

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

**January 29, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, January 29, 2004 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; Marty Yahna, GF County Commission Liaison.

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

**A. Approval of Minutes:**

**1. December 18, 2003:**

Cronquist moved approval of the minutes from December 18, 2003. Beyer seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

**1. #01-04 “Matter of Accepting Low Bid for New Aircraft Rescue & Firefighting Vehicle”:**

Johnson reminded that Board that half of the capital budget for the year is tied up for the purchase of a new crash truck. The resolution before the Board is to accept the bid from Emergency One which even with some alternates came in under budget. Audette gave a brief presentation on the selected vehicle.

Beyer moved approval of resolution #01-04. Becker seconded. **Action Taken:** Motion carried unanimously.

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the current financials do not reflect the year end closing adjustments. The operating fund is just under \$54,000 negative. There are two outstanding reimbursement requests from the TSA that haven't come through yet. The capital fund is showing a balance of \$39,000 at the end of the year. There were a couple of large capital payments made in January that belonged in 2003 so that adds another \$115,000 in expenditures. The debt service fund has a balance of negative \$286,000. There is a positive amount of \$9,000 in the unreserved fund. Crystal stated that she has not yet looked at the adjustment for Northwest but is assuming that landing fees will be down from budget.

Crystal announced that the audit is scheduled to begin the 16<sup>th</sup> of February with reports coming before the Board at the March meeting.

**2. Review of Agreed Upon Procedures:**

Crystal reported that the auditors had recommended that the Authority conduct reviews of commissions and revenues that are receive from airport service providers. Hertz Rent A Car, GFK Flight Support,

Crosswinds Restaurant were chosen along with one off airport provider, Enterprise Car Rental. The auditors looked at the commission reports that the selected agencies submitted to us and compared them to either income tax records, records to the state, or published financial reports.

The difference between what Crosswinds reported to the Authority and what they reported in their taxes was the difference of \$43.37. GFK Flight Support under reported by just under \$600. Hertz Rent A Car was under by \$1.96. Enterprise report has not been completed and they have been reluctant to offer up information. Their entire organization is being restructured and records are being transferred from Bismarck to Billings, Mt. They did admit that there probably is a problem in Grand Forks with separating local business from airport business. Enterprise offered up a restitution payment of \$2,500 basing that amount on what kind of business volume they did at similar airports around the region. Mutchler asked if Enterprise has submitted a good report yet. Crystal reported that their commissions report for December was just under \$150. Discussions are ongoing between Enterprise and the Authority with guidance from legal council as to how the situation can be rectified.

### **3. Year End Stats:**

Johnson reported that passenger enplanements are up just over 1% for the year. FedEx is up approximately 4% on enplaned cargo and 11% for deplaned cargo. Northwest's enplaned cargo is down about 10% and up 4% for deplaned. Brett Dettman from FedEx announced that there will be an additional flight coming in for the months of February and March which is due to additional mail that was going by commercial carriers. FedEx is also looking at bringing in larger aircraft. Johnson continued to report that air traffic finished strong with 289,000 operations. Argenziano stated that UND did anticipate a decrease in operations in the fall but actually came in close to the previous year.

### **4. EASE:**

John Boehle from EASE updated that Board on their market analysis to date. They should have a final report for the Board by the end of March.

### **5. Homeland Security Grant:**

Johnson reported that the Authority recently was advised that we would be the recipient of a \$15,000 local grant from the Department of Homeland Security. The federal government allocated money into each of the states, the states put the money into the communities and the communities in turn split it up. The grant will be used to upgrade the surveillance cameras in the terminal, parking lot, fuel farm and freight gate.

### **6. New Computers:**

The new local area network server has been installed and some workstations changed over. Work continues to complete the project.

### **7. Upcoming Meetings:**

Johnson reminded the Board that the deadline for reservations for the Chamber of Commerce dinner is today. Feb 9<sup>th</sup> is the Township Supervisors annual meeting. He encouraged Board members to attend.

### **8. Story in Herald regarding Dorgan's visit.**

Johnson reported that it came to his attention that Hal Gershman asked Senator Dorgan, while he was in Grand Forks, what Dorgan could do about getting the airport a new terminal building. Dorgan's reply was that the airport needs to work closely with the ND Aeronautics Commission and FAA. Dorgan's office has requested some statistics from the airport.

**D. Discussions:**

**1. Becker Concerns:**

Becker stated that he continues to hear concerns from the public regarding the loss of the second early morning flight. He asked if pressure could be put on Northwest regarding these matters. Becker also asked if there was anything that could be done by added diligence on the Authority's part in checking pricing. He has had several complaints about the differential between flights from Fargo and GFK. Johnson explained that if those inquiries could be channeled to Authority staff they can be investigated with the help of Chuck Pineo from Northwest.

Becker also expressed concerns about the long wait for baggage coming off the last flight. Johnson has had discussions with Sharon Healey regarding this issue. Northwest admits that they have down sized their staff for the last flight. Sharon Healey will be asked to attend the next meeting for explanation.

**2. Yahna Statement/Question:**

Marty Yahna stated that he has heard the same concerns voiced by Becker regarding long waits for luggage.

Yahna asked if the landfill was closed would it resolve the bird problem completely. Johnson explained that we will probably never get rid of the birds completely. But by closing the landfill we will eliminate that contributor which holds up the 4<sup>th</sup> runway.

**E. Other Business:**

Brett Dettman asked about getting precision instrument approach for 17R. Johnson explained that we could probably get a GPS approach for that runway. The Aeronautics Commission is preparing a list of airports that are getting GPS approaches for crosswinds and for non-optimum runways. Johnson will report on this at next month's meeting.

Meeting adjourned at 8:55 a.m.  
Respectfully submitted,

Patti Linstad, Board Secretary

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

**March 18, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, March 18, 2004 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 & Maintenance Manager; Marty Yahna, GF County Commission Liaison.

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

**A. Approval of Minutes:**

**1. January 29, 2003:**

Beyer moved approval of the minutes from January 29, 2004. Cronquist seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

**1. #02-04 "Matter of FedEx Lease":**

Johnson explained that resolution 02-04 authorizes the executive director to sign a lease with the FedEx Corporation on the old FedEx building. FedEx will use the building primarily for a ground vehicle maintenance facility. FAA Airway Facilities currently leases some office space in that building. They had previously sub-leased the space from the University when UND leased the building from the Authority. They have received snow removal, janitorial services, and utilities as part of their sub-lease from UND. The FedEx lease with the Authority will state that FedEx is responsible for maintenance, utilities, snow removal, repairs, etc. Also, the Authority normally provides apron access to commercial operators on a preferential use basis which FedEx has agreed to. The agreement will be similar to the one the Authority currently has on the existing FedEx facility.

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

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the audit for 2003 is finished adding that the audit took longer this year due to the GASBY 34 standards in place for 2003. Crystal pointed out that in the past the assets on the balance sheet were reported as net. With the new GASBY 34 standards the cost of the offsets and all of the accumulated depreciation associated with these categories will be noted. There are some audit adjustments from last year that have an impact on this year's statement. Those adjustments are not reflected in the current statements because the statements were published the end of February. There will be an audit report given at the April Board meeting.

The operating fund is currently showing a deficit of \$82,717 because of the audit adjustments that haven't been reversed. The capital fund has a balance of \$179,556 and the debt service fund has a balance of \$252. The unreserved fund is showing a balance of \$354. Issues impacting the statements is that there is only one month of revenue showing from parking lot receipts. On the expense side diesel usage for the year is significantly up along with contracted security expenses. Utilities are double from what was anticipated and office equipment repair is up significantly. The debt service fund was impacted by fuel storage fees. This issue has been worked out and will reflect on the March statements.

## **2. Charter Service from GFK:**

Johnson reported that he spoke with Brent Seifert regarding what GFK Flight Support charges for certain aspects of ground handling charters. There is a mutual agreement between airlines for ground handling as to what they will charge each other for ground services. Northwest uses that system therefore there isn't reason to believe that any other group is offering a better deal for ground handling. Johnson talked to the individual at Casino Express that books charters for this area. Her response was that GFK is not on their list as having unusual rates and charges for charters. Next month Perry Cheampeau from AAA Travel will address the Board on this issue from the travel agencies perspective.

## **3. Precision Approach to 17R:**

Johnson stated that he was asked to look into the possibility of acquiring precision approach capabilities to 17R by FedEx prompted by a couple of lost landings. He explained that an ILS is the only precision instrument approach that can be put on runway 17R. An ILS would cost approximately \$1,000,000. Johnson spoke with the FAA ADO and ask if they would participate in an AIP grant to do an ILS on that runway. They responded by explaining that GFK would have to demonstrate that a significant high proportion of aircraft are not able to use the airport because of a lack of precision approach to 17R. Johnson also asked if the Authority could pay the \$1,000,000 out of its reserves. It would probably be allowed but then the Authority, instead of FAA Airway Facilities, becomes responsible for maintenance. Johnson explained that there is reason to believe that instrumentation may soon be available that will give the airport a system that will make precision instrument approaches available to every runway on an airport. FedEx has a wedge in their 2006 budget to buy and install equipment in their aircraft to use GPS for instrument approaches.

## **4. Baggage Delays:**

Johnson reminded the Board that this issue was brought up in a previous meeting. The specific concern was regarding the late jet arrival and the time it takes to get the bags onto the bag-belt. Johnson has discussed the matter with the Northwest manager. Sharon Heley explained that normally there a three people scheduled for that shift. One of those people has to remain in the gate area guarding the jet-bridge door per TSA. Northwest will have a flight schedule change in May which may allow for more staffing for the late night flight. Healey explained that most of the wait time is perception. When flying into a larger airport it may take 15-20 minutes to walk to the baggage claim area from the time you get off the aircraft. If you add a 5 minute wait for baggage you have a 25 minute time frame. Here it takes about a minute to get from the aircraft to the bag belt. Northwest's goal is to get to as close as 15 minutes for first bag on the belt as often as possible. Beyer asked why the Fargo airport has more employees working their late flight than GFK. Healey explained that GFK is a four hour rule station which means employees are cross utilized and expected to do more. Fargo has two different classifications because of the spacing of flights and size aircraft. Employees either work the ramp or the ticket counter and those are the only responsibilities they have. Healey encouraged anyone with concerns to contact her.

## **D. Discussions:**

### **1. Foreign Trade Zone Expansion:**

Johnson introduced Kelly Jones and Gary Shields from the Brown Corporation and Tim Steinke the Foreign Trade Zone operator. The Authority has been working with the Brown Corporation and the EDC regarding the possibility of expanding the existing Foreign Trade Zone to include a site at the Brown Corporation facilities. There doesn't appear to be any reason to not expand the zone and the upside is significant. Through their connections the Brown Corporation is able to show the value of a foreign trade zone to their customers. Johnson requested that the Board confirm a desire to proceed with an expansion of the zone. The process should take approximately 30-90 days from when all the information is submitted. This would be considered a minor boundary modification because the space at the industrial park would be deleted and a space added at the Brown Corporation. There would not be a net growth of the zone but possibly partial shrinkage. Shields added that the reason to expand the zone is that they have a 200,000 foot facility located out by Merfield and therefore feel they have a physical facility that will bring opportunities to the community and generate revenue for Ag Depot. The Board gave their consensus to continue.

## **E: Other:**

### **1. Mutual Aid Liability Concerns:**

Beyer referred to a house fire that ARFF personnel responded to asking what the airport's liability was when responding to such an incident. Johnson replied that the Authority's insurance company understands that the airport has agreements with some communities for mutual aid and our policy covers liability issues. Johnson explained that there is a two page procedure covering mutual aid that outlines where and under what conditions the ARFF team will respond, who can make a request and who can approve the request.

### **2. GA Parking:**

Beyer stated that the Flight Support parking lot for general aviation customers is getting full. Seifert explained that the situation will be better now that Corporate Air employees are parking at their hangar.

### **3. GA Taxiway Repair:**

Beyer asked if there was anything that could be done with the taxiway that runs along the Valley Hangar explaining that it was cracked with large portions of concrete missing. Johnson stated that repair/reconstruction of this area is on hold pending results of the Terminal Area Study, but some patch repair could possibly be done.

Meeting adjourned at 8:55 a.m.  
Respectfully submitted,

Patti Linstad, Board Secretary

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

**April 15, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, April 15, 2004 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 & Maintenance Manager; Skip Rucinski, Senior Maintenance Specialist and Tim Dittus, Authority Attorney.

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

**A. Approval of Minutes:**

**1. March 18, 2004:**

Cronquist moved approval of the minutes from March 18, 2004. Beyer seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

**1. #02-04 "Matter of Runway/Apron Project":**

Johnson reported that the bids were opened yesterday for the runway/apron project. The projects consist of reconstructing a portion of Bravo Apron and repairing and re-installing joint seal on Charlie Taxiway and Runway 35R/17L. The specifications indicated that they are two separate projects. The bidder had to fill out separate bid forms for each. There were two irregularities in the bid process. The first of the irregularities was that one of the bidders put both of the bid forms in the same envelope with their contractor's licenses and bid bond. After consulting with the Authority's attorney, Tim Dittus, it was recommended that the bonding company be contacted to find out how much the bid bond was for in order to determine whether the contractor was bidding on one or both projects. The bid bond company replied that the contractor had secured a guarantee of up to a half a million dollars which more than covers both projects. On the advice of council staff overlooked the irregularity and opened and read the Opp Construction bids. Opp Construction's bid on the Bravo Apron project was low.

The other irregularity occurred with a firm from Wisconsin that did not acknowledge receipt of addendum one. Johnson explained that an addendum is a notice sent to all contractors when the engineers find something that was left out or needs to be added to the specifications. If the contractor doesn't acknowledge an addendum in their final bid there is no way of knowing if they've incorporated that information in their bid. After consulting with Dittus it was decided that it was a non-responsive bid because it reflected incomplete information on the part of the contractor.

Johnson stated that if the Board agreed with the assessments and the email letter from the engineers the Bravo Apron bid would be awarded to Opp Construction and the joint sealing and runway repair to Zimmerman Contracting. Johnson added that the engineers underestimated on one of the projects and overestimated on the other. The net to the airport is an additional \$11,000 over the estimated cost of the projects. Becker asked if the Authority could be in danger of being challenged by one of the other contractors because of accepting a bid with an irregularity. Dittus reported that the bid package sent out explained the right to reject any and all bids along with reserving the right to waive any minor

technicalities submitted in the bid package. Dittus stated that his primary concern is that the amount of the bid bond is sufficient to cover both projects. Johnson explained that whether a bid is accepted with irregularities or minor technicalities the overriding factor is what is in the best interest of the public so long as considering a bid doesn't put any other bidder at a disadvantage. Beyer stated that if a contractor does not meet the letter of the law the bid should not be opened. **Action Taken:** Becker moved approval of resolution #03-04. Beyer seconded. Motion carried unanimously.

## **C. Reports:**

### **1. 2003 Audit:**

Joe Martin of Brady Martz reviewed the audit report completed for 2003.

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

Crystal pointed out that on the balance sheet in the capital projects report there is a negative amount that is a miscoding. The operating fund through the first three months of the year is showing a deficit balance of \$58,000. The capital projects fund has a positive balance of \$571,000. A large bulk of the tax revenue has already come in. The debt service fund is showing a three month balance of \$32,000 and there is a small unreserved cash balance of \$932. Investments are now in certificate of deposits which are paying the best interest. The statement of revenues and expenditures under commissions are currently at \$32,490. That's about half of what was projected due to some tenants being behind on commission payments and fuel flowage being below budget. The diesel allocation is higher than usual and has been used up for the year. Crystal suspects there is a problem in this area and will check on it. Contracted security expenses will always lag a month because we are reimbursed by the TSA for expenses. Gas, oil and heat is above what was projected and Crystal will check on these also.

### **3. Parking Pay Stations:**

Dittus gave a brief summary of the contract entered into between Parking Pay Stations and the Authority. The obligations of Parking Paystations Management Inc. were personally guaranteed by Bill MacKay and he subsequently defaulted on the original contract and the contract he assumed from PMI. The Authority's law firm was instructed by the Authority to initiate a lawsuit against MacKay and PMI. The complaint was sent to MacKay in February 2003 by international mail requiring certified return receipt. It has never been receipted for and the admission of services never returned. In June of 2003 the law firm utilizing Hon Investigations contacts in Manitoba tried to obtain information on either MacKay or PMI. The address they came up with turned out to be a vacant lot. Dittus explained that there are specific laws that need to be followed in order to get international service of process on a non US citizen in a foreign country. If the Authority wants to proceed forward a private investigator could be hired to try and locate MacKay. An estimated cost of services utilizing a private investigator could run \$1,000. Another option is to use a governmental authority called Canada Central Authority but it could possibly take longer to get results using this agency. One of the advantages of using a process server instead of CCA is that an investigator would be more diligent in checking records to see if MacKay enters into the system through paperwork such as a loan application or drivers licenses renewal. MacKay claims that the guarantee was for the completion of the installation not for the actual system performance. Dittus posed the questions that assuming all things considered and MacKay is found to be responsible will the Authority be able to collect from MacKay and are the potential costs worth what will be received at the end of the process. Cronquist motioned to file the suit with the Canada Central Authority and allow the executive director to decide if the cost is worth paying. Becker seconded. **Action Taken:** Motion carried unanimously



#### **4. Sale of Dubuque House:**

Johnson reported that a legal ad has been placed with the Herald advertising the sale and removal of the Dubuque house. There has been six interested parties and bids will be opened tomorrow. There is a minimum bid of \$1,000. The previous renter has expressed interest in the house and has first right of refusal.

#### **5. Year-to-Date Stats:**

Johnson reported that enplanements are up a little over 3% for the year. Air traffic through March is up 6.62% over the previous year but down by 13% over all. The cargo report shows FedEx enplaned cargo up 33% for the month and 20% for the year. Becker voiced concerns about losing a Northwest flight in May. He also stated that in the last month he has been approached several times regarding the price difference between Fargo and Grand Forks. He doesn't believe that GFK is getting the help needed from Northwest and would like to meet with Northwest officials regarding these and other issues. Johnson is waiting for a return call from Bob Benner of Northwest to set up a time for a meeting with Northwest. He also has a request in to Marvin Stockwell of FedEx for a meeting. After the meeting with Northwest Johnson would then like to meet with other carriers.

#### **6. FTZ Update:**

Johnson explained that the package for the expansion of the FTZ to a third location at the Brown Corporation/AgDept has been sent to the Pembina port director. The package will then be sent to Washington DC for approval to establish the third location.

#### **7. Terminal Upgrades:**

Johnson reported that he received a schedule from Laffen showing the terminal upgrades project. It shows the end of September for completion. Bidding for the project is anticipated for the end of July.

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

##### **1. Airport Entrance Sign:**

Mutchler requested that the airport entrance sign topic be brought back at the April Board meeting. Johnson asked for direction on how the sign should be finished. Johnson stated that he would like to see stacking bricks filled with the large washed gravel placed around the sign. Cronquist suggested that Johnson and Audette decide on how the sign should be finished spending as little as possible.

##### **2. Election of Board of Commissioner Officers:**

Johnson asked the Board if they would like to conduct election of officers earlier than the July meeting. It was decided by the Board to hold elections at this meeting. Chairman Mutchler opened the floor for nominations. Cronquist nominated Beyer for Chair and moved nomination cease and that a unanimous ballot be cast for Beyer. Becker seconded. **Action Taken:** Motion carried unanimously. Beyer nominated Becker for Vice Chair and Cronquist moved that nominations cease and that a unanimous ballot be cast for Beyer. Newly elected officers will assume their positions at the July 2004 meeting.

Meeting adjourned at 9:29 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary



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

**May 3, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Monday, May 3, 2004 with Chairman Tim Mutchler presiding. Those present were commissioners Clark Cronquist; Rich Becker and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations & Maintenance Manager; Mark Holzer, ND State Aeronautics Commission; Steve Obenauer, Manager FAA ADO; Steve Synhorst, Ulteig Engineers; Brent Seifert, GFK Flight Support; Dean Bruce Smith, John D. Odegard SAS; Jim Galloway, Johnson, Laffen Galloway Architects Inc; Frank Argenziano, UND Aerospace; Dave Cink, ACTC; Tom Schauer, FAA ADO .

The meeting was called to order at 10:35 a.m.

**A. Discussions with the FAA Regarding Long-Term Capital Improvement Planning:**

Johnson gave a presentation on the long-term capital improvement plan for the airport that outlined the challenges, known and unknown to include the financial impact on the airport. The new terminal building location is the biggest hurdle delaying most major decisions at this time. Johnson also pointed out that the major factor holding up the decision on the 4<sup>th</sup> runway is the ongoing landfill issue.

Obenauer thanked the Board for the invitation and opportunity to address the CIP planning with the Board. Obenauer pointed out that funding is the key issue for these projects and can be difficult to come by. The more support given a project the easier it is to make a decision and carry the project forward. By the same token airports are competing with one another and have equal needs. Obenauer explained that the FAA has a priority system that is a starting point for all projects. Typically runways and safety items are the highest priority for funding. From there it flows down to the lower priorities such as terminals. Obenauer stated that if the Board is counting on discretionary money for a terminal they need to recognize that it would be an uphill fight. Becker asked if there is a priority list with the FAA such as where does GFK fit with their projects. Obenauer replied that it goes back to the projects themselves. Terminals have been supported in the past because the FAA has seen a real need for them. It comes down to what is the need for a terminal at Grand Forks balanced against other needs.

Johnson asked where the 4<sup>th</sup> runway stands in terms of support within the ADO regionally and nationally. Obenauer stated that the FAA has seen the need for the runway due to capacity which more than justifies the runway. Once the landfill hurdle is resolved the 4<sup>th</sup> runway would be a very high priority for the FAA. Johnson asked about changes of obtaining discretionary money, over a two year period, in order to drain the wetland up north. Obenauer replied that discretionary money for that project would be likely. Johnson asked if it was fair to say that the amount of contribution by the airport does have some effect on the FAA consideration of a project. Obenauer replied that that is a very positive indicator of the sponsor's belief that the project is a high priority for them. If a sponsor is willing to put up additional money other than the basic entitlements that they had anyway, it shows their commitment to the project and the priority placed on it.

In response to a question by Becker, Tom Schauer explained that he didn't recall any projects at GFK that did not get funded with the required justification. He stated that if a new terminal is to be considered, a sales campaign to the Aeronautics Commission be started and make the state congressional delegation

aware of the concerns and issues. Schauer also stated that he would like to see the runway project as soon as possible adding that there is a need but the landfill issue must be resolved. Dean Smith stated that two years ago he had a US Senator that was poised to put \$6.3 million into building the runway but was told to make sure all the other steps were taken and planning complete. Smith voiced concerns as to how the plan for the 4<sup>th</sup> runway has changed again. Johnson explained that there are objections to placing the runway to the north. The wildlife study states that the number one hazard to aviation on the airport is the lagoon. Dean Smith disagreed by stating that the number one hazard on the airport is mid-air collisions. Tom Shauer explained that one of the areas that concerns him with the timing on the runway project is that it is a three year process. If it is decided to do the runway now and the landfill wasn't an issue there would still be a need for an environmental study, dirt work and paving. The project wouldn't be completed until 2006-2007 if everything rolled correctly. If the city would commit to closing the landfill by 2007 an environmental study could be started.

Synhorst stated that the preliminary report on the terminal will be completed the first of November.

Mutchler asked if it was feasible to select a site for the runway with the terminal issue still out there. Synhorst stated that the landfill issues has to be resolved. Dean Smith will request to get on the city council agenda and see where they are at. He will also appeal the wildlife study and report back to the Authority.

Meeting adjourned at 12:15 p.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

**May 20, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, May 20, 2004 with Chairman Tim Mutchler presiding. Those present were Vice Chairman Brad Beyer; Clark Cronquist; Rich Becker; Dave Molmen 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 7:02 p.m.

**A. Approval of Minutes:**

1. April 15, 2004
2. May 3, 2004

Cronquist moved approval of the minutes from April 15, 2004 and May 3, 2004. Becker seconded.  
**Action Taken:** Motion carried unanimously.

**B. Resolutions:**

No resolutions were brought before the Board.

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the operating fund is currently showing a deficit of just over \$58,000. The capital fund currently has a balance of \$590,918. This balance is due to the fact that capital projects have not started for the year. The debt service fund is showing the results of the bond payment from April and has a deficit of \$53,069. There is a small balance in the unreserved fund of \$2,244. Landing fees, ARFF fees and parking lot receipts are running ahead of budget. The commissions and fuel flowage continue to run behind schedule primarily related to one airport tenant. The auditing and accounting fees are higher than projected due to additional work done by the auditors to get us to the GASBY 34 statement reporting. Gas, oil and heat expense is running ahead of projection.

**Item #1 under old business:** Diesel Fuel Allocations, Utility Usage.

Crystal reported that the diesel usage for the first four months of this year is significantly higher. After some research into the matter it was noted that the snow fall and temperature for the winter had an impact on the fuel and utility usage.

**3. Project Status Report:**

Johnson reported that there was a survey implemented by Ultieg Engineering on the need for a new terminal. The surveys will be handed out in the terminal, inserted into the Chamber's newsletter next month and posted on the airport website. On June 3<sup>rd</sup> the architect, civil engineer, structural engineer and electrical engineer are meeting at the terminal and spending as much time as necessary surveying the existing structure. The runway and apron projects are not scheduled to start until mid July. The new ARFF vehicle will be delivered in November. The bid documents for the terminal refurbishing are being

prepared by Laffen Galloway. Johnson reminded the Board that \$20,000 was budgeted for a jetway preventive maintenance and that project has been completed.

#### **4. Year to Date Cargo Stats:**

Johnson explained that there were errors on the report from last month and therefore was placed on this month's agenda. Enplaned cargo for FedEx for the year is up 20% over last year. The deplaned cargo is up 36%. Johnson pointed out that Northwest's deplaned cargo represents about 90% of the total freight they haul which explains the relatively large number in that category.

#### **5. Capital Improvement Plan:**

Johnson reviewed the highlights of the capital plan and stated that it has been submitted to the FAA. Becker asked if there was a need to put more money into the airport entrance sign. Johnson explained that Audette is working on constructing a retaining wall around the sign. It will be assessed after the retaining wall is finished to see if more is needed. Molmen suggested that the finance package could be put together now for the terminal since it would be contingent tax bonding and that is a more complicated process.

### **E. Discussions:**

#### **1. B-17 Visit and Sponsorship:**

Johnson announced that the Confederate Air Force is bringing their B-17 to GFK for a static display. GFK Flight Support contacted him and asked if the Authority would contribute \$500 towards fuel, lodging and crew expenses. The Board consensus was to spend the money for the display.

#### **2. Airservice Consultant:**

Johnson referred to information handed out that explains a program offered by the Boyd Group. The program consists of Mike Boyd meeting with various groups in a community within a 24 hour period to discuss airservice development specific to that community. He will also talk about the airline industry as a whole, why communities have the airservice they have, where opportunities to improve airservice are, and airline pricing. He also addresses team building in the community. The fee is \$5,000 for the trip and presentation. Becker asked if the fee was negotiable and if there are additional expenses. Johnson will get back in touch with them and ask specifics about costs. Cronquist voiced concerns about whether or not there would be an audience for this type of presentation. Johnson stated that he feels he can guarantee an audience with the Chamber Board and BGA if the presentation can be lined up with their meetings. Molmen stated that he thought the time was right and felt that there should be an interested audience. Molmen moved to have Johnson look into the fees to see if they are negotiable and use his best judgment in bringing the Boyd Group to Grand Forks. Beyer seconded. **Action Taken:** Motion carried unanimously.

#### **3. Greater Gateway Association:**

Johnson explained the mission of the Greater Gateway Association. The City Council identified Urban Renewal as the official liaison for the Gateway Association. They've asked for a task force from the association to move forward with a plan and statement of work in order to make progress. Johnson has volunteered to serve on the task force.

#### **4. Hensley Aircraft:**

Johnson reported that Hensley Aircraft has approached the Grand Forks Region Economic Development, the state of North Dakota and the Airport Authority about establishing a business on the airport to build

kit aircraft. Johnson and Beyer will represent the Board at a meeting on Monday to begin conversation with them.

**F. Other Business:**

**1. Recognition of Brent Seifert:**

Molmen suggested that a letter be sent from the Board to Brent Seifert of GFK Flight Support in recognition of his accomplishment as being named the regional and state entrepreneur of the year.

**2. Northwest/FedEx Visits:**

Becker asked about the visits to FedEx and Northwest. Johnson stated that he has made numerous attempts to contact Northwest but they have not returned calls. He will contact Chuck Pineo to see if he can't move the process along. Becker stated that plans should also be made to visit with other airlines.

Meeting adjourned at 8:04 p.m

Respectfully submitted,

Patti Linstad, Board Secretary

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

**July 15, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, July 15, 2004 with Chairman Brad Beyer presiding. Those present were Vice Chairman Rich Becker; Dave Molmen; Tim Mutchler and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations & Maintenance Manager, Skip Rucinski, Senior Maintenance Specialist and Chris Johnson, Vehicle/Maintenance Technician.

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

Johnson recognized Skip Rucinski, Chris Johnson and employees of operations for their work on the bag belt.

Johnson also mentioned that the floors in the jetway control cab will be replaced. Our employees will complete the work saving the Authority approximately \$6,000.

**A. Approval of Minutes:**

**1. May 20, 2004**

Mutchler moved approval of the minutes from May 20, 2004. Molmen seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

No resolutions were brought before the Board.

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the operating fund for the first six months of the year has a deficit balance of \$20,917. The capital fund has a balance of \$585,744. The debt service fund also has a deficit balance of \$21,754 and the unreserved fund has net income of \$6,119. In the operating fund sales account current year actual to year to date budget fuel sales are up more than double of what was anticipated. In operating revenue the landing fees over all are up about \$10,000 from what was budgeted for the year. ARFF fees are running close to budget. GFK Flight Support has fallen behind in payment of their commissions. The car rentals are below budget and Johnson speculated that this is due to leakage to some of the non-signatory off airport car rental agencies. Crystal explained that the issue with Enterprise has been resolved. A payment of \$2,500 has been received to retroactively bring them to where they should be. The restaurant is also behind in payment of commissions. Becker suggested that a discussion take place with Flight Support regarding their past due status. Johnson explained that at least a dozen discussions have taken place with Flight Support. Beyer suggest that a call be made before more drastic measures are taken. Molmen stated that GFK Flight Support is a good tenant but it is unfair to other tenants on the airport and they need to be current with their payments. Johnson explained that in the past letting Seifert know that the issue would be brought before the commissioners would prompt payment.



Crystal went on to report that operating expenses are \$64,600 under budget. PFCs have started being collected again as of May 1<sup>st</sup>.

## **2. Quarterly Stats:**

Johnson reported that enplanements for June are up almost 6% and for the six months to date they are up 5 ½% for the year. Air traffic for the month is up 6 ½% but overall for the sixth month period is down about 11% over last year. FedEx is up 27% for enplaned cargo and for the year they are up 19% over last year. For deplaned cargo FedEx is up 35% for the month and for the quarter they are up 36%. The agreement for the “old” FedEx building has been finalized and the changes are being made to the facility.

## **3. Terminal Study Update:**

Steve Synhorst from Ulteig reported that in June the engineers and Lonnie Laffen went through the terminal to identify deficiencies. Yesterday URS was involved with an operations survey of the terminal. Laffen referred to their preliminary physical assessment of the terminal building reviewing the highlights. A representative from URS reviewed the operational issues of the terminal.

## **4. 2005 Wetland Closure:**

Johnson explained that one of the projects for next year is to close and fill the wetland west of the runway. Part of the cost associated with the project would be the mitigation that would be necessary. After wetland officials looked at the site it may possibly be categorized as an artificial wetland. The information has been sent to the Corps of Engineers and it’s probable that they will make the same determination. Therefore, the area will not have to be mitigated but simply filled saving between \$50,000 and \$100,000 for the project.

## **5. Hensley Aircraft Development:**

Johnson explained that the Hensley Aircraft group is a start-up business headed by a Northwest Airlines pilot who has designed a two engine aircraft in kit form. They have requested being located on the airport and would be in a three way partnership with the airport, UND and Grand Forks Economic Development. They have requested modifications be done on an existing hangar for temporary space while they work on signing an agreement to build a permanent facility. Jim Mellund from the Grand Forks Economic Development Corporation reported that they have been working with the Hensley group since late spring. Mellund explained that they have not completely checked out the company but know that they are trying to raise \$1,000,000 to get the company started. They are scheduled to complete their first prototype of the aircraft in mid-September. Some of the spin-off opportunities that have captured interest is the fact that there is a strong composite manufacturing base in the region which includes a strong machining base. Economic development is working on bringing the suppliers together to meet with the company principals. Apparently the individuals that buy the kits do not necessarily put them together. Mellund explained that the airport’s ability to have a lease agreement with this company is critical to locating it here. Johnson stated that what the company is requesting is if we could retrofit mass hangar three, put in heat and turn the car rental garage into office space. The impact to the Authority would be loss of the ability to shelter equipment in the mass hangar. However, when it’s done there would be a heated hangar and office space that was not available before. The difficult part is where the permanent facility would be located. They have expressed interest in being close to the university but UND would prefer that they weren’t. Sketches have been given to Ulteig Engineers so in order to provide a schematic for Hensley if the Board agrees to do business with Hensley. Johnson explained that once again the location of the new terminal would impact this. Becker stated that it should be workable since they are interested in a temporary facility to begin with. Johnson explained that they wanted to start construction quickly but it would take a year to build the building. Johnson stated that they should

not count on the Authority for financial assistance in building a building but a land agreement could be discussed.

Molmen stated that the matter before the Board is to try and determine whether there would be a willingness on the part of Authority to discuss options with this company. Johnson added that would also include pursuing cost estimates for upgrading the facilities that they would need.

Molmen Motion to have the executive director continue with discussions and to pursue the necessary cost estimates. Becker seconded. **Action Taken:** Motion passed unanimously.

Johnson requested that item #7, Terminal Upgrades be moved up to accommodate Becker who had to leave the meeting early.

### **7. Terminal Upgrades:**

Johnson reported that representatives from Johnson Laffen Galloway and the terminal tenants met. JLG gave a preliminary analysis and plan for upgrading the terminal finishes. Input from the tenants was taken and one suggestion was that the reservation phone board be removed. The project will go out for bids in 30 days but the work will not be completed until November. Laffen stated that they would like the project to be completed before the world hockey tournament. Johnson explained that he will probably request spending more than the \$56,000 budgeted since there is additional revenues related to capital projects that will make it possible.

### **6. FTZ Boundary Modification:**

Johnson reported that the minor boundary modification has been approved by the FTZ Board in Washington D.C. They approved adding Agsco as site number three. The next steps are getting an operators agreement with Agsco, Agsco being bonded to be a foreign trade zone operator and then activating the site.

### **8. Retirement/Health Savings Program:**

Crystal reported that she had a request from some employees to look into health savings accounts. Johnson and Crystal attended an employee information session hosted by the city explaining a retirement health savings program they have implemented. A representative from that same company was invited to speak to the Authority employees. Crystal explained that the program allows employees to defer income from taxes into a retirement health savings plan that then can be withdrawn post employment tax free. Participation and certain contributions are mandatory but employees can opt out after the initial start-up. Johnson and Crystal will proceed and have for the Board or include the program in next year's budget.

### **9. Dubuque House & Shed:**

Audette reported that the purchaser of the Dubuque house made the final payment yesterday. That money will be used to restore the land once the house is removed. The shed was advertised for give-away with \$100 deposit as a start. The individual that got the bid has had trouble obtaining a mover to move the shed and if he doesn't remove it in a timely manner a higher deposit will be negotiated or contact made with others that were interested.

### **10. Air Service Consultant Visit:**

Johnson reported that Michael Boyd will address the Board at a special meeting regarding national and local air service. In addition civic business and government leaders have been invited to a luncheon at the Townhouse where Boyd will give the presentation to the public.

**11. Northwest/FedEx Visits:**

Johnson announced that the visit to Northwest Airlines in Minneapolis has been scheduled for August 20<sup>th</sup>. Johnson also explained that dates for the FedEx visit will be decided soon.

**E. Discussions:**

**F. Other Business:**

Meeting adjourned at 9:50 a.m

Respectfully submitted,

Patti Linstad, Board Secretary

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

July 22, 2004

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, July 22, 2004 with Chairman Brad Beyer presiding. Those present were Vice Chairman Rich Becker; Clark Cronquist; 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 8:08 a.m.

**1. Michael Boyd Presentation:**

Johnson gave an overview of the Boyd Group and introduced Michael Boyd.

Boyd addressed the Board and audience with a Power Point presentation on air service for the Grand Forks area.

Boyd started his presentation by stating that air travel has rebounded more than anticipated since 2001 but the airline industry isn't making money.

Boyd addressed the trends affecting Grand Forks explaining that since Northwest signed an agreement with Continental they can interchange passengers. This means more options from Minneapolis which is positive for the Grand Forks community. Airlines are going to smaller jets because of this factor the Grand Forks market will eventually see all jet service. Airlines will have to raise prices but communities this size won't see the impact like larger communities. Boyd stated that no significant difference were found regarding fares after comparisons were conducted between the North Dakota airports.

Boyd also explained that Northwest only wants to go into markets that will feed a lot of traffic and obviously Grand Forks is feeding Minneapolis and beyond. Low fare carriers can't afford to fly from communities the size of Grand Forks. They want a market that has a large population base within an hours drive and only a short distance to their connecting hub. They want a market with no competition and lots of discretionary dollars to spend. They also want to be in a market where they don't have to have prices at rock bottom.

Boyd stated that Grand Forks is in a good position for air service since Minneapolis is an excellent hub with outstanding access to the rest of the world. Another advantage is that there isn't competition in Minneapolis but added that having one airline is a challenge. If labor relations go bad an airport is shut down. Other advantages Grand Forks has is that it is isolated from the largest airport, which is more than an hour away, and the Grand Forks economy is stable. There is also good access to Grand Forks from other parts of the world since it is connected to a hub. Other options for connecting to hubs from Grand Forks would be Chicago or Denver. Chicago would be number one but they are cutting back on flights due to an inept air traffic control system. Denver is almost 700 miles which is too far and has been tried.

Boyd added that there doesn't appear to be anything happening that will shock the air service to Grand Forks but another airline will not be adding service anytime soon. There is some potential for another carrier but it's dependent on Chicago making some changes. Three to Five years would be soon enough to begin discussions with other airlines regarding bringing more service into Grand Forks. There will probably be some 50 seat jets coming in replacing the Saabs making Grand Forks an all jet service airport.

Boyd also stressed that if the current service is used more will be added.

Meeting adjourned at 9:08 a.m

Respectfully submitted,

Patti Linstad, Board Secretary

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

**August 19, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, August 19, 2004 with Vice Chairman Rich Becker presiding. Those present were Clark Cronquist; Tim Mutchler; Bob Brooks, City Liaison 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 8:04 a.m.

Becker commented on how nice the entrance sign looks and that it adds to the appearance of the airport.

**A. Approval of Minutes:**

**1. July 15 and July 22, 2004**

Cronquist moved approval of the minutes from July 15 and July 22. Mutchler seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

**1. #04-04 Matter of Tree Removal:**

Johnson reported that in this year's budget there was money set aside for tree removal as an AIP project. The tree removal site is the area immediately south/west of the main runway. Those trees violate the Wildlife Hazard Management Plan. The recommendations that went along with the survey was to remove all trees within 1000 feet of runways and approaches. Bids received ranged from over \$78,000 to just under \$19,000 with \$30,000 budgeted for the project. Staff recommends accepting the low bid from Gowan Construction. Johnson added that since the Dubuque property has been obtained the additional funds and the proceeds from selling the Dubuque house will be used to do additional tree removal and landscaping. Mutchler moved to accept resolution #04-04. Cronquist seconded. **Action Taken:** Motion carried unanimously.

**C. Reports:**

**1. Year to Date Financials:**

Crystal pointed out that normally the operating account is looked at alone but she is now including the statement of revenue expenditures for all four funds in the report. Crystal went on to report that fuel sales are ahead of budget for 2004. The operating revenue is on target at 58%. There are some issues with commissions from the car rentals but these have been addressed at previous meetings. On the expense side there are no abnormalities. The TSA is one month behind with their reimbursement of security expenses. Also in the operating account there was a transfer of \$150,000 from the investment account which was a cash flow issue at the time of transfer. Without that transfer the operating account has revenues of \$25,113. Because of the types of projects being done expenses for those projects are being taken out of the capital funds. A reimbursement will be done when the projects are completed. Also in the capital account under non-operating revenue is part of the rents and the sale of the Dubuque house.

There is \$15,000 in the non-operating fund that is reimbursement from a grant that Audette wrote for Home Land Security equipment. The debt service fund is showing the PFC collections. One bond has been paid and the other payments come up in October. This fund currently has a balance of \$17,447. The unreserved account has a balance of \$8,799 in interest. Becker asked if there was anything relative to the budget that would be coming up. Crystal replied that the only thing that she's aware of is that the TSA will be out of the trailer so that revenue will stop.

## **2. Terminal Survey Results:**

Johnson reviewed the terminal survey results by emphasizing that the results are not a go, no-go for the terminal project. He viewed it as asking those who use the facility what they would like to see in the existing facility or new facility. Johnson highlighted pertinent areas of the survey. Becker asked what the next steps would be. Johnson explained that URS would come back to the airport and convene the task force. At that time URS will have potential terminal site locations and a foot print of terminal space. They will also address the Board the following day with a recommendation as a result of the task force meeting. Johnson requested that the Board meeting scheduled for the 16<sup>th</sup> of September be moved to the 23<sup>rd</sup> to accommodate Tom Schauer's (Bismarck ADO office) ability to attend the meeting. Mutchler moved to re-schedule September's meeting to the 23<sup>rd</sup>. Cronquist seconded. **Action Taken:** Motion carried unanimously. Kathy Lind expressed concern over the individuals handing out the survey in the terminal and her belief that they were not professional.

## **3. Construction Update:**

Johnson reported that this year's project is to replace the asphalt section of Bravo apron, to do repairs and refurbish 35R and the Charlie taxiway system. The apron is complete except for re-painting the tie-downs and taxiway stripe. The runway refurbishing only has to have 100 feet of saw cutting and joint seal to be finished.

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

Johnson voiced his appreciation for the work that Ops and Maintenance did on the airport entrance sign.

## **D. Old Business:**

### **1. Boyd Presentation:**

Becker asked Johnson if he had received any feedback on the Boyd presentation. Johnson replied that he had heard from a couple of individuals. Johnson reported that 177 invitations were sent out but only 24 persons attended. Johnson speculated that he and the Board might have overestimated interest in the topic. Cronquist agreed that it's only a few who voice concern and those individuals did not even attend. Becker stated that he feels that there is faith in the individuals running the airport.

## **E. Discussions:**

### **1. Hangar Storage:**

Johnson explained that Hensley Aircraft wants a presence on the airport by December. The dilemma is that if Hensley is offered hangar #3 some of the airport's equipment being stored in that hangar is out in the cold. Johnson referred to Seifert to explain a proposal to the Board he presented earlier to Johnson. Seifert explained that GFK has negotiated to bring two more corporate jets to GFK which will fill GFK's existing hangar and push out some of the general aviation tenants. The mass hangars are crowded and GFK is going beyond their comfort zone on how full to fill them. Seifert approached Johnson about obtaining space in hangar #4. Seifert stated that he needs the space but also was also interested in

bringing the Hensley group to the airport. Another FBO hangar could be built but the season for such a project was coming to a close. Johnson explained that a drawing obtained from the engineers showing where the forth runway would go if it intersects with the utility runway on the east side. It appears that there is adequate room south of the Boarder Patrol hangar for another FBO hangar that would not interfere with the runway. The question posed to the Board is that if GFK is willing to build another hangar what is the airport willing to do for an apron. Becker recommended that Seifert and Johnson discuss the options further and bring this item back to the Board. Johnson explained that Hensley wants the Authority to finance construction of their hangar but Johnson stated that with all the other projects taking place in the future it was not feasible. Johnson asked the Board that if Hensley is able to provide financing of their building, will the Authority be willing to pay for a taxiway, apron and driveway to their facility. Cronquist stated that GFK's option should be considered since they are already on the airport and have shown responsibility in their business dealings. He expressed discomfort with the Hensley request for financing their hangar but added that everyone should be treated equal when paying for such items as taxiways, aprons and driveways. Mutchler stated that in his opinion he did not see the Authority financing the Hensley hangar but would not be opposed to financing access to the hangar. Becker suggested that the decision be held until after next weeks meeting with Hensley.

## **2. Radio Ads:**

Johnson presented a PowerPoint composite of the radio and billboard ads that have run for the past year and a half. He will be taking these ads to the meeting with Northwest Airlines next week.

Meeting adjourned at 9:35 a.m

Respectfully submitted,

Patti Linstad, Board Secretary



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

**September 23, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, September 23, 2004 with Chairman Brad Beyer presiding. Those present were Vice Chairman, Rich Becker; Clark Cronquist; Tim Mutchler; 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 8:08 a.m.

**A. Approval of Minutes:**

**1. August 19, 2004**

Cronquist moved approval of the minutes from August 19. Mutchler seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

No resolutions came before the Board.

**C. Reports:**

**1. Year to Date Financials:**

Crystal pointed out an error in the memo attached to the financials. In the operating fund, under net income, the total of \$179,736.80 should be \$29,736.80. The \$179,736.80 included a \$150,000.00 transfer from the Unreserved Fund. The capital fund has a balance of \$566,508.26. The debt service fund has a balance of \$44,023.92 and the unreserved fund has a balance of \$9,843.05. There has not been additional unusual activity regarding commissions. The net revenue in the operating account is \$29,736.80. Becker asked if collections from some of the airport tenants was any better. Crystal stated that Alpine Air is about seven months behind in payments. Crystal announced that Karen Harlow left her position as account clerk. Operations, Linstad and Crystal have divided Harlow's responsibilities. Crystal thanked Operations and Linstad for their assistance. Beyer asked if the position would be filled. Johnson replied that that decision would depend on if we are able to continue as is.

**2. Terminal Study:**

Synhorst of Ulteig Engineers reported on the task force meeting that took place yesterday. He then introduced Jim Young of URS who reported on the Terminal Operations Assessment and the Terminal Facility Requirements reports. Lonnie Laffen explained the results of the mold testing that was done on the terminal. The mold counts in the main portion of the terminal are not above what is acceptable and the air quality has not been affected. However, the Civil Air Patrol needs to move out of the terminal basement and some antiseptic work done. Synhorst also reviewed the pros and cons regarding the potential new terminal sites discussed at the meeting with the FAA. The next scheduled task force meeting is set for November 10<sup>th</sup> and 9:30 a.m. At that meeting costs will be discussed.

### **3. Landfill Closure:**

Johnson reported that at the last county planning and zoning board meeting it was decided to table the issue of indorsing the city's request for a landfill permit in Turtle River Township. Johnson explained that the next steps will probably be to hold public hearings. After that process the township will make a decision on whether to grant the permit or not.

### **4. Terminal Finishes Ad:**

Johnson announced that the terminal finishes ad has been published in the Grand Forks Herald. Bids are being solicited for wall coverings, laminates, terrazzo grinding, and painting. Bids will be opened October 14<sup>th</sup> and will come to the Board at the October meeting.

### **5. Tree Removal:**

Johnson reported that the removal of trees inside the airport fence has been completed. With the \$12,000 left over Johnson will generate a change order with Gowan to include the tree removal on the Dubuque property. The change order will also include filling the basement, removing the concrete and the septic system. The bid for clearing the Dubuque property came in at \$17,000.

## **D. Old Business:**

### **1. Hensley Aircraft Update:**

Johnson explained that it's difficult to identify where to place the Hensley Aircraft group without knowing where the fourth runway will be located. Tom Schauer, FAA ADO, suggested that this might be the time to develop an industrial area. Hensley doesn't want to locate where the development has been suggested. They want to be on Airport Drive where potential customers can see their facility. Johnson stated that it appears that they will have to locate on the site originally suggested south of AFSS.

## **E. Discussions:**

Meeting adjourned at 9:24 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

**October 21, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, October 21, 2004 with Chairman Brad Beyer presiding. Those present were commissioners Rich Becker, Vice Chair; Clark Cronquist and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations and Maintenance Supervisor, Butch Litzinger, Operations Specialist, Marty Yahna, County Commission Liaison and Tim Dittus, Authority Attorney.

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

**A. Approval of Minutes:**

**1. September 23, 2004:**

Cronquist moved approval of the minutes of September 23, 2004. Becker seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

No resolutions came before the Board

**C. Reports:**

**1. Year to Date Financials/2005 Proposed Budget:**

Crystal explained that the year to date financials and proposed 2005 budget would be reviewed at the same time. Crystal pointed out that exhibit two of the financial packet showed more detail than usual due to the fact that landing and ARFF fees are broken down. The net income in the operating fund is \$88,670.84. Most of the revenues are on target with an operating revenue of \$1.470 million on a 2004 budget of \$1.96 million. The 2005 budgeted operating revenue is at \$2,019,473. Exhibit three, the operating expenditure budget, for 2004 was \$990,089. The 2005 projected budgeted is \$1,010,311. The budget notes reflect the salary change that occurred due to the salary survey taken by PFPC. There are some salaries that were budgeted at 100%, some at 97.5% and others at 95%. The 2005 budget proposes to take everyone to 100% of mid point. The other change budgeted for in 2005 is that the money used for the part-time accounting specialist, the intern position and some additional funds are being used to add a full-time operations specialist. Crystal pointed out that on exhibit three the overtime budget was held at \$39,000. The operational budget for 2004 was \$2,018,867 and the 2005 operating expenditure budget is projected to be \$2,039,473. The rates and charges have been projected at a 3% CPI. That actual percentage will be known when the final budget is reviewed next month. Crystal reviewed exhibit five, which outlines how rates and charges are calculated. Becker asked if the terminal rents are adjusted on an annual basis. Johnson explained that every year the terminal rent is based on the projected budget for the upcoming year. After the audit is completed the actual is calculated. Becker asked how this could be so out of line. Johnson explained

the process of how the calculations are reached. Beyer asked why there is still a budget of \$39,00 for overtime. He thought overtime would be reduced by hiring another operations specialist. Beyer also asked about the budgeted amount for the temporary full time position. Crystal indicated she would look at and determine if overtime could be reduced. Crystal reviewed the capital revenue budget. Johnson reviewed the non federal and federal capital budgets.

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

Johnson reported that enplanements for the month of September were down 1.6%. However, year-to-date they are up 3.93% over last year. Year-to-date FedEx enplaned cargo is up almost 19% for the year with deplaned cargo up 38%. Air traffic is down 9.5% for the year but appears to be gradually improving. Becker asked what the explanation was for the decline in operations considering the growth of the UND aviation program. He asked Johnson to get an explanation from UND for the decline in numbers.

### **4. Tree Removal Project:**

Johnson displayed pictures that showed the removal of trees south of and parallel to the main runway. Trees were also removed from the Dubuque property. Two rows of trees were left on the Dubuque property as a wind break. In the event that the Authority someday obtains that property those trees will also be removed.

### **5. Civil Air Patrol Space:**

Johnson reported that he informed CAP that they had to move out of the terminal basement due to the mold present. They are currently in the process of moving.

### **6. FedEx Expansion:**

Johnson explained that Laffen has been working with FedEx and it appears that they are ready to do some remodeling and add a small expansion to their facility. Part of the remodeling is to add additional restrooms and to sub-divide some space inside the building. They are going to add on a small section for a drive through scale on the outside of the building.

## **D. Discussion:**

### **1. Terminal Upgrade Bids:**

Johnson referred to the email sent to the Board regarding the bids that came in over budget for the terminal upgrades. Laffen explained that in reality the bids were not that far out of line. Two bids were received for \$227,000 and \$233,000. Laffen asked for a break-down from the low bidder ICS. The company that would do the terrazzo work bid that part of the project at \$125,000. When Audette got prices from the same company a year ago it was at \$5,000. Laffen explained that in his opinion they did not read the plans correctly and the price quoted is for replacing the terrazzo instead of grinding and re-finishing. Laffen reviewed some of the areas that could be eliminated, including the terrazzo work, which brings the costs more into line. He stated that in his opinion safety items should be done but letting some of the other areas go might help the public see the need for a new terminal. Cronquist suggested that we see if there are other companies that work with terrazzo. After discussion it was decided to table the issue until the November meeting.

## 2. Hensley Aircraft Lease:

Johnson explained that he and Tim Dittus have been in discussion with the Hensley group regarding a proposed short term lease of hangar three and a long term lease on ground site. Johnson presented slides that showed the Hensley layout drawn by the Hensley architect. Hensley is proposing a 15,000 square foot building. Johnson pointed out areas the Authority could possibly provide to the proposed project and summarized what Hensley would like the Authority to provide. They would like two leases. The first lease would be a twelve month agreement on hangar three and the second would be a long term lease on the ground site. Hensley is proposing to roll 100% of the interim lease costs, including the improvements to hangar three, the rents paid to Authority on hangar three, the utility charges while they occupy hangar three, the leasehold interest tax and the interest on all of the previous costs into their long term lease payments on the permanent facility. They are proposing to not make any payments until they start paying on the long term lease. Johnson and Audette put together a list of improvements that Hensley wants to hangar three which is at \$80,000. Johnson explained that he is estimating that the Authority would charge them about \$1,000 per month for the combination of hangar three and the portable GE trailer that they would like brought in as additional space for hangar three. They would pay back all of the expenses over the first 60 months of their long term lease on the ground site. They are willing to sign a promissory note for reimbursement of all of the expenses should they not execute the lease on the large parcel. Robert Hensley would provide a personal guarantee on that promissory note. If hangar three is rented after the interim lease expires any increase in rent owing to the Hensley improvements will be credited to Hensley's promissory note payments or to their long term lease payments for up to 60 months or until such time that Hensley has recaptured the cost of those improvements. Johnson also reviewed the Authority's capital improvement expenses as proposed by Hensley. Johnson asked for instruction from the Board. Cronquist asked about the personal guarantee. Dittus explained that a personal guarantee is only as good as the person that it's being taken from. Unless some investigation is taken there is no real way of knowing. Dittus recommended that Hensley provide a letter of credit instead. It would allow the Authority to go directly to the bank if Hensley doesn't perform.

Cronquist moved to go into closed executive session. Becker seconded. Johnson cited the NDCC authority for the executive session. **Action Taken:** Motion passed unanimously.

The topics to be discussed during the executive session: Negotiating strategies for the Hensley proposals and instructions to the executive director and attorney with regards to the proposals.

Meeting adjourned at 8:49 p.m.

Respectfully submitted,

Patti Linstad, Board Secretary

**Executive session was called to order at 8:54 p.m.**

Those present were: Commissioners, Brad Beyer, Chair; Rich Becker, Vice Chair; Clark Cronquist, Tim Mutchler and staff Steve Johnson, Executive Director, Mary Jo Crystal, Director of Finance and Administration; Rick Audette, Operations and Maintenance Manager. Also present were Marty Yahna, GF County Liaison and Tim Dittus, Authority Attorney.

**Executive session adjourned at 9:27 p.m.**

**The regular meeting reconvened at 9:30 p.m.**

Those present were: Commissioners, Brad Beyer, Chair; Rich Becker, Vice Chair; Clark Cronquist, Tim Mutchler and staff Steve Johnson, Executive Director, Mary Jo Crystal, Director of Finance and Administration; Rick Audette, Operations and Maintenance Manager. Also present were Marty Yahna, GF County Liaison and Tim Dittus, Authority Attorney.

Johnson summarized actions taken in executive session. The Board directed Johnson and Dittus to not agree to defer any expenses associated with the Hangar 3 temporary lease except for the Hensley requested capital improvements costs. The Board also directed Johnson to insure that the proposed extension of taxiway C2 is AIP grant eligible before agreeing to providing it to Hensley at no cost.

Meeting adjourned at 9:49 p.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

**November 8, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, November 8, 2004 with Chairman Brad Beyer presiding. Those present were commissioners Rich Becker, Vice Chair; Clark Cronquist, Tim Mutchler and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; and Tim Dittus, Authority Attorney.

The meeting was called to order at 4:02 a.m.

**A. Hensley Aircraft:**

**1. Hensley Aircraft Lease Discussion and Presentation:**

Johnson introduced Robert Hensley and Tim Engen. Hensley and Engen gave a presentation on the Hensley twin engine airplane kit and proposed headquarters facility.

After the presentation Johnson reported that he had contacted the ADO in Bismarck. In discussions with Tom Schauer, Schauer stated that the taxiway for the Hensley facility would be AIP eligible. He also suggested that instead of a taxiway the Authority consider the corridor between the two sets of businesses an apron and the area in the middle a taxi lane instead of a taxiway. Schauer also reminded Johnson that an ALP revision would be necessary.

Johnson reminded the Board that last month he presented an outline of the provisions that Hensley was requesting. During an executive session the Board decided that Hensley should be responsible for the monthly operating costs of the temporary facility. The agreement has been re-written and Hensley has agreed to pay those monthly operating costs and not defer them as originally proposed. The only other change is that Hensley has requested that the Authority draft the interim facility lease so that it has a duration of five years. Specifics have been outlined on the types of activities that Hensley will pay commissions on. Commissions will be paid on activities similar to what an FBO pays commission on.

Johnson explained that the start lease date for the temporary facility will not be before the first of March, 2005. The list of improvements made to hangar three will be Hensley's choice. Beyer asked how long the lease would be on Hangar 3. Johnson replied that it originally was going to be for a year but the Authority is offering a five year lease. Seifert ask if Hensley will be able to rent Hangar e if they leave the facility early. Johnson explained that the lease states that they have to comply with a list of approved uses and aircraft storage is not one of those uses. There is also language in the agreement that if the Authority puts improvements into Hangar 3 and Hensley doesn't stay the full length of time, the additional revenue from improvements to that hangar will be credited back to Hensley to pay for the improvements.

Becker suggested that the Hensley architects work closely with the Authority's architects for the sake of consistency especially with regards to the new terminal. Johnson stated that the Authority will not be close to architectural rendering on the new terminal for at least a year and Hensley will be ready to build this summer. Johnson reminded the Board that they have final approval on the design of the building.

Johnson reported that Hensley has been given a break on commissions. They will pay 1% commission for the first year, 2% for the second year and 3% for all following years.

Tim Engen stated that the EDC, Department of Commerce and Bank of North Dakota need adequate evidence that they are locating to Grand Forks. Therefore they would like executed leases with the Authority as soon as possible.

Johnson requested the Board's authorization to enter into the agreements with Hensley.

Mutchler motioned to allow the executive director to enter into agreements with the Hensley group. Becker seconded. **Action Taken:** Motion passed unanimously.

Meeting adjourned at 5:23 p.m.

Respectfully submitted,

Patti Linstad, Board Secretary



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

**November 24, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, November 24, 2004 with Chairman Brad Beyer presiding. Those present were commissioners Rich Becker, Vice Chair; Clark Cronquist, Tim Mutchler, Dave Molmen and staff, Steve Johnson, Executive Director; Mary Jo Crystal, Director of Finance & Administration; Rick Audette, Operations and Maintenance Manager.

The meeting was called to order at 8:01 a.m.

**A. Approval of Minutes:**

**1. October 21, 2004 and November 8, 2004**

Becker moved approval of the minutes from October 21 and November 8<sup>th</sup>. Cronquist seconded noting a correction to the November 8<sup>th</sup> minutes that stated Mutchler was present for the regular meeting and the executive session. **Action Taken:** Motion carried unanimously with the corrections that Mutchler was not present at either meeting.

**B. Resolutions:**

**C. Reports:**

**1. Year to Date Financials:**

Crystal reported that the operating fund report had some mistakes. The operating net income should be \$41,116.20. The net income in the capital fund is \$193,114.97. The net income in the debt service account has a negative balance of \$309,876.98 due to two bonds being paid. The net income in the unreserved fund is \$11,062. The fuel sales are beyond the projected budget for the entire year. The operating revenue should be 83% of budget but is slightly ahead of budget at 84%. Crystal pointed out an error in the auto gas line item explaining that a shipment of fuel was posted to expenses rather than inventory. The correct amount for auto gas should be \$592.36. Fuel storage fees are ahead of projected budget. There is some discrepancy in the non-operating revenue and non-operating expense. The federal grant payment did not come in until November 4<sup>th</sup> so it is not reflected on this statement. Crystal reminded the Board that in the management letter from the auditors it was suggested that the Board periodically review the check registers. Beyer directed Crystal to select two months for review by the Board. Crystal asked that the Board review the hand-outs and direct any questions to her, Steve or place it on the agenda for a future Board meeting.

**2. 2005 Proposed Budget:**

Crystal pointed out the recommended changes made to the budget since the last review. The actual CPI is 2.43% so the ground site rents have been adjusted accordingly. The budget overtime has been lowered from \$39,000 to \$30,000. At the request of Johnson and Audette there are a couple of operating expense line items that have been combined for ease of coding. Molmen moved to approve the 2005 as presented. Mutchler seconded. **Action Taken:** Motion carried unanimously

### **3. Terminal Upgrades:**

Randy Leiberg and Lonnie Laffen updated the Board on the bid options and costs for the proposed terminal upgrades. Laffen's recommendation is to not do anything with the terrazzo or to do it as a separate project. Becker asked what the time frame would be to do the wall coverings. Laffen stated that it would be a couple of months by the time materials were received and the work completed. Becker asked if the proposed improvements would be enough until the new terminal is built. Johnson replied that the roof will be a recurring challenge. Molmen moved to accept the terminal upgrades as presented with the exception of the terrazzo work. Becker seconded. Cronquist moved to amend the motion to use the \$50,000 budgeted for the project in 2004 and to complete the remainder of the project with a change in the capital projects for next year. Molmen seconded. **Action Taken to amend the original motion:** Motion carried unanimously. **Action Taken on the amended motion:** Motion carried unanimously. Laffen stated that he will check with the company that would do the terrazzo to see if they would do a test patch in order to determine if it would match.

### **4. Terminal Task Force:**

Laffen gave a brief report on the results of the last terminal task force meeting. Laffen explained the costs and potential problems associated with the various proposed sites for the new terminal. A draft report to the Board is expected in January.

## **D. Discussion:**

### **1. UND Aerospace DC-8 Parking:**

Johnson announced that UND has approached the Authority about parking the DC-8 NASA research airplane at the airport while the airbase is closed this summer. Johnson explained that the only suitable area to park an aircraft of this size is west of the Authority building. They are also requesting office and storage space. Johnson said they could use the TSA double wide which will be vacated in February.

### **2. Engineer/Master Plan Selection:**

Johnson reported that the selection of engineers and a master planning firm needs to take place as soon as possible. The non-federal engineering firm will be contracted for 2005-2007. The engineering and planning/environmental firms for federal projects will be contracted for 2005-2009. The process will begin in December and probably won't be completed until January. Beyer will appoint members to serve on these committees. Johnson will invite someone from the City's engineering department to be part of the selection process.

Meeting adjourned at 9:17 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary

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

**December 16, 2004**

The Grand Forks Regional Airport Authority Board of Commissioners met in the Board Room of the Airport Authority on Thursday, December 16, 2004 with Chairman Brad Beyer presiding. Those present were commissioners Clark Cronquist, Tim Mutchler, and staff, Steve Johnson, Executive Director; Rick Audette, Operations and Maintenance Manager.

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

**A. Approval of Minutes:**

**1. November 18, 2004**

Cronquist moved approval of the minutes from November 18. Mutchler seconded. **Action Taken:** Motion carried unanimously.

**B. Resolutions:**

**1. #08-04 “Matter of Discretionary Payments”:**

Johnson explained the discretionary payments that have been paid out to the employees since the change over in the pensions program. He reminded the Board that it is up to their discretion to pay the amount to select employees each year. Mutchler moved approval of resolution #08-04. Cronquist seconded. **Action Taken:** Motion carried unanimously.

**C. Reports:**

**1. Year to Date Financials:**

In Crystal absence, Johnson gave a brief overview of the financials to date.

**2. Parking Lot Grace Period:**

Johnson reported that Republic Parking agreed to extend the grace period in the parking lot to 30 minutes. Johnson explained that the grace period is not the part of the 15 minute free parking. It's the time allotted after paying for parking to exit the lot.

**D. Discussion:**

**1. Request for Concession Agreement:**

Johnson explained that Barnes and Noble had approached him regarding establishing a kiosk in the terminal during the world juniors. They will be competing with the gift shop and Johnson told them that there needed to be some added value for the Authority's patrons. Some of those options could be providing products that the gift shop does not offer, being open hours that the gift shop is not open or paying a commission to the Authority above what the gift shop pays. They did agree to the options except for the hours of operation

which they could not commit to yet. Mutchler moved to allow Barnes and Noble to set up a kiosk in the terminal building. Cronquist seconded. **Action Taken:** Motion passed unanimously.

**2. Bismarck Minimum Standards:**

Johnson announced that Bismarck has adopted minimum standards.

**3. Ulteig Wetland Delineation:**

Johnson reported that an environmental assessment is being conducted on closing the burrow pit west of the main runway. It also includes half of the airport property and is being done in preparation for future construction. Part of that assessment is a wetland delineation. There are 51 delineated wetlands on the south half of the airport. Only one of those is a high quality wetland and it is scheduled for closure next year. The other wetlands may be able to be mitigated for a fraction of the same acres of quality wetland away from the airport.

**4. Review of Checking Account:**

Chairman Beyer asked the secretary to note in the minutes that checks distributed to Board members from May and October of 2004 were reviewed per the auditor's recommendation.

Meeting adjourned at 8:20 a.m.

Respectfully submitted,

Patti Linstad, Board Secretary