, Operations Supervisor; Skip Rucinski, Maintenance Technician and Scott Nelson, Safety Specialist.

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

**A. Approval of Minutes:**

**1. July 24, 2003 Minutes:**

Beyer moved approval of the minutes from the July 24<sup>th</sup> meeting. Cronquist seconded. **Action Taken:** Motion carried unanimously.

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the operating fund has a deficit balance of just over \$37,000. The TSA reimbursement for April of approximately \$14,000 was received yesterday and will go into the operating fund. There is one more outstanding reimbursement for just over \$14,000. The capital fund has a balance of \$381,790. The debt service is at \$108,815. The net income in the unreserved fund is \$7,640.

**2. GFK/Corporate Air Hangar Development:**

Johnson reported that interests of the various parties have apparently been resolved in the multiple agreements that have to be signed between the Authority, GFK Leasing, Corporate Air and the lender. Johnson gave Seifert permission to go ahead and start moving dirt but documented that it was at GFK's cost and risk since there was not an agreement signed with the Authority at the time. The fire marshal informed the Authority that another fire hydrant needs to be added to the infrastructure. The cost to run the pipe and buy the hardware will be an additional \$7,000. Also, the automated gate by the lift station will be re-located back to the west and installed on the edge of the heavy apron.

**3. Tower Cab:**

Johnson explained that the Hillsboro airport has relinquished their claim to the tower cab. Johnson contacted the Aeronautics Commission, the ADO and the local AFSS and let them know that the tower cab is back on the market. Johnson will advertise its availability in the North Dakota Aviation Newsletter and other similar newsletters in Minnesota. Beyer instructed Johnson to also advertise it in the AAAE newsletter.

#### **4. Airport Sign:**

Johnson reported that phase one is half complete. The old sign is down and the mason will begin work on it Friday or Monday.

#### **D. Discussions:**

##### **1. Car Rental Facility:**

Johnson and Becker discussed doing more research to pin down what the cost of a facility would be. Based on 2002 business volumes the rental car agencies had approximately 66,000 rental car days. A rental car day is defined as one car out per one day. When that's broken down into rental car transactions using three days on average it comes out to almost 22,000 transactions. Two possible methods for the payback are a charge per day or a charge per transaction. If a \$1.00 per day method is used it would generate just a little under \$66,000 per year towards the payback of a new facility. If a \$5.00 per transaction is used that method would generate significantly more. The size of the building that was used for the calculation was 3,500 square feet. It allows for two wash stalls per agency and a minimum amount of storage space. It does not include an automatic car wash based on the expressed interest at this time. There are two different construction costs per square foot. One being minimum construction as defined as a metal building with masonry facade. The alternate construction cost of \$125.00 per square foot would be more like the FedEx building. The infrastructure cost provided by Ulteig is \$375,000 which is almost double of what the infrastructure cost was in 1999. If the funds are borrowed it would be at a rate of approximately 6%. Johnson stated that the cost per square feet amounts he used are two arbitrary ones selected to give a feel for what the payback would be. The lower cost building using the \$1.00 per day transaction will take 14 years to pay the interest and principal. It will still take eight years to pay off the loan if the lower cost per square footage is used with the \$5.00 per transaction. Johnson explained that if the Authority goes into negotiations on the facility and a new terminal is built on the west side of the airport the Authority might be in a position to pick up the remaining payments and PFCs could go towards a new facility. Becker stated that if a new terminal was going to be built in the next 3-4 years across the field nothing should be done now. He voiced concerns regarding the length of the payback but added that if nothing is done for the next three to four years the payback will get longer and costs will probably rise. He encouraged more of a group effort in coming to a decision that would be beneficial to both parties. He added that a new terminal will probably not be constructed for another five to ten years and will probably be built on the east side of the airport. He suggested that the Board do things in increments to make the airport look better and better serve the public. Kathy Lind stated that the old building does have problems but stressed that a new facility would have to be affordable. Lind voiced concerns about charging \$5.00 per transaction. She indicated that maybe there would be other ways of coming up with the funding. Johnson reported that Gayle Clifford, the leasee on the property that National and Avis occupy, called and requested that the Board delay the decision on the facility until the outcome of the terminal is decided. Clifford expressed an interest in building the facility and leasing it to the three agencies. Clifford also asked if she would be paid for the existing facility that Avis and National now occupy. Johnson explained that the lease language states that once the lease is terminated the owner has 60 days to remove the building or it belongs to the Authority. Johnson recommended not buying the facility from Clifford should it come down to it. Becker asked who the car rentals would rather rent from. Lind stated that she and the manager from Avis discussed this with Johnson and the consensus was that they didn't care who they rented from but again stressed that it be affordable. Becker suggested that the Board define the minimum standards for the building in the event the car rentals want to build the building themselves. Cronquist added that if the agencies build the facility themselves that the Authority not dictate

how they build it. Johnson stated that the issue is what the Authority's commitment to the future is going to be.

## **2. Compensation Study:**

Johnson reported that the Board has had an opportunity to review the compensation study and ask questions of its author. He asked if the Board had any direction for him as to where to go from here or how it should be implemented. Johnson explained that in his opinion there are two choices. One is to turn it over to him and expect to see it again as part of the budget for next year. The second option is to have some involvement from the Board as to deciding how it's implemented. Cronquist suggested that Johnson take it under advisement and address it in the next budget with the Board committee that was appointed consisting of Mutchler and Molmen. Becker agreed with Cronquist's suggestion. Johnson will share the findings and recommendations of the study with the employees.

## **E. Other Business:**

### **1. EASE:**

Johnson recognized Jon Bohle and Shawn O'Keef from EASE. Bohle reported that the DOT has set September 30<sup>th</sup> as the deadline for them to get to the final proposals received from around the country. On the local level the Grand Forks proposal has a great deal of political support. There have been several meetings with the congressional delegation as well as governor Hoeven and members of his staff. All have written letters of support to the coordinator of the program at the US DOT. Bismarck's grant amendment has been approved. While the delegation and the governor's office have spelled out their support for the Grand Forks proposal, in terms of its stand-alone nature, they have recognized the potential linkage between the two programs.

### **4. ATCT Privatization:**

Johnson reported that the new reauthorization bill that funds the FAA and also funds the airport improvement program includes a provision that would preclude the FAA from privatizing the 70 largest VFR towers in the country. GFK is included as one of the largest 70 VFR tower airports. The provision in the bill that the air traffic controllers want would insure the continuation of federal employees at those 70 towers. It is not in the law that is up for a vote now. The FAA is asking to retain the right to privatize the 70 VFR towers. The 209 towers that are privatized are of no expense to the airports. The FAA performs studies and determines if the cost benefit ratio is over one they will pick up all the cost of the privatize operation. If the cost benefit is below one the local community is expected to pick up some of that cost. Johnson asked the FAA what our cost analysis would be. The estimate he received was that it would be somewhere around six or seven. The Authority is taking a neutral position on the issue.

### **5. Construction Update:**

Johnson reported that work on the UND hangar is ongoing and on schedule.

The stormwater project will be up to the north Flight Service driveway by tomorrow with the possibility that it be completed to the south driveway tomorrow.

The fencing project has stalled while negotiations take place with the land owner who farms the quarter section around the VOR. Olson is drafting a 20-year easement agreement that would include a fence on the property line of the quarter section to allow the land owner access.

The Dubuque property acquisition has been completed. Olson is drafting a one page rental agreement for the tenant who rents the home.

Segments of the pavement on Airport Drive have been removed and replaced. The remaining part of the contract is to seal the major cracks.

Meeting adjourned at 9:06 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

**September 18, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, September 18, 2003 with Vice Chairman Brad Beyer presiding. Those present were commissioners Dave Molmen; Clark Cronquist and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations Supervisor.

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

**A. Approval of Minutes:**

**1. August 21, 2003 Minutes:**

Cronquist moved approval of the minutes from the August 21<sup>st</sup> meeting. Molmen seconded. **Action Taken:** Motion carried unanimously.

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the TSA's outstanding debt has been cleared up. The operating fund continues to show a deficit which would be rectified if tenants that have fallen behind would become current. At the end of August the capital fund had a current balance of \$58,632. The debt service is at \$115,335. There is a small balance in the unreserved fund of \$7,840. Receipts from the three car rental agencies are down 20% which is about \$55,000 under the projected budget for them. Molmen asked if that was the trend in other cities in the area. Johnson replied that it's almost directly proportional to the drop in enplanements.

**2. Passenger Facility Charges:**

Johnson explained that the Board was previously made aware that we are in a non collect mode for PFCs due to a staff oversight. Staff is working diligently to correct it and get back to collecting PFCs. He stated that the application is ready to send after Board approval. Johnson reported that he has been in touch with Northwest Airlines who has agreed to short cut the system as much as possible to help us get back into the collection mode. Johnson went through the application process and reviewed the CIP list that outlines the projects that would be funded by money collected. Some of the projects are completed but we will collect the 10% matching share for those completed projects. Johnson also shared a letter he received from UND requesting that we develop a small paved area east of the asphalt taxiway to be used for their helicopters. This would allow UND to isolate their helicopters from the fixed-wing aircraft. They are also losing some of the tie downs immediately in front of their new hangar. Cronquist asked if it would be appropriate to move the helicopter parking up since they are losing parking space. Molmen moved approval of submitting the new PFC application. **Action Taken:** Motion carried unanimously.



Molmen expressed the Board's appreciation to Northwest Airlines for being co-operative in helping us move the PFC application through. He also stressed that staff develop a plan to assure that a lapse in PFC collections doesn't happen in the future.

**D. Discussions:**

**1. Cronquist's new terminal plan**

Johnson presented a suggested option from Cronquist regarding the development of a new terminal. The plan calls for removing buildings starting at hangar 2 south to the t-hangar taxiway. This plan would utilize the new apron being re-constructed this year. It also utilizes the t-hangar taxiway area that will be reconstructed this year under the CIP. If a terminal were built in the location suggested by Cronquist the t-hangars would be re-located south of the AFSS building with the car rental facility moving to the south side of the fuel farm. There has also been some previous discussion and planning regarding building a new maintenance building which fits in with this concept. This plan is minimally disruptive because it would not take the existing terminal out of commission while the new one is being built and it doesn't tear down the administration building or disrupt the ARFF operation.

Meeting adjourned at 8:45 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

**October 7, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Tuesday, October 7, 2003 with Chairman Tim Mutchler presiding. Those present were Vice Chairman Brad Beyer; Clark Cronquist and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations Supervisor.

The meeting was called to order at 10:00 a.m.

**A. Discussion:**

1. Passenger Terminal

Johnson introduced Tom Schauer from the FAA ADO in Bismarck and Mark Holtzer from the North Dakota Aeronautics Commission.

Johnson explained that the thought of constructing a new terminal or updating the existing terminal began after one of the commissioners asked how such a process would take place. The Master Plan was being looked at in order to incorporate some updates to the location of the 4<sup>th</sup> runway and it was decided that this would be the time to incorporate the idea of a new or updated terminal. The Master Plan is still in draft form and hasn't been submitted as revised. It shows some changes to the existing terminal and potentially a new west side location. Johnson stated that he does not have a lot of confidence in the west side costs. Johnson reviewed the alternatives that were explored. The next step would be to do a study in phases starting with the investigative phase. This looks at the existing building condition, roadway flow and space, visits to other terminals, patron service/provider survey and airspace issues. The next phase would be looking at future requirements such as upgrading versus building, cost benefit analysis and evaluation of possible locations. The final conclusion phase includes schematics, financing and scheduling and implementation plan.

Tom Schauer explained that the FAA would like to review their concerns up front so that the process isn't started and then they become involved later by presenting their requirements. Schauer stated that this will also give ideas for improving discussions. Schauer explained that one of the main issues is justifying the project to the FAA. The FAA has a priority system for all projects that take place but not everything has to fit within the priority system. Building a new terminal building on a scale of one to 100 is a priority 38. To rehabilitate the existing terminal would be a 35 on the scale. The priority system is not the only deciding factor; there are other hurdles involved. A package will have to be put together that will meet a national level of scrutiny. It will have to include an explanation of why a new terminal is needed, and what the issues are driving the decision. If five million dollars or more in discretionary money is needed for a capacity related project, a benefit cost analysis needs to be done. Schauer stated that in his opinion the Authority needs to look at a plan, not only for the terminal, but to look at all the space between the parallel runways and taxiways. He also suggested that UND be brought to the table for discussion regarding their long term goals so that development can be structured that will meet their needs as well as

the airport's needs. Schauer also recommended that the facilities and air traffic people be involved. Johnson asked what UND has to do with the location of a terminal building. Schauer replied that if the plan was to include relocating the t-hangars, where those are sited could possibly impact UND. Beyer asked about funding to conduct a study to build a new terminal versus rehabbing the existing terminal. Johnson replied that funding has been provided in next year's budget, solely by the Authority. Schauer stated that one thing to keep in mind is that if a terminal is built outside the existing area we should plan another \$50,000 for an environmental assessment. Schauer explained that the type of questions that will be asked by the FAA are how will a new terminal and fourth runway be maintained since neither are revenue producing. Johnson explained that next year's capital plan has the t-hangar taxiway being reconstructed where it now exists. If a study could be completed to show where new terminal construction would be a plan could be implemented to relocate the hangars. In two years the capital plan shows replacing two segments of A apron. If a new terminal was to be built along A apron a heavy apron could be constructed rather than matching the existing. Seifert stated that GFKFS and UND are strongly opposed to moving GA over to the south side of the UND complex. Schauer stated that it will probably be five to ten years before the Authority will be able to bring everything together. Johnson asked who should lead the terminal area study. Schauer replied that whomever the Authority trusted to be diligent should lead the study. He indicated engineering firms tend to have long-term, continuing vested interest in an airport.

Meeting adjourned at 8:45 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

**October 23, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, October 23, 2003 with Chairman pro tem Dave Molmen presiding. Those present were Clark Cronquist; Rich Becker and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations Supervisor and Gary Ewing, Operations Shift Supervisor.

In the absence of the Chairman and Vice Chairman Cronquist motioned for Molmen to act as Chairman pro tem. Becker seconded. **Action Taken:** Motion carried unanimously.

The meeting was called to order at 7:01 p.m.

**A. Approval of Minutes:**

**1. September 18, 2003:**

Cronquist motioned approval of the minutes from September 18, 2003. Becker seconded. Action Taken: Motion carried unanimously.

**2. October 7, 2003:**

Cronquist motioned approval of the minutes from October 7, 2003. Becker seconded. Action Taken: Motion carried unanimously.

**B. Resolutions:**

No resolutions came before the Board

**C. Reports:**

**1. Year to Date Financials:**

Crystal explained that the changes to the set of statements labeled "Comparison to Budget" were due to an accounting software change. Also, the report will now only show a percentage of the total revenue derived from the airport. If more information is needed it can be worked separately into an excel spreadsheet. Crystal also pointed out that the UND Foundation ground rent has come on line with the construction of their hangar. The expenditure budget is in error due to the fact that the Authority has been paying electrical utilities for one of the tenants. This makes the electrical line item to about \$5,000 higher than it should be. This amount will be billed back to the appropriate tenant. The operating fund is positive by just under \$30,000. The capital fund is showing a deficit through September of \$70,465. The debt service through the end of September, was \$116,401. There is a small amount in the unreserved income of \$78,225.

Becker asked how the parking system was working operationally. Johnson explained that initially there was a lot of confusion but that things continue to improve. One area of confusion is the build-up of exiting vehicles in one lane. Republic will place signs indicating that there are two exit lanes. Republic personnel can monitor these situations from the booth in the terminal if they are not tied up with a customer. Johnson told Republic Parking management that the lighting was not adequate on the exit

boxes. Republic explained to Johnson that they were told by the company that manufactures the exit boxes that lights can't be installed on them.

## **2. Operations Stats:**

Audette showed a slide presentation on the fencing project.

Johnson reviewed the quarterly operating statistics. Enplanements are up for the month over last year. For the year they are up by 4%. FedEx enplaned cargo is up approximately 5.5% for the year and deplaned cargo is up by 6%. Northwest's enplaned and deplaned cargo is up over last year. Air traffic is up 4% percent over last year. If the trend continues operations should be in the mid \$90,000 at the end of the year. Becker asked how many charters are coming in. Johnson replied that on average one charter a month.

## **3. Audit Recommendation:**

Johnson explained that one of the management recommendations in our last year's audit was to do financial review of certain tenants. Specifically, the rental car agencies, restaurant and GFK Flight Support. The process has been initiated with Brady Martz.

## **D. Discussions:**

### **1. 2004 Budget Review:**

Johnson reviewed the 2004 revised budget. The budget will come before the Board for vote at the November meeting. Molmen suggested that if Board members have questions regarding the budget they should contact Johnson or Crystal.

### **2. Architect Selection Process:**

Molmen reminded the Board that earlier in the year they passed a resolution requiring entering into a process for the selection of architect and engineering services. This year the architect selection comes up for renewal. Johnson referred to information sent to the Board that explains how the search for architects for AIP and non AIP projects will be conducted. As a result of postponing the meeting from last week Johnson had to post the advertisements in the AAAE Report newsletter to meet the deadline. The ads have also been published in the Grand Forks Herald. The deadline for submitting statements of qualifications is November 21<sup>st</sup>. The next step will be to review the statements of qualifications. Final selections will be made the week of December 15. Johnson requested confirmation from the Board that they are in agreement with the two selection committees that he has proposed. For the AIP projects selection committee he suggested that two Board members, Frank Argenziano, Mark Holtzer, and Johnson serve. For the general projects the committee would be made up of Johnson, two Board members, Frank Argenziano and Crystal. Nineteen information packets have been sent to firms listed in area phone books. Becker suggested that the selection of Board members to serve be delayed until more members can be present.

### **3. AFSS Lease:**

Johnson referred to information in the packet that explains the history of the Automated Flight Service Station. The lease is about to expire and the FAA wants to know what it costs to maintain the building and if it could be leased to them for no cost. Johnson recommended that the Authority not commit to leasing it for no cost. He suggested using a term that would give it to them at a discount from fair market value. Joe Morgan explained that the air traffic control portion of the FAA is being reorganized. There is an A76 study being conducted for the possibility of privatizing control towers. This issue needs to be resolved before October 31<sup>st</sup> at which time federal money will stop. Morgan added that getting the

building for below fair market value might be the deciding factor on whether or not the FAA continues on at GFK. Johnson recommended that the Board wait and see what happens with the FAA and base negotiating strategy or any offers on future information as it becomes available. The Board concurred with Johnson's recommendation.

#### **4. Airport Entrance Sign:**

Johnson reported that the elevation differences between the sign and the surrounding ground is unacceptable. Lonnie Laffen has been trying to get an estimate from Baukol to build a wall, set back from the sign with a gradual grade up to the sign. Johnson explained that the contract requires the contractor to haul in dirt and taper the dirt up to the sign. Becker voiced concerns regarding the overall appearance of the sign. Becker asked Johnson to get more information and bring it back to the Board for further discussion. Johnson asked if the dirt should be brought in now or if the Board would first like to see a picture showing the sign after the dirt is in place. Becker stated that it would be better to see what it would look like before the dirt is in place.

#### **5. Private T-Hangar Building Request:**

Johnson reported that he has been approached by Ross Gonitzke regarding building his own hangar. Johnson explained to Gonitzke that he wouldn't know where to have him build it because of the uncertainty of the new terminal location. Molmen asked if he was still interested even with all the obstacles. Johnson stated that when he explained the situation, Gonitzke stated that he understood.

#### **6. Hertz Rental Van:**

Johnson explained that he received a call from the owner of Hertz explaining what appeared to be the use of a van by Hertz to conduct shuttle service. The use was legitimate

#### **7. TSA Letter:**

Johnson read a letter from Radley Austin, Director at GFK TSA regarding their appreciation to Rick Audette for his cooperation and assistance provided to the TSA during their first year.

#### **8. Aquatic Center:**

Becker stated that many of the economic development boards around town have come out in support of the city council's resolution in favor of the aquatic facility and increased sales tax. Becker motioned that the Grand Forks Regional Authority Board come out with the same recommendation in order to go on record as supporting economic development. Cronquist seconded. Croquist stated that per an email received from Johnson, two Board members did not want the Board to take a position. Johnson reported that when he polled the Board on the subject Mutchler and Beyer stated that they did not think the Authority Board should take a position. Becker explained that tourists and visitors would funnel through the airport and therefore the airport would be a beneficiary of increased tourism. Molmen agreed with Becker's statement. Action Taken: Motion passed with Becker voting for, Cronquist voting against and Molmen breaking the tie by voting yes.

Meeting adjourned at 8:45 a.m.  
Respectfully submitted,

Patti Linstad, Board Secretary

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

**November 20, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, November 20, 2003 with Chairman Tim Mutchler presiding. Those present were Vice Chairman Brad Beyer; Clark Cronquist; Rich Becker and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations Supervisor and Wayne Wetzel, Safety Specialist.

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

Mutchler introduced Marty Yahna, Bob Wood's replacement as liaison to the County Commission.

**A. Approval of Minutes:**

**1. September 18, 2003:**

Cronquist moved approval of the minutes from September 18<sup>th</sup>. Beyer seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

No resolutions came before the Board

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the operating fund is showing a deficit of \$14,029. There is an outstanding reimbursement due from the TSA of \$15,293. Once this amount is received the operating fund will show a positive balance. The capital fund currently has a negative balance of \$280,838. A request for a federal reimbursement on capital projects of \$232,522 has been submitted and a request to the state for \$121,396. The debt service fund is showing a negative balance of \$294,717 due to a bond payment made in October. The cash balance in the unreserved fund is \$8,496.

**2. Airport Entrance Sign:**

Johnson requested a drawing from Johnson Laffen that would show dirt piled up along the sides of the airport entrance sign. They were not responsive to the request. Laffen suggested that dirt be mounded around the sign in order to evaluate the look. Cronquist asked about the option of bricking the bottom cement portion of the sign. Becker stated that in discussing this issue with Laffen one of Laffen's concerns was putting more of their resources into the sign for the amount paid. Beyer suggested tabling the issue until spring. Mutchler recommended that the issue be placed on April's agenda.

## **D. Discussions:**

### **1. 2004 Budget Review:**

Johnson asked if there were any questions regarding the draft budget presented to the Board at the October meeting. Becker asked why landing fees were budgeted down. Johnson explained that there is less expense associated with the airfield cost center because landed weight is up due to Fed Ex adding another jet. Cronquist asked if a terminal study would be completed now raising the possibility of it being invalid in six to seven years. Johnson stated that the ADO wants to know where structures that would be displaced by building a new terminal would be placed. Johnson added that there are many things predicated on this study that building a new terminal might be put further out if it's not started now. It will also designate where the terminal should be built. Becker asked about the amount budgeted for in contractual services specifically attorney services. After reviewing the amount Johnson stated that there appears to be an error in exhibit three under attorney fees paid to date. Becker also questioned the pest control services amount. Johnson explained that the amount is calculated after looking at several past years. Audette added that this amount is also driven by the city's mosquito control.

Becker moved to approve proposed budget for 2004. Beyer seconded. **Action Taken:** Motion carried unanimously as resolution #11-03.

### **2. Selection of Board Members for Architect Selection Process:**

Johnson reported that the statements of qualifications for the selection of architectural services are due no later than tomorrow. Johnson requested that two Board members serve on the two selection committees. After reviewing the information received from interested firms the committees will rank the applicants. The top two to four in each of the two categories will be identified and brought in for interviews. The 15<sup>th</sup> and 16<sup>th</sup> of December would be timely for the interviews allowing the Board to announce selections at the Board meeting scheduled for December 18<sup>th</sup>. Mutchler will have the names of Board members willing to serve on the committees to Johnson by Monday.

### **3. Hangars:**

Seifert stated that they should be in the new FedEx/Corporate Air hangar by December 1<sup>st</sup>. Argenziano reported that the new UND hangar will be painted the week of the December 15<sup>th</sup> allowing them to move in the week of December 21<sup>st</sup>.

Mutchler encouraged the Board to look at, and possibly attend some of the AAAE educational conferences and seminars being offered.

Meeting adjourned at 8:33 a.m.  
Respectfully submitted,

Patti Linstad, Board Secretary



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

**December 18, 2003**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, December 18, 2003 with Chairman Tim Mutchler presiding. Those present were Vice Chairman Brad Beyer; Dave Molmen; Clark Cronquist; Rich Becker and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations & Maintenance Manager.

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

Mutchler introduced Tim Dittus from Camrud, Maddock, Olson & Larson law firm. Dittus will replace Don Olson as the Authority's attorney.

**A. Approval of Minutes:**

**1. November 20, 2003:**

Cronquist moved approval of the minutes from November 20<sup>th</sup>. Beyer seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

**1. #12-03 "Matter of Discretionary Payments":**

Johnson explained that resolution #12-03 is the ongoing matter of reimbursing employees that were affected by the transfer from the city's retirement program to the Authority's program. Beyer moved approval of resolution #12-03. Cronquist seconded. Becker asked how long the process would continue. Johnson explained that in 2010 the some employees would start dropping off the list with final payments made in 2020. Johnson reminded the Board that it is up to their discretion on whether or not to make these payments and that they are not under any obligation. **Action Taken:** Motion carried unanimously.

**2. #13-03 "Matter of Architectural Firm Selections":**

Mutchler thanked everyone involved in the committees for the two day screening process for architectural firms. Johnson reviewed the screening process explaining that architectural and engineering services were split from a single service into two categories consisting of general projects and AIP projects. Services for general projects are chosen for three years and services for AIP projects are selected for five years. Johnson reviewed the selection process. The committee's recommendation to the Board for general architectural projects for the next three years is Johnson Laffen Galloway Ltd. The committee also recommended Johnson Laffen Galloway, Ltd for AIP projects over the next five years. Becker moved approval of the committees recommendations. Molmen seconded. **Action Taken:** Motion carried unanimously. Molmen expressed appreciation to the committees for their work on the process.

**3. #14-03 "Matter of Financial Services Provider Selections":**

Johnson explained that a letter had been sent two years ago to Alerus Financial stating that they had the Authority's financial services for five years. Since the change in the selection process for service

providers it will now have to be explained to them that they have the services for three years instead of five. Another option would be to extend Alerus's services for one year which brings them into the three year cycle. Johnson stated that staff recommends that Alerus be extended to 2006 which would put the selection process on track of a three year cycle. Molmen moved to accept staff's recommendation to extend Alerus's services to 2006. Cronquist seconded. **Action Taken:** Motioned carried unanimously.

## **C. Reports:**

### **1. Year to Date Financials:**

Crystal reported that the operating fund is showing a deficit of \$13,286. It was budgeted to end the year at approximately a \$43,000 deficit. The capital fund was budgeted to show a year end deficit of \$509,000 and is currently showing a deficit of \$56,502 and should end the year with a surplus. A couple of factors entering into this included a check received for approximately \$120,00 from the State Aeronautics Commission and putting the car rental garage and general aviation facility on hold. Johnson added that there also were projects completed that had not been planned, such as the stormdrain and the road into the Corporate Air hangar. The debt service fund is currently showing a deficit of \$294,000. That again was budgeted to be a deficit of \$90,000. The significant difference is non-collection of PFC revenue. The unreserved fund has interest to-date of \$8,627. Mutchler asked about the status of the PFC application. Crystal explained that the application has left Bismarck and gone to the regional offices for review. It is also currently being published in the federal register for comment from the airlines. A waiver was granted from having to complete a consult process with the airlines. Not having to conduct a consult cuts about 60 days out of the process. Crystal is hoping for a March 1,2004 collection start date.

### **2. Airport Entrance Sign:**

Johnson reported that there has been a significant amount of dirt brought in to build up around the sign. It will be re-assessed in the spring.

### **3. Insurance Provider Selection:**

Johnson reminded the Board that the Authority was planning to select an insurance provider in 2003 for 2004 through 2006. Crystal explained that as a public entity the Authority's insurance is provided by two entities. They are the North Dakota Insurance Reserve Fund and North Dakota Fire and Tornado Fund. Which ever agent the Authority would choose these two entities would still provide the coverage. The same holds true for commercial liability in the airport industry. There are only three or four underwriters of that coverage and regardless of what agency the Authority would choose we would still be dealing with the same underwriters. Thompson Insurance has our business auto, inland marine, errors and omissions, boiler etc. and Vaaler has the commercial liability. Crystal went on to explain that the city has been going through a similar process and is running into the same situation. Beyer recommended that we wait one year and follow suit with the city. Johnson stated that he supports Beyer's recommendation. Becker added that if the price is not a consideration and the service is good why don't we stay with our current agents. Molmen stated that there is some degree of risk every time we change providers. He explained that if we are getting excellent service from providers now and we go into a rotation we stand the chance of getting bad service. Molmen suggested that an objective process be developed to try and differentiate between who would and who wouldn't provide good service. Beyer suggested that Crystal monitor the city's progress to see if they come up with a workable solution. Cronquist stated that in his opinion he does not see where rotation matters if the insurance providers are the same. Cronquist moved that the current agent affiliations be extended for one year while monitoring the city's efforts. Molmen seconded. **Action Taken:** Motion carried unanimously. (Resolutions #15-03)

#### **4. FAA Re-Authorization Bill**

Johnson reported that the new FAA re-authorization bill will provide 95% federal participation on projects for next year instead of 90%. This creates about a \$65,000 surplus for our capital budget. \$50,000 was originally budgeted to do some fix up work in the terminal. We might be able to do \$100,000 now if the Board is so inclined.

#### **5. Job Descriptions:**

Effective the 1<sup>st</sup> of January new job descriptions and titles will be adopted based on the recommendation of our salary consultant.

#### **D. Discussions:**

##### **1. Letter regarding air service initiatives:**

Johnson referred to a letter written by Hal Gershman urging the Board to do whatever possible regarding air service initiatives. Johnson asked for direction or ideas from the Board regarding this issue. Becker stated that he agrees with Mr. Gershman regarding the subject. He added that it has been a couple of years since the Board has visited Northwest in Minneapolis. He would also like to periodically visit the with United Airlines in Denver. He recommended that both Northwest and United be visited in 2004. Mutchler agreed that it's in the Board's best interest to make periodic trips.

#### **E. Other Business:**

##### **1. January Meeting:**

Johnson requested that the January meeting be canceled or changed to the 29<sup>th</sup> since he will be gone prior to that time. Mutchler agreed that the meeting be changed to the 29<sup>th</sup>.

Mutchler complimented UND on the sign on their new hangar.

Meeting adjourned at 9:00 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary