

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

January 27, 2011

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Airport Authority on Thursday, January 27, 2011 with Chairman Steve Kuhlman presiding. Members present were Commissioners Clark Cronquist, Tim Mutchler, and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance and Administration; and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

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

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Cronquist to approve the November 24, 2010 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Crystal reviewed the financial reports and answered questions posed by the Commissioners.

2. Airport Report

Dame introduced the new airport intern, Bethany Sundvor, and reported on airport items including the FedEx lease and the need for some additional snow removal equipment. He answered questions posed by the Commissioners.

3. Chairman Report

Kuhlman gave a report on some of the items the board is working on.

4. Committee Reports

i. Tenant Relations/Real Estate

Cronquist said the UND Foundation contracts are in the attorney's hands, as is the new restaurant lease. There was more discussion on the FedEx leases.

ii. Employee Relations

Mutchler reported on a comment he received from an employee.

iii. Marketing/Air Service Development

Malm said there will be a marketing committee meeting on Feb. 1st. Dame reported on some advertising items such as a partnership with Allegiant to do a Super Bowl ad and some Canadian ad contracts.

C. New Business

1. FIDs System

Dame reviewed with the board a memo detailing a proposal for the new terminal's Flight Information Display system (FIDs). Staff interviewed three vendors and recommended ProDIGIQ because of its system's many unique features such as specialized advertising and entertainment. The digital display advertising would be customized for viewers watching certain monitors at that particular time, i.e. passengers in the holding room waiting to go to Las Vegas will see advertising for Las Vegas attractions, while passengers waiting at the baggage claim will see local ads. The airport would receive 20% of the outside marketing revenue from ProDIGIQ, and keep 75% of the local advertising that we sell. The Airport TV Network entertainment feature has non-political programming that can be seasonally customized to suit the viewer's assumed interests. Another advantage would be to use these monitors at each concessionaire's counter for their use to display their own signage and advertising. Dame feels this will create a more uniform look and dynamic feel in the terminal. The cost to purchase and install the ProDIGIQ system is \$109,968. The initial estimate for the FIDs in the new terminal was \$60,000. The annual maintenance/upgrades fee for the first 5 years of the ProDIGIQ agreement would be \$9,600, based the current number of monitors in the quote. The airport pays \$4,596 per year for the current FIDs contract, which ends in September of this year. ProDIGIQ anticipates that GFK's advertising revenue will net \$7,500-\$9,500 in the first year and go up from there. Staff said the ability to easily change ads would make this digital advertising much easier to sell than the current back-lit board method. It was moved by Mutchler and seconded by Malm to award the FIDs system and equipment installation to ProDIGIQ in the amount of \$109,968 and authorize the five year contract of \$9,600 per year and further authorize the Executive Director and Authority Attorney to sign all documents associated with the agreement. Dame reported on how some of the remaining new terminal budget items are affecting the overall project budget. There was discussion on whether the concessionaires will pay for using the system. Kuhlman asked Dame to try negotiating an improved percentage for advertising revenue. Dame reported that the system includes an automatic monitor shut-down when the terminal is empty. **Action taken:** Motion carried unanimously.

2. Replace Gate Opener

Audette addressed the board with a request to replace an gate opener. Staff requested bids from three vendors and received two, the lowest bid from PS Doors for \$5,725. He said this is the last of the gate opener replacements that have taken place over a period of several years, and was budgeted this year at \$5,000. Malm moved to approve the purchase of a new gate opener from PS Doors at \$5,725, seconded by Mutchler. **Action taken:** Motion carried unanimously.

3. Update Grant Acceptance eALP

Dame said the board had previously accepted a federal grant contract for \$657,895 for the eALP project, with a \$32,895 local share. He had advised them that the amount was not exact at that time. When the actual eALP process began, our engineers (KLJ) determined the federal grant amount should be amended to \$683,681, with a local share of 5%, or \$34,185. It was

moved by Mutchler, seconded by Malm, to authorize the amended contract amounts. **Action taken:** Motion carried unanimously.

4. Update Terminal Contract for C.L. Linfoot Company; Peterson Change Order

The board had previously authorized a change order for C.L. Linfoot to spend an additional \$40,000 for well drilling and \$75,000 for heating the terminal building. The change order's total of \$115,000 did not cover the actual expenses of \$118,993. The additional expense was due to the requirement of a gate guard while well drilling was taking place inside the security fence. Staff recommends approval of the amended C.L. Linfoot change order in the amount of \$118,993. Cronquist moved to authorize the amendment and the motion was seconded by Mutchler. **Action taken:** Motion carried unanimously.

An additional change order request was brought to the board by JLG's Tom Behm. He recommended a change order for an additional \$11,489 to be added to the previously budgeted \$95,000 Peterson contract for finish work (BG#8) for a total of \$106,489. Behm and Dame reviewed the change order items with the board. Cronquist moved to authorize the Peterson change order as requested, seconded by Mutchler. **Action taken:** Motion carried unanimously.

Malm asked staff to create a list of change orders and budget under/over spending on the new terminal project, to bring to the next meeting.

5. Discretionary Payments

Dame reviewed the discretionary payment plan and recommended that the Authority authorize \$6,682 to be paid to the Authority employees who are being compensated for having to separate from their previous retirement plan in 1996. Kuhlman recommended that we have our HR consultant review this plan and bring some possible alternatives. Dame said he would have the board review this matter again prior to the next budget approval. Mutchler moved to authorize the \$6,682 in discretionary payments for 2011. Cronquist seconded the motion. **Action taken:** Motion carried unanimously.

6. Air Service Contract Agreement – SH&E

Dame will be attending two conferences for air service development in March and June. He requested that the Authority approve a contract with a consultant, SH&E, to assemble information for his use at these conferences. The three tasks in the contract include 1) preparing information to use for a Denver proposal – for a cost of up to \$5,000; 2) an economic impact study – at a cost of up to \$4,000; and 3) presentation material for the Networks Conference – at a cost of up to \$6,000. It was moved by Cronquist and seconded by Malm to approve the said contract with SH&E. **Action taken:** Motion carried unanimously.

7. Project Closeout

Dame said the ARRA project closeout deadline was nearing and the paperwork is ready for submission to the FAA. It was moved by Malm and seconded by Cronquist to authorize the closeout for the ARRA project. **Action taken:** Motion carried unanimously.

One of the engineers from Ulteig said there are two change orders pending approval for the Runway 9R/27L Project: Change Order #5 to paint signs and Change Order #6 to move some

lighted signs. He reported that they are about half done with the Runway Project closeout. Dame said these change orders might have been approved already, but will check on that.

8. Other

Dame requested blanket authority to sign all contracts associated with marketing as long as they stay within the marketing budget. The marketing committee will be aware of all contracts as they are signed. Cronquist moved to allow the Executive Director to sign marketing contracts as needed as long as they are recommended by the marketing committee. Mutchler seconded the motion. **Action taken:** Motion carried unanimously.

Dame said the Runway Project Change Orders (discussed under C7) can be brought up for approval alongside the project closeout, if need be.

The meeting adjourned at 9:18 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

February 24, 2011

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Airport Authority on Thursday, February 24, 2011 with Vice-Chairman Tim Mutchler presiding. Members present were Commissioners Hal Gershman, Clark Cronquist, Tim Mutchler, and Gary Malm; staff included Patrick Dame, Executive Director; and Mary Jo Crystal, Director of Finance and Administration. Airport Attorney Tim Dittus was also in attendance.

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

A. Reading and Approval of Minutes

It was moved by Cronquist and seconded by Malm to approve the January 27, 2011 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Crystal reviewed the financial reports and answered questions posed by the Commissioners.

2. Airport Report

Dame had sent a written report earlier in the week and answered questions posed by the Commissioners.

3. Chairman Report

Mutchler did not have a report from Chairman Kuhlman.

4. Committee Reports

i. Tenant Relations/Real Estate

Cronquist gave a short report on the status of the current lease negotiations.

ii. Employee Relations

Dame reported the HR consultant has been interviewing all employees.

iii. Marketing/Air Service Development

Dame said he's scheduled to attend a "Networks" conference at Austin, Texas in March. There is a list of airlines he'll be meeting with there, and says the target is to get Orlando and Denver. The Canadian press have been paying much attention to the fact that many of their citizens are flying out of US cities, and Winnipeg reporters have recently been visiting GFK to gather information.

C. New Business

1. Amendment to UND Lease (AFFS Building)

Dame said the 2010 lease agreement with UND is being amended to change the insurance requirements. It was moved by Cronquist and seconded by Malm to authorize Amendment #1 to the UND Lease for the AFSS Building. **Action taken:** Motion carried unanimously.

2. Airline Terminal Change Order – CL Linfoot, Sun Electric and Peterson Construction

Dame reported that JLG is requesting change orders for three contracts in order to keep the new terminal project moving. The change orders do not affect the overall project cost. Gershman moved to approve the change orders for CL Linfoot for \$14,963, Sun Electric for \$36,185, and Peterson Construction for \$24,791. The motion was seconded by Bollingberg. **Action taken:** Motion carried unanimously.

3. Runway Change Order

Dame reported that Ulteig Engineering requested a change order to Strata's Construction in the amount of \$19,600 for relocation of the taxiway signs at A-4 & A-5. It was moved by Bollingberg and seconded by Cronquist to ratify the decision of the Executive Director to sign the change order in the amount of \$19,600 for the completion of Runway 9R-27L project. **Action taken:** Motion carried unanimously.

The meeting adjourned at 9:05 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

March 4, 2011

The Grand Forks Regional Airport Authority Board of Commissioners met in a special session in the Board Room of the Airport Authority on Thursday, March 4, 2011 with Chairman Steve Kuhlman presiding. Members present were Commissioners Clark Cronquist, Gary Malm, Hal Gershman and Brad Beyer. Karl Bollingberg attended via conference call. Staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance/Administration and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 4:00 p.m.

1. FedEx Lease Options

Patrick Dame gave a report on the lease negotiations with FedEx. A proposal letter was drafted to FedEx and presented to Commissioners. It was moved by Malm, seconded by Bollingberg, to authorize the signatures of the Authority Board Chairman and Executive Director on the letter to FedEx. **Action taken:** Motion carried unanimously.

The meeting adjourned at 4:21 p.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

March 24, 2011

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Airport Authority on Thursday, March 24, 2011 with Chairman Steve Kuhlman presiding. Members present were Commissioners Hal Gershman, Clark Cronquist, Tim Mutchler, Brad Beyer, Karl Bollingberg and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance and Administration and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:00 a.m. Chairman Kuhlman informed the attendees that the FedEx Lease Agreement item on the agenda would be moved to the end of the meeting and would be discussed in an executive session.

A. Reading and Approval of Minutes

It was moved by Beyer and seconded by Malm to approve the February 24, 2011 and March 4, 2011 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Crystal reviewed the financial reports and answered questions posed by the Commissioners.

2. Airport Report

Dame said he sent a written report earlier in the week and answered questions posed by the Commissioners. He then presented slides detailing our current parking lot occupancies. There is not sufficient parking space planned for the new terminal in the opinion of the Executive Director. An engineer from Ulteig reported that an expansion of 71 parking spaces would cost an estimated \$260,000, and that Strata said they would agree to hold the price for this. It was moved by Gershman and seconded by Cronquist to spend the money to expand the new terminal parking lot by 71 stalls. When asked where the money would come from, Dame asked if the motion could wait a month until we received the bids for the restaurant fixtures. Cronquist moved to table the motion for the next meeting. Malm seconded the motion. **Action taken:** Motion carried unanimously.

Dame said an employee lot is not budgeted but would be recommended to allow more space in the new terminal's pay lot. He displayed a drawing showing the employee lot located immediately north of the new terminal. Gershman said the employee lot should be further away, saving the north area for customers. The engineer was asked how much an employee lot would cost. He didn't have an estimate but said it could run \$250,000 for another 63 additional spaces to the north of the building. Gershman suggested not building a lot on the north side of the building, but instead ask the employees to park around the peripheral. Kuhlman directed that the Tenant Relations Committee discuss this and bring a recommendation to next month's meeting. Cronquist asked that the estimated costs of expansions and alternatives be available for the committee so it could better make recommendations. Kuhlman suggested that if there

are any area entrepreneurs wishing to start a parking valet service or similar service at the airport, they should submit their ideas to the committee for discussion at their meeting.

Dame said the airport participated in the ArtWise Show at the Alerus Center this week, an attempt to be more visible to the community.

Gershman commended Dame on his recent presentation of the Economic Impact statement. Dame said GFK's impact was calculated to be worth \$220 million out of the \$1.3 billion impact statewide. Malm requested that Dame give the same presentation to the County Commission. Kuhlman requested that staff send the board members copies of the Economic Impact report and to start sending copies of any airport related press with board packets.

3. Chairman Report

Kuhlman reported that the Executive Director's contract was renewed for 3 years.

4. Committee Reports

i. Tenant Relations/Real Estate

Cronquist gave a short report on the status of the current lease negotiations. Dittus reported on the status of the UND Foundation's lease.

ii. Employee Relations

Kuhlman said a committee meeting will be held next Tuesday, and once a month thereafter.

iii. Marketing/Air Service Development

Gershman reported on the great press we had last month in Canada. Dame attended Networks in Austin, TX, where he had meetings with several different airline companies.

C. New Business

1. Audit Report and Acceptance

Joe Martin from Brady Martz reviewed the annual audit report and he and airport staff answered questions posed by the Commissioners. Building rents and terminal rents were down, and parking lot receipts were up. Gershman asked staff to research why the terminal rents are down. It was moved by Cronquist and seconded by Malm to accept the audit report. **Action taken:** Motion carried unanimously.

2. Terminal Seating Bid Award

Audette and Dame reported on the terminal seating bid advertisement and reasons for the tight specs. The one bid that met specifications was for Herman Miller brand seats sold by Brown and Saenger in Fargo. The new terminal budget estimated the seating would cost \$200,000 and Brown and Saenger's bid was slightly under that. Kuhlman reported that he made contact with two local companies to see if they were aware of the bid advertisement. One of the companies was not aware, and the other could not meet specs but did speak highly of the Herman Miller seating. Kuhlman said he felt comfortable with the recommendation, adding that Herman Miller is not sold in the Grand Forks area. He did add that another type of seating may have been cheaper and the savings could have been used toward expanding the parking lot. Dame

said he researched the prices and that this Herman Miller bid was 40% less than retail. Gershman moved to award the bid for seating at the new terminal to Brown and Saenger in the amount of \$194,708.10 for 279 seats, plus an additional \$2,000 for Grip Tite Plastics' cupholders for a total of \$196,708.10. The motion was seconded by Malm. **Action taken:** Motion carried unanimously.

Kuhlman asked that the specs for the office furniture be generic enough to include multiple dealers. Gershman made some suggestions for the new terminal – a tune playing when the bag belt starts - instead of a buzzer; and a play area for children.

3. Signage and Civil Bid Award

Dame reported on the bids received for the signage and civil work. Of the two signage bids, one was not accepted due to non-conformity. The remaining signage bid was from Indigo Signworks for interior signs for \$104,749. The architect's estimate was \$150,000. Five bids were received for the civil portion of the new terminal contract, and the low bidder was Opp Construction for \$257,052. The engineer's estimate was \$246,000. Malm moved to award the signage and civil bids to Indigo Signworks for \$104,749 and Opp Construction for \$257,052, respectively, and to authorize the Executive Director and Airport Attorney to sign all documents associated with the signage and civil project. Beyer seconded the motion. **Action taken:** Motion carried unanimously.

4. Other

a. Riding Floor Scrubber

Audette reported on the bid for the planned CIP Terminal item for 2011 – a riding floor scrubber – from Stein's in Moorhead for \$12,548.05. The bid was based on the Minnesota State Bid list in which the Authority has the right to utilize. Dame and Audette explained the state bid process. Kuhlman said that local companies should have the right to bid on this. Gershman moved to bid the floor scrubber on the open market. Mutchler seconded the motion. Kuhlman recused himself from voting due to conflict of interest. **Action taken:** Motion carried with ayes from Malm, Cronquist, Mutchler, Gershman, Beyer and Bollinger.

b. Grand Opening for Terminal

Dame said the committee is working on a grand opening event for the new terminal and the board is being asked for their input before moving any further. Gershman made some suggestions.

5. FedEx Lease Agreement (moved from item C.1. to item C.5.)

Chairman Kuhlman stated that this agenda item will be discussed in an executive session. A motion was made by Bollingberg and seconded by Cronquist to go into executive session. Bollingberg then rescinded his motion and Cronquist rescinded his second. Kuhlman cited the legal authority for closing this portion of the meeting saying the purpose was to discuss negotiating strategies and to provide negotiating instructions to the airport attorney and/or negotiators with regard to the FedEx Lease Agreement. Bollingberg made a motion to move into executive session, seconded by Cronquist. **The motion carried unanimously.**

Members of the public were asked to leave the room and the executive session started at 9:50 a.m.

EXECUTIVE SESSION

The executive session adjourned and the public meeting resumed at 10:36 a.m.

It was moved by Malm, seconded by Gershman, to direct Dame and the Authority attorney to negotiate the term of the FedEx lease in line with the memo from Dame; and also provide the Authority the ability to convert the lease to month-to-month in the event that the lack of jet service results in over a 15% decrease in landed weight. **Action taken:** Motion carried unanimously

The meeting adjourned at 10:38 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

April 28, 2011

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Airport Authority on Thursday, April 28, 2011 with Chairman Steve Kuhlman presiding. Members present were Commissioners Hal Gershman, Clark Cronquist, Tim Mutchler, Brad Beyer, Karl Bollingberg and Gary Malm; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance and Administration and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

The meeting was called to order at 8:00 a.m. Chairman Kuhlman listed two agenda items that will be added under C.4."Other" in New Business: UND Lease Amendment #1 and Restaurant Fixture Bid Award.

A. Reading and Approval of Minutes

It was moved by Cronquist and seconded by Malm to approve the March 24, 2011 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Crystal reviewed the financial reports and answered questions posed by the Commissioners. There was discussion about the bond reserve fund, and maximizing the interest income for that account. The board asked staff to create a dashboard of gauges that depict the important elements of the financial reports.

2. Airport Report

Dame said he sent a written report earlier in the week and answered questions posed by the Commissioners. He reported on his meeting with the ADO and also on the Manitoba Aviation Conference he attended.

3. Chairman Report

Kuhlman asked Brent Seifert to speak about GFK Flight Support's Business After Hours event that was held April 21st.

4. Committee Reports

i. Tenant Relations/Real Estate

Dame reported on the Tenant Relations Committee's recent meetings regarding the new terminal parking lot. He presented engineers' drawings of five phases of parking lot expansions that would add 874 stalls in all. He said two expansions could be added to the current project this spring, for an additional 113 stalls. It would be funded with money that was originally planned for a new monument sign at the intersection at Highway 2 and Airport Drive (\$150,000), and the additional parking revenue (\$140,000) that we expect to receive this year due to recent increases in air service. Those two items would potentially fund \$290,000 of the estimated \$343,584 needed

for construction of the two expansions. The remainder would come out of the cash reserve fund, capital fund or from our line-of-credit. Of the 113 additional stalls, approximately 40 will be used by tenant employees until a separate lot is built for them (shown as another of the five phases). Staff proposed the tenant lot be added to the CIP for 2012 or 2013.

Another recommendation from the Tenant Relations Committee was to eliminate the name of short-term and long-term and to rename them Premier and Economy.

It was moved by Gershman and seconded by Bollingberg to approve the expansion of the two parking lots as proposed at a cost of approximately \$343,584 and further authorize the lot names to be changed to Premier and Economy. **Action taken:** Motion carried unanimously.

Cronquist said the UND Aerospace Foundation's Lease Agreement was finished and will be voted on later in today's meeting.

ii. Employee Relations

Dame reported that the employee handbook is almost complete and a drug and alcohol policy was added.

iii. Marketing/Air Service Development

Gershman reported that Kuhlman and Dame will attend the Allegiant Conference next week in Las Vegas, and that he and Dame will attend a Jumpstart event in Cleveland in June, where they will meet with several different airline companies. Gershman plans to meet with Dame to outline the 2012 marketing plan. The airport staff was asked approach the travel agencies to ask them to promote our airport on their websites. Dame reported on his recent visit to Lansing, Michigan for the National Air Service Conference.

C. New Business

A motion was made by Malm, seconded by Cronquist to recuse Kuhlman from voting on the scissor lift and the rider floor scrubber. **The motion passed unanimously.**

1. Bid Award – DC Electric Slab Scissor Lift

The advertisement for scissor lift bids produced one bid from Acme Electric. The budget was \$13,500 and the bid came in at \$17,500 for a DC electric slab scissor lift. It was moved by Malm and seconded by Mutchler to award the scissor lift bid to Acme Electric. **Action taken:** Motion carried.

2. Bid Award - Rider Floor Scrubber

The advertisement for bids for a rider floor scrubber produced four bids. The budget was \$13,500 and the low bid came in at \$10,148.50 from Tennant Company for a 32" model. All other bids were higher and were for 28" models. It was moved by Mutchler and seconded by Malm to award the rider floor scrubber bid to Tennant Company. **Action taken:** Motion carried.

3. FAA Supplemental Lease Agreement #9

Dame reported that the FAA has requested placement of Remote Radio Transmitter/Receiver (RTR) equipment – one tower north of the west maintenance building near the training aircraft, and two additional towers alongside the old AFSS building. Dame said the RTR addition will improve the airport and its ability to handle our air traffic. Beyer made a motion to approve the FAA's Supplemental Lease Agreement #9 and further authorize the Executive Director to sign the agreement and further allow for the construction of the new RTR. The motion was seconded by Malm. **Action taken:** Motion carried unanimously.

4. Other

a. UND Aerospace Foundation Amendment #1 to Ray Hangar Lease for Hangar #1 and the Leigh Hangar

Malm moved to authorize the Executive Director and the airport attorney to sign the Ray Lease Agreement Amendment # 1 with the UND Aerospace Foundation that includes Hangar #1 and the Leigh Hangar. The motion was seconded by Mutchler. **Action taken:** Motion carried unanimously.

b. Restaurant Equipment Bid Award (Bid Group #11)

Airport staff recommended awarding the terminal restaurant project bids to the lowest bidder in three categories: Innes Construction for \$361,000; CL Linfoot for \$170,006; and Sun Electric for \$67,600 for a total of \$598,606. A motion was made by Gershman and seconded by Bollingberg to award said bids totaling \$598,606 and authorize the Executive Director and Authority attorney to sign all documents associated with the terminal restaurant project.

The meeting adjourned at 9:15 a.m. and the Board was invited to tour the new terminal building.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

May 26, 2011

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Airport Authority on Thursday, May 26, 2011 with Chairman Steve Kuhlman presiding. Members present were Commissioners Clark Cronquist, Tim Mutchler, Brad Beyer, and Karl Bollingberg; staff included Patrick Dame, Executive Director; Mary Jo Crystal, Director of Finance and Administration and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

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

A. Reading and Approval of Minutes

It was moved by Cronquist and seconded by Mutchler to approve the April 28, 2011 minutes as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Airport Report

Dame gave a report on his recent business development trips and the current events on the airport, including a triennial disaster exercise on May 4th. Beyer suggested adding to our rules and regulations some language to try to prevent the car rental facility users from leaving unsightly materials outside their building such as mops, buckets and oil cans. Dame said that could be added to their lease agreement. Phil Medina from Hertz spoke about the fact that part of their expense to build a car rental facility includes drainage infrastructure which is a large expense.

2. Chairman Report

Kuhlman reported on the recent Allegiant Conference he attended with Dame.

3. Committee Reports

i. Tenant Relations/Real Estate

Dame said the agreement with Oakwells is in the works, a meeting with Michael Reilly is coming up next week.

ii. Employee Relations

Dame reported that the employee handbook is ready to be reviewed by the board and asked that they read it in the next 30 days.

iii. Marketing/Air Service Development

Dame reported on a meeting about the advertising and the new slogan, "It's About Time, Yours." Dame and Gershman will be attending a conference in June where they will meet with several airline executives. Dave Dague, the air service development consultant we hired from SH&E, will be there to assist.

4. Financial Report

Crystal reviewed the financial reports and answered questions posed by the Commissioners. Dame is concerned that runway closeout is being held up, and Ulteig has been instructed to get this done as soon as possible. Dame said in 2012 staff will be seeking authorization to hire a consultant for development of a new Small Community Air Service Development (SCASD) grant application. The budgeting process will begin earlier this year than last.

C. New Business

1. New Airline Terminal

Tom Behm from JLG described three proposals that need board action to proceed with the new terminal construction. C. L. Linfoot submitted a change order request which includes \$15,922.00 for a grease interceptor and \$5,454 for ductwork and sprinkler modification and a credit allowance for temporary heating of \$33,345. The total change order is a credit of \$11,969. It was moved by Beyer and seconded by Bollingberg to approve the change order request from CL Linfoot. **Action taken:** Motion carried.

It was moved by Mutchler and seconded by Beyer to approve the Peterson Construction change order request on the condition that the total for the change order's list of items does not exceed \$246,925 and that the overall budget of the project is not surpassed. The original budget was \$188,000 for these items. One item on the list is the glass railing which was significantly over the estimate. **Action taken:** Motion carried.

Sun Electric's proposal included replacing 2 of the existing 4 video recorders before moving them to the new terminal, at a cost of \$20,115. Two of the existing recorders are beginning to fail and are no longer supported. Kulhman said we need make sure the new machines have an IP capable system. Sun Electric's proposal also included adding some electrical panelboard's breakers and feeders in the restaurant package BG#11 in the amount of \$31,245. It was moved by Bollingberg and seconded by Cronquist to approve Sun Electric's change order request to replace two failing video recorders and add restaurant power equipment for a total of \$51,360. **Action taken:** Motion carried.

Cronquist asked that the total terminal budget and status be brought the next meeting for review.

2. Office Furnishings Bid Award

The advertisement for bids for administration office furnishings for the new terminal produced four bids. Two bids from Cooper Inc. (one for new and one for refurbished) were rejected because they did not acknowledge the second of two amendments on the outside of the bid envelope. The other two bids were from Gaffaney's and Business Essentials, both local companies, and very close in price. It was moved by Beyer and seconded by Mutchler to award the admin office furnishings bid to the lowest bidder, Business Essentials for \$25,200.26. **Action taken:** Motion carried.

3. FedEx Lease Agreement

Dame reported on a telephone meeting with FedEx. FedEx was not able to accept the percentage decrease language requested by the authority due to the uncertainty of volume of

cargo in the future. FedEx indicated they have no plan to change their business model in Grand Forks over the life of the agreement and agreed to adding language that would put them in default if they stopped flying in a FedEx jet aircraft. Bollingberg moved to approve the requested language change and authorize the Executive Director to sign the FedEx lease agreement. Beyer seconded. **Action taken:** Motion carried unanimously.

4. Line of Credit Approval

A motion was made by Beyer, seconded by Cronquist to recuse Bollingberg from voting on the line of credit approval. **The motion passed unanimously.**

Crystal said the airport's current line of credit is \$900,000 and staff recommends raising that ceiling to \$1.2 million to provide flexibility to cash flow projects. A motion was made by Beyer and seconded by Mutchler to renew the line of credit with Alerus Financial at the increased amount of \$1.2 million for the year beginning June 1, 2011 and further authorize the Authority Board Chairman and the Authority Executive Director to sign all documents associated with the receipt of the line of credit. **The motion passed with ayes from Cronquist, Mutchler, Beyer and Kuhlman.** Bollingberg abstained.

5. Other

A motion was made by Bollingberg and seconded by Mutchler to give the Executive Director discretion to allow airport personnel to aid the Bismarck Airport in their flood fight. **Action taken:** Motion carried unanimously.

6. Executive Session

Chairman Kuhlman stated that the next item will be discussed in an executive session. Kuhlman cited the legal authority for closing this portion of the meeting saying the purpose was to discuss negotiating strategies and to provide negotiating instructions to the airport attorney and/or negotiators with regard to a lease agreement with Allegiant Air, Inc. Cronquist made a motion to move into executive session, seconded by Bollingberg. **The motion carried unanimously.**

Members of the public were asked to leave the room and the executive session started at 9:14 a.m.

EXECUTIVE SESSION

The executive session adjourned and the public meeting resumed at 10:07 a.m.

The meeting adjourned at 10:08 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary