

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

January 28, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, January 28, 2016 with Chairman Karl Bollingberg presiding. Members present were Jeannie Mock, Steve Kuhlman, Tim Mutchler, Gary Malm and Rick Meland. Absent was Brad Beyer. Staff included Ryan Riesinger, Executive Director; Mary Jo Crystal, Director of Finance/Administration; and Paula Thompson, Assistant Finance/Administration 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 Mutchler and seconded by Malm to approve the minutes for the November 23, 2015 and November 25, 2015 meetings as written. **Action Taken:** Motion carried unanimously.

Chairman Bollingberg introduced the new Executive Director Ryan Riesinger, who started his directorship here on January 11th.

B. Reports

1. Financial Report

Mary Jo Crystal reviewed the financial reports for the year ending December 31, 2015.

2. Director Report

Riesinger briefed everyone on his background and his first two plus weeks on the job. He also updated the board on airport current events including the ARFF building project nearing completion; the Master Plan meetings; and scheduling in some upcoming conferences.

3. Chairman Report

Bollingberg thanked Mary Jo Crystal for her time served as Interim Executive Director, and also the staff for stepping up during the interim. Bollingberg also recognized Chris Deitz (Ops Supervisor) and Andrew Zielike (Maintenance Supervisor) for their work organizing the recent holiday party for the staff and board. Staff and board members each received a surplus taxi-way light that was refurbished by Deitz and Zielike and he thanked them for their work on that project as well.

C. Old Business

1. GFK Wings, LLC General Aviation Operator Permit

This agenda item was tabled at the November 25th meeting. The Executive Director briefed the board on the progress of the application for a GA Operator Permit for GFK Wings, LLC. After a review by the GRRAA Attorney and Staff, it was determined more information is needed. A meeting with the GFK Wings' owner, Jeff Ohman, has been scheduled. No action was taken on this item.

D. New Business

1. Sale of Hansen Lease & Rental to Overland West

Hansen Lease and Rental (Hansen) currently has a concession agreement with the Grand Forks Regional Airport Authority to operate the Hertz Rental Car station in the terminal building.

The Airport Authority has received correspondence from an attorney representing Hansen that they would like to have their existing concession agreement assigned to Overland West, as Overland West is in the process of purchasing Hansen. We have also received a letter from Overland West requesting the same. The Overland West letter states they will “uphold the concession agreement as it is currently written”.

The GFRAA Attorney and Staff have reviewed their requests and agree with assisting in the assignment, however the assignment paperwork has not yet been produced, and the parties are wanting to complete the purchase transition in February.

The Executive Director made his recommendation, and a motion was then made by Malm and seconded by Kuhlman to authorize the Executive Director to execute the assignment paperwork, subject to prior review and approval by the Airport Attorney. **Action taken:** Motion carried unanimously.

2. ARFF Building Change Order #2

ARFF Building Change Order #2 became time sensitive in December, 2015. This Change Order related to the decision to install epoxy flooring in the ARFF stall bays to minimize the chance for slip and falls, and was approved by Staff with Board Chairman’s consent on December 11, 2015. Note that there was not an Airport Board meeting in December. The amount of this Change Order is \$23,109.00. Change Order #2 was determined to be AIP eligible.

There was a motion by Mutchler to ratify ARFF Building Change Order #2, and a second by Meland. **Action taken:** Motion carried unanimously.

3. Change Order #3 for the ARFF Building Construction Project

ARFF Building Change Order #3 is in the amount of \$80,978.00. There are two primary cost items associated with this Change Order:

Item #10 – Generator Feed (Emergency Power), \$23,687.00 – All conduits were found to be full so new conduits had to be directional bored. Item #11 – Electrical Reroute, \$35,177.00 – Wiring needed to be reconfigured to enable the new transfer switch in the new ARFF Building.

KLJ’s Steve Synhorst was in attendance to answer questions about the Change Order. Change Order #3 was determined to be AIP eligible.

It was moved by Meland, seconded by Mutchler, to approve ARFF Building Change Order #3 and authorization for the Executive Director to sign the required documents. **Action taken:** Motion carried unanimously.

Bollingberg gave recognition to the visiting Airport Management students from UND.

The meeting adjourned at 8:25 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

February 25, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, February 25, 2016 with Vice Chairman Brad Beyer presiding. Members present were Jeannie Mock, Steve Kuhlman, Gary Malm and Rick Meland. Absent was Karl Bollingberg and Tim Mutchler. Staff included Ryan Riesinger, Executive Director; Mary Jo Crystal, Director of Finance/Administration; Rick Audette, Operations and Maintenance Manager, and Paula Thompson, Assistant Finance/Administration Manager.

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 Kuhlman to approve the minutes for the January 28, 2016 meetings as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Mary Jo Crystal reviewed the financial reports for the month ending January 31, 2016. The annual audit is currently taking place and those reports should be ready for the March meeting.

2. Director Report

Riesinger updated the board on airport current events including FedEx's recent announcement that they are leaving GFK and will move to Fargo sometime after October of this year. He said this was a disappointment, but not a complete surprise. He's working with the EDC to develop a plan for the future use of the FedEx facilities. The ARFF building is now operational and there will be an open house/ribbon cutting on April 6th. Riesinger also reported on the status of the Northern Plains Nitrogen plant project and his one-on-one meetings with staff. He plans to meet one-on-one with board members over the next few weeks.

3. Chairman Report

No report.

C. Old Business

1. GFK Wings, LLC General Aviation Operator Permit

Avflight Grand Forks Corporation (Avflight) purchased the operating assets of GFK Flight Support on March 12, 2015. As a condition of this purchase, Avflight became party to a Full Service FBO Operating/Lease Agreement with the Grand Forks Regional Airport Authority (Authority). Pursuant to this agreement, and in compliance with the Authority's Minimum Standards, Avflight is proposing to subcontract with GFK Wings to provide the Pilot Training and Aircraft Rental Services.

GFK Wings would be owned and managed by Jeff Ohman, who is also the current Avflight General Manager. GFK Wings would provide access to two aircraft, a Cessna 172S and a twin engine Seneca, or equivalent, for rental and instruction.

GFK Wings submitted an application to the Authority to provide these services. The Executive Director and Airport Attorney have reviewed the application and have determined it will meet the requirements of the Avflight agreement and Airport Minimum Standards.

It was moved by Kuhlman, and seconded by Meland to give consent to the sublease between Avflight and GFK Wings, and to grant an operating permit to GFK Wings to provide Pilot Training and Aircraft Rental Services at Grand Forks International Airport. **Action Taken:** Motion carried unanimously.

D. New Business

1. Alerus Financial Assignment of Designated Depository

In accordance with North Dakota statues, the Grand Forks Regional Airport Authority must designate a bank depository every two years. Alerus Financial was selected as the Airport Authority banking service provider in November 2012 for a period of five years.

A motion was made by Malm and seconded by Mock to designate Alerus Financial as the bank depository for the Grand Forks Regional Airport Authority. **Action taken:** Motion carried unanimously.

2. East Side GA Development Paving – Task Order #2

KLJ's Task Order #2 is in the amount of \$39,745.96 and includes design and bidding to construct taxiways and taxilanes for the East Side GA Development project. There was a motion by Meland to approve said Task Order #2 and authorize the Executive Director to sign the required documents, seconded by Kuhlman. **Action taken:** Motion carried unanimously.

Riesinger introduced two airport maintenance employees, Clark & Joel Borhart, who were attending today's meeting.

The meeting adjourned at 8:12 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

March 24, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, March 24, 2016 with Chairman Karl Bollingberg presiding. Members present were Tim Mutchler, Jeannie Mock, Steve Kuhlman, Gary Malm and Rick Meland. Absent was Brad Beyer. Staff included Ryan Riesinger, Executive Director; Mary Jo Crystal, Director of Finance/Administration; Rick Audette, Operations and Maintenance Manager, and Paula Thompson, Assistant Finance/Administration 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 Meland to approve the minutes for the February 25, 2016 meetings as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Mary Jo Crystal reviewed the financial reports for the two months ending February 29, 2016. The audit report from Brady Martz is scheduled for the April meeting.

2. Director Report

Riesinger updated the board on items including recent extension of the FAA Reauthorization Bill, the East Side GA Development Project, and the ARFF building open house that will be held on May 4th.

3. Chairman Report

No report.

C. New Business

1. Mead & Hunt Air Service Consulting Services Agreement

Last October, Mead & Hunt was approved by the Board to provide Air Service Consultant Services to the Authority. They offered two options, Annual or Retainer, with the same scope of services. The Air Service Committee and Staff met March 16th with representatives from Mead & Hunt to review those services and options, and recommended bringing the Retainer option of the agreement to the Authority Board for approval. The Retainer option provides for monthly billing of \$4,155 per month, and with estimated expenses (airfare, hotel, etc.) of \$4,650, totals \$54,510.

It was moved by Kuhlman, and seconded by Mutchler to approve the Air Service Consulting Services Agreement with Mead & Hunt (with the Retainer contract option) in the total amount of \$54,510.00, and authorize the Executive Director to execute the required documents.

Action Taken: Motion carried unanimously.

2. Consent to Mortgage of Leasehold Interest

Comerica Bank, the lender to Avflight Corporation and its subsidiaries (including Avflight Grand Forks Corporation), requires that each Avflight subsidiary grant to Comerica a mortgage lien on the subsidiary's leasehold interests in its facilities at each airport. This requires the Airport Authority's consent to a Continuing Collateral Leasehold Mortgage upon Avflight Grand Forks Corporation's leaseholds at the Grand Forks International Airport. Avflight Grand Forks Corporation's leases identified in the Comerica Leasehold Mortgage each permit a leasehold mortgage subject to specified conditions. These conditions have been included in Section 5 of the Consent to Mortgage of Leasehold Interest and are consistent with the conditions contained in Avflight Grand Forks Corporation's lease agreements. The Airport Attorney has reviewed and approved the documents. It was moved by Mutchler and seconded by Kuhlman to approve the Consent to Mortgage of Leasehold Interest and authorize the Executive Director to sign the required document. **Action taken:** Motion carried unanimously.

3. Establish FedEx Transition Committee

Staff made a recommendation to establish a new committee for items relative to the financial, legal and tenant recruitment efforts during the transition of FedEx's departure from the airport. There was a motion by Meland and a second by Mock to approve the establishment of a FedEx Transition Committee and appoint Commissioners Kuhlman and Mutchler as members, and Chairman Bollingberg as ex-officio. **Action taken:** Motion carried unanimously.

The meeting adjourned at 8:28 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

April 28, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, April 28, 2016 with Chairman Karl Bollingberg presiding. Members present were Tim Mutchler, Jeannie Mock, Brad Beyer, Gary Malm and Rick Meland. Absent was Steve Kuhlman. Staff included Ryan Riesinger, Executive Director; Mary Jo Crystal, Director of Finance/Administration; Rick Audette, Operations and Maintenance Manager, and Paula Thompson, Assistant Finance/Administration 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 Mutchler to approve the minutes for the March 24, 2016 meetings as written. **Action Taken:** Motion carried unanimously.

There was a motion by Mutchler and seconded by Meland to move Agenda Item # C.1. "2015 Audit Report" to the beginning of this meeting to allow Brady Martz to leave earlier. **Action taken:** Motion carried unanimously.

C. New Business

1. Audit Report

Janelle Mulroy, CPA from Brady Martz, reviewed the 2015 Audit Report with the Board. There was a motion by Malm seconded by Beyer to accept the 2015 Audit Report. **Action taken:** Motion Carried unanimously.

B. Reports

1. Financial Report

Mary Jo Crystal reviewed the financial reports for the three months ending March 31, 2016.

2. Director Report

Riesinger updated the board on items including the FAA Reauthorization Bill, the FedEx Transition Committee meeting, the decision not to contract with the City for ARFF services, and a recent trip with Commissioner Meland to meet with Allegiant representatives. Meland also reported on the Allegiant Conference. There are two upcoming events in May: The ARFF Ribbon Cutting and Open House on May 4th; and on May 10th a breakfast briefing will be held to disburse information about the Foreign Trade Zone. Mark Grant was introduced as the temporary manager of the Air Traffic Control Tower; and Andrew Zielike was recognized on his 2nd last day of employment with the Authority. A small farewell party for Zielike will be held after the meeting.

3. Chairman Report

Bollingberg thanked Zielike for his service to the airport and wished him well. He also recognized Riesinger for the excellent work he has done so far as Executive Director.

C. New Business

2. East GA Development Bids

Bids for the East GA Development were opened this week and subsequently reviewed by the Board. There was a motion by Mock to approve the low bid of Strata Corporation as follows:

- Approve Base Bid to Strata Corporation in the amount of \$1,868,603.90 contingent upon approval of NDDOT Class 5 Aggregate on the project by the FAA and acquiring adequate funding from both the FAA and NDAC.
- Approve Base Bid + Alternate A items to Strata Corporation in the amount of \$2,144,535.90 (\$1,915,015.90 after eliminating NDDOT Class 5 Aggregate from the Base Bid) contingent upon rejection of NDDOT Class 5 Aggregate on the project by the FAA, and acquiring adequate funding from both the FAA and NDAC.

This motion does not encumber the airport to award the construction, and the airport will continue to be able to reject the bid, if necessary.

The motion was seconded by Mutchler. **Action taken:** Motion carried with ayes from Mutchler, Malm, Meland and Mock. Beyer abstained.

A funding recommendation will be brought to the Board at the June meeting.

3. Other

Dr. Kim Kenville updated the Board with recent changes at UND Aerospace including the upcoming retirement of Dean Bruce Smith and the replacement process; the upcoming reconstruction of Apron C; Aviation Family Weekend this weekend; and the decision to replace their Cessna fleet with Pipers.

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**

May 26, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, May 26, 2016 with Chairman Karl Bollingberg presiding. Members present were Tim Mutchler, Jeannie Mock, Brad Beyer, Gary Malm Steve Kuhlman, and Rick Meland. Staff included Ryan Riesinger, Executive Director; Mary Jo Crystal, Director of Finance/Administration; Rick Audette, Operations and Maintenance Manager, and Paula Thompson, Assistant Finance/Administration 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 Mutchler and seconded by Meland to approve the minutes for the April 28, 2016 meetings as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Mary Jo Crystal reviewed the financial reports for the four months ending April 30, 2016.

2. Director Report

Riesinger updated the board on items including the FAA Reauthorization Bill, an upcoming meeting with the NDAC regarding state grants; the UND Ramp project; the continuing efforts of the FedEx Transition Committee; the ARFF Ribbon Cutting and Open House on May 4th; and the May 10th breakfast briefing about the Foreign Trade Zone. Riesinger also briefed the board about what he learned at the recent AAAE Conference in Houston. The Master Plan engineers from KLJ will be here in late June for several meetings; and Chair and Vice-Chair elections will be held at the next board meeting. Mary Jo Crystal was recognized and thanked for her 21 years of service because she will be leaving the Authority in mid-June and this is her last board meeting.

3. Chairman Report

Bollingberg thanked Mary Jo for her service to the airport and wished her well.

C. New Business

1. ARFF Building – Change Order #4

Change Order #4 for the ARFF Building relates to the installation of Ground Fault Circuit Interrupters (GFCI) into the electrical panels to reduce Radio Frequency (RF) interference that was causing the initial GFCI's on the electrical cords to the ARFF trucks to trip. The installation of the GFCI's in the panels corrected this problem, and the cost was \$2,125. A motion made by Meland and seconded by Mock to approve Change Order #4 in the amount of \$2,125, and to authorize the Executive Director to sign the required documents. **Action taken:** Motion carried unanimously.

2. Renewal of Line of Credit

The Airport Authority has maintained a line of credit with Alerus Financial. This was initiated in 2007 primarily to handle cash flow during the design and construction of the terminal building. Staff does not believe there is a need to continue the line of credit at this time. It was moved by Beyer and seconded by Mutchler to discontinue the renewal of the line of credit with Alerus Financial. **Action taken:** Motion carried unanimously.

3. Selection of Group Health Insurance Broker

Per the Airport Authority's schedule, the selection of a group health insurance broker is scheduled to be rebid this year, and a Request for Proposal and Statement of Qualifications was published. Six proposals were received, and all were interviewed by the management team. Management is now recommending Midwest Employee Benefits of Sioux Falls, SD be accepted as the new insurance broker for group health insurance, as they were determined to be the best fit for the Airport Authority. It was moved by Mutchler and seconded by Malm to accept Midwest Employee Benefits as the new group health insurance broker starting June 1, 2016. **Action taken:** Motion carried unanimously.

4. Airfield Service Vehicle Bid

The Grand Forks Regional Airport Authority solicited bids for a dual-color Airfield paint striper. The striper will augment airfield striping capability and improve efficiency. After reviewing the list of bids, it was moved by Malm and seconded by Mock to approve the purchase of a Graco LineLazer V 250DC 3 Gun from the lowest bidder, Diamond Vogel, at a cost of \$26,065.00. **Action taken:** Motion carried unanimously.

5. Other

Kuhlman recommended contacting the City of Grand Forks to request that we participate in their website's BID/RFP Posts List to allow more publicity when we're advertising for bids and proposals.

Beyer inquired about the TSA Pre-Check program and the fact that Grand Forks' TSA doesn't participate in the enrollment processing.

The meeting adjourned at 8:30 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

June 23, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, June 23, 2016 with Chairman Karl Bollingberg presiding. Members present were Tim Mutchler (via phone conferencing), Jeannie Mock, and Gary Malm. Absent were Steve Kuhlman, Rick Meland, and Brad Beyer. Staff attending included Ryan Riesinger, Executive Director, and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

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

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Mock to approve the minutes for the May 26, 2016 meetings as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Ryan Riesinger reviewed the financial reports with the board.

2. Director Report

Riesinger updated the board on the status of filling the open position for Director of Finance/Administration, and the upcoming departure of Paula Thompson, the Assistant Finance/Administration Manager. He also reviewed some statistics reports. Chris Deitz introduced a new employee, Eli Majnarich.

3. Chairman Report

Bollingberg thanked staff for taking on extra duties to fill in as needed during this transition.

C. New Business

1. East GA Development Funding Plan

Riesinger reviewed his proposal for funding the \$2,113,483.84 cost for the East GA Development project. In the April meeting the low bid of Strata Corporation was approved. Since that approval, the following has occurred.

1. It was determined that we would not be able to meet the FAA compaction condition for the NDDOT Class 5 Aggregate material and, therefore, would be required to use the FAA spec.
2. The FAA and NDAC requested that we place all of our 2016 CIP projects into one grant application or 2016.
3. The NDAC approved \$366,522.00 for our 2016 projects.
4. FAA funding grants have not yet been awarded, but are planned to be awarded in July of 2016.

Staff then developed a funding plan that was reviewed by the board. The key aspect is that the Authority will “frontload” the cost for the Lighting Rehab Design and be reimbursed 90% with a 2017 FAA grant.

The Airport has \$300,000 in our 2016 Local CIP Budget for the East GA Development project. There is an additional \$350,000 in our 2016 Local CIP Budget for Building Demolition of the Old SRE and ARFF/Ops structures. We will not be demolishing these buildings in 2016 and can utilize a portion of these funds for the 2016 CIP projects, as proposed. A motion made by Malm and seconded by Mock to approve the funding plan as proposed, and to authorize the Executive Director to execute the required documents. **Action taken:** Motion carried unanimously.

2. Culvert Repair

Maintenance staff found a collapsed culvert in the airfield that needs to be repaired in order to have proper drainage. Three bids were solicited to replace the culvert and the low bidder was Robinson Excavating in the amount of \$15,314.00. It was moved by Mutchler and seconded by Malm to award the bid to Robinson Excavating. **Action taken:** Motion carried unanimously.

3. Election of Authority Board Chair and Vice-Chair

It was moved by Malm and seconded by Mock to nominate and re-elect Commissioner Karl Bollingberg as Chair and Commissioner Brad Beyer as Vice Chair. **Action taken:** Motion carried unanimously.

4. Master Plan Briefing

Tom Schauer, Marcus Watson and Eric Gilles of Kadrmas, Lee & Jackson Engineering firm gave a presentation about the status of the Airport’s Master Plan.

5. FedEx Proposal to Terminate Lease Agreements

Chairman Bollingberg announced that the Board would formally go into Executive Session to discuss negotiation strategies regarding FedEx’s proposal to terminate their lease. Riesinger announced that the topic of the Executive Session will be to review the one-time lump sum payment proposal from FedEx and discuss a negotiating strategy with the attorney and other negotiators regarding the financial terms under which the two existing lease agreements with Federal Express Corporation may be terminated prior to their expiration terms. He added that the legal authority for closing a portion of the open meeting is ND Century Code Section 44-04-19.1 Subdivision 9. A motion was made by Malm, seconded by Mock, to go into Executive Session to discuss this topic rather than in an open meeting. **Action taken:** Motion carried unanimously.

At 8:52 a.m. The Regular Meeting closed and the public was asked to leave.

At 8:53 a.m. The Executive Session commenced.

At 9:35 a.m. The Executive Session closed and the Regular Meeting reopened.

The meeting adjourned at 9:35 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

July 28, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, July 28, 2016 with Chairman Karl Bollingberg presiding. Members present were Tim Mutchler, Brad Beyer, Rick Meland, and Gary Malm. Absent were Steve Kuhlman, and Jeannie Mock. Staff attending included Ryan Riesinger, Executive Director, 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 Mutchler to approve the minutes for the June 23, 2016 meetings as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Ryan Riesinger reviewed the financial reports with the board.

2. Director Report

Riesinger briefed the board on the status of the Reauthorization Bill, the interview process for the Finance Director position, the East GA project and the RFP for Consultant Services.

John Hill, the new permanent FAA ATCT manager, was introduced.

Riesinger presented statistics that included the exchange rate impact on enplanements.

3. Chairman Report

No report.

C. New Business

1. 2017 Budget 1st Reading

The proposed 2017 Budget was reviewed. Approval will be requested at the August meeting.

2. East GA Development Project – Construction Administration and Observation Agreement

KLJ's Task Order #3 included the scope of services as follows: Construction Administration, Construction Observation, Aeronautical Survey/GIS, and FAA Project Closeout Report. There was a motion by Beyer and seconded by Meland to approve KLJ's proposed scope of services for the East GA Development Project in the amount of \$153,721.94, and authorize the Executive Director to execute the required documents. **Action taken:** Motion carried unanimously.

3. East GA Development Project – Change Order #1

The East GA Development Prime Contractor, Strata Corporation, has proposed Change Order #1, requesting the use of an alternate material to use for an aggregate base at a cost savings of

\$13,985.00. It was moved by Malm and seconded by Meland to approve Change Order #1 and authorize the Executive Director to execute the required documents. **Action taken:** Motion carried unanimously.

4. Apron LED Light Pole Upgrades

Bids were solicited to continue the process of upgrading apron light pole fixtures to LED. The low bidder was Right Choice Electric in the amount of \$42,970.26. It was moved by Mutchler and seconded by Meland to award the bid to Right Choice Electric. **Action taken:** Motion carried unanimously.

5. FedEx Proposal to Terminate Lease Agreements

Chairman Bollingberg announced that the Board would formally go into Executive Session to discuss negotiation strategies regarding FedEx's 2nd proposal to terminate their lease. Riesinger announced that the topic of the Executive Session will be to review the one-time lump sum payment proposal from FedEx and discuss a negotiating strategy with the attorney and other negotiators regarding the financial terms under which the two existing lease agreements with Federal Express Corporation may be terminated prior to their expiration terms. He added that the legal authority for closing a portion of the open meeting is ND Century Code Section 44-04-19.1 Subdivision 9. A motion was made by Malm, seconded by Beyer, to go into Executive Session to discuss this topic rather than in an open meeting. A roll call was taken and the motion was carried unanimously.

At 8:50 a.m. The Regular Meeting closed and the public was asked to leave.

At 8:51 a.m. The Executive Session commenced.

At 9:09 a.m. The Executive Session closed and the Regular Meeting reopened.

The meeting adjourned at 9:09 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

August 25, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, August 25, 2016 with Chairman Karl Bollingberg presiding. Members present were Tim Mutchler, Brad Beyer, Rick Meland, Jeannie Mock, and Steve Kuhlman. Absent was Gary Malm. Staff attending included Ryan Riesinger, Executive Director, 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 Mutchler and seconded by Meland to approve the minutes for the July 28, 2016 meetings as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Ryan Riesinger reviewed the financial reports with the board.

2. Director Report

The Director of Finance and Administration position has been filled and Tanna Aasand will start tomorrow. FedEx has not yet officially responded to the Authority's last counter offer. Riesinger reported on his Aug. 4-7 attendance at the 2016 GLC-AAAE Conference in South Bend, Indiana, and that Grand Forks will be hosting the 2017 Conference. He showed a promotional video that will soon be available for public viewing on the airport's YouTube channel. Monthly statistics were available for the board to view.

3. Chairman Report

Bollingberg reminded the board that the FedEx Transition Committee is continuing to work to find new tenants for the FedEx buildings.

C. New Business

1. 2017 Budget 2nd Reading

The proposed 2017 Budget was re-reviewed, with Riesinger explaining the highlights and changes from the 1st reading. A motion was made by Meland and seconded by Kuhlman to approve the 2017 Budget as presented. **Action taken:** Motion carried unanimously.

2. Approval of 2016 FAA Grant for East GA Development

Riesinger reviewed the revised funding allocation for the East GA Development. The 2016 FAA Grant in the amount of \$1,732,447 was higher than previously estimated as they were able to recover some unused FAA grant money during the closeout of Grant #48 (Electrical Runway 17L-35R Lighting Project). It was moved by Mutchler and seconded by Beyer to approve the 2016 FAA Grant for the East GA Development and authorize the Executive Director and Airport Attorney to execute the required documents. **Action taken:** Motion carried unanimously.

3. Selection for Consultant Services

Members of the FedEx Transition Committee recommended that the airport seek consultant services to assist with transitions relative to the FedEx departure, airport administration staff turnover, and upcoming airline lease negotiations. Four proposals were made available to the board to review and staff made their recommendation. It was moved by Beyer and seconded by Mutchler to approve the proposal of Trillion Aviation for Consultant Services, and authorize the Executive Director to negotiate and execute the service agreement after review and approval by the Airport Attorney. **Action taken:** Motion carried unanimously.

4. East GA Development Project – Change Order #2

Too much rain has caused soggy ground conditions and has made progress slow for the East GA Development Project. KLJ Engineering has been exploring options for soil stabilizers and one option is to install lime material. Tim Mutchler made a motion to approve Change Order #2 in an amount not to exceed \$100,000, subject to FAA approval and funding eligibility, and authorize the Executive Director to execute the required documents to install soil stabilization material for the project. Mutchler's motion was seconded by Meland. After some discussion, Kuhlman moved to amend the motion to add an additional \$10,000 to cover testing by Northern Technologies (or other soil engineers) before installing the material to make sure it will work. Mock seconded the motion to amend the first motion. Mutchler accepted the amendment to his first motion, as did Meland. **Action taken:** The amended motion to approve Change Oder #2 in an amount not to exceed \$110,000, subject to FAA approval and funding eligibility, and authorize the Executive Director to execute the required documents to first test, and upon successful testing, install soil stabilization material for the project, was approved unanimously.

5. UND Helicopter Apron Expansion

As part of their ongoing apron rehabilitation and reconstruction project, the University of North Dakota is proposing to expand a portion of Apron C to the south to provide a larger area for their helicopter operations. This area is designated for future UND expansion on both the Airport Layout Plan and the current Master Plan. The requirements contained in the Current "Consolidated Lease Agreement" between the Airport Authority and UND, dated October 19, 2009 will be in full effect and the current ground site agreement with UND would need to be amended to add the additional space. It was moved by Mutchler and seconded by Kuhlman to approve the expansion as proposed. **Action taken:** Motion carried unanimously.

The meeting adjourned at 9:25 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

October 27, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, October 27, 2016 with Chairman Karl Bollingberg presiding. Members present were Brad Beyer, Rick Meland, Gary Malm, Jeannie Mock, and Steve Kuhlman. Absent was Tim Mutchler. Staff attending included Ryan Riesinger, Executive Director, Tanna Aasand, 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 8:00 a.m.

A. Reading and Approval of Minutes

It was moved by Meland and seconded by Kuhlman to approve the minutes for the August 25, 2016 meeting as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Tanna Aasand reviewed the financial reports with the board.

2. Director Report

Monthly statistics were available for the board to view. Riesinger reported on current events: His recent trip to Atlanta for a meeting with Delta executives, the East GA Development Project, and FedEx's last day (October 31).

ARFF/Ops/Maintenance Supervisor Chris Deitz reported on the September 21st Full Scale Emergency Disaster Exercise.

3. Chairman Report

No report.

C. New Business

1. East GA Development Project – Change Order #3

Change Order #3 for the East GA Development Project allows for a realignment of the movement/non-movement boundary line from Apron C to Taxiway C2, and provides for the associated airfield signage and marking changes. As the UND Apron and East GA projects have progressed, it became apparent the proposed changes would reduce potential confusion in the new intersection area. UND, FAA Certification, FAA Airport District Office (ADO), and the Air Traffic Control Tower agree with these changes. Given that UND's Apron and our East GA projects are currently in progress, and Strata is the contractor for both, we could agree that UND's project would pay for some of the items, and the Airport project would pay for others, as follows:

To be completed under the UND Apron project:

- Obliterate existing movement/non-movement boundary line on Apron C
- Install new movement/non-movement boundary line on Taxiway C2
- Remove existing lighted Taxiway C2 sign on Apron C

To be completed under the Airport East GA project:

- Remove and dispose existing Taxiway C2 sign foundation
- Replace three (3) lighted sign panels at the new intersection

The net cost of Change Order #3 for the East GA project is \$1,864.30. This amount is eligible for FAA Airport Improvement Program (AIP) funding and has received FAA-ADO approval.

There was a motion by Meland, seconded by Mock, to approve Change Order #3 for the East GA project, and authorization for the Executive Director to execute the required documents.

Action taken: Motion carried unanimously.

2. FedEx Offer Approval

This item was removed from the agenda until more information can be obtained.

3. 2017 CIP Review and Approval

Airport Staff have been working with KLJ, the FAA Airport District Office (ADO), and the North Dakota Aeronautics Commission (NDAC) in the development of our five-year Capital Improvement Program (CIP). The projects listed in the CIP for 2017 have been included in the 2017 Budget, which was approved by the Board at the meeting in August. Board approval of the CIP is not an approval for all projects, as each project must be approved individually at the time. Instead, it would be an approval of the concept or plan for the next several years, and it is amendable as needed. It was moved by Malm, seconded by Beyer to approve the 2017 FAA CIP as presented. **Action taken:** Motion carried unanimously.

4. Foreign Trade Zone (FTZ) Grantee Transfer Discussion

The Grand Forks Regional Airport Authority (GFRAA) has been the designated “Grantee” of our local Foreign Trade Zone (FTZ) since 1995. The general role of the Grantee is to manage, organize, finance, maintain, and develop the zone. Over the years there have been several sites designated for our local FTZ, but they have been largely inactive. More recently, to better understand and utilize our FTZ, GFRAA staff have been working with the Grand Forks Region Economic Development (EDC) and the North Dakota Trade Office (NDTO). As part of this collaboration, earlier this year our FTZ received approval to become an Alternate Site Framework (ASF), meaning that an FTZ site can now be designated anywhere within Grand Forks County. This allows much greater flexibility to use the FTZ as an economic development tool. Staff of the GFRAA, EDC, and NDTO now believe it would be in the public interest to transfer the Grantee designation from the GFRAA to the EDC, as the purpose of an FTZ is to foster economic growth, and this most closely aligns with the EDC mission, talents, and interests. There was a motion by Beyer, seconded by Malm, to authorize the Executive Director to continue working with the Grand Forks Region Economic Development (EDC) and prepare the required documents to transfer the Grantee designation from the GFRAA to the EDC. A resolution of the Airport Authority Board would be required at a later meeting for final approval. **Action taken:** Motion carried unanimously.

5. November and December Meeting Dates

The November meeting was moved to the 3rd Thursday, November 17th, due to the Thanksgiving holiday on the 4th Thursday. The December meeting will stay on the 4th Thursday, December 22nd.

6. Other – Resolution #01-16

Wayne Wetzel, ARFF/Ops employee for over 27 years, was recognized with Resolution #01-16, extending appreciation for his dedication, pride, and service. His retirement date is October 31, 2016. An open house and a couple of employee gatherings were held/planned to help him celebrate.

The meeting adjourned at 9:04 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

November 17, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, November 17, 2016. Members present were Tim Mutchler, Rick Meland, Gary Malm, Jeannie Mock, and Steve Kuhlman. Absent were Brad Beyer and Karl Bollingberg. Staff attending included Ryan Riesinger, Executive Director, Tanna Aasand, Director of Finance/Administration, and Rick Audette, Operations and Maintenance Manager. Airport Attorney Tim Dittus was also in attendance.

Gary Malm moved and Kuhlman seconded the motion to elect Tim Mutchler as pro-tem chair. Mutchler called the meeting to order at 8:00 a.m.

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Meland to approve the minutes for the October 27, 2016 meeting as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Tanna Aasand reviewed the financial reports with the board and answered their questions. She also reported on the software conversion from Abila to a more user friendly Quickbooks, saving almost \$4,000/year. The conversion took place on October 21st.

2. Director Report

Riesinger reported on current events: Status of the East GA Development project, Trillion Aviation's kickoff meeting (Airport Consultant), status of the FTZ grantee transferal to EDC, the Master Planners' upcoming visit/meetings, and the upcoming meeting with the Government Accountability Office. He also reported on recommendations from the Employee Relations Committee: a 2016 lump sum (percentage of wage) payment to employees, and a CPI based wage increase in 2017. The 2017 budget will still allow for performance based wage increases in 2017. Riesinger also reported that the Marketing Committee has recommended the creation of TV new ads and new tagline in 2017.

3. Chairman Report

No report.

C. New Business

1. Taxiway U Consultant Services Agreement

Per our Capital Improvement Program, the Authority is planning to begin project design for the Taxiway U reconstruction project. KLJ intends to begin the design soon in order to be ready to bid in early 2017. The total cost of these services is \$93,145.58. This cost is eligible for FAA (90%) and State (5%) funding.

There was a motion by Kuhlman, seconded by Meland, to approve the Twy U Consultant Services Agreement with KLJ, and authorize the Executive Director to execute the required documents.

Action taken: Motion carried unanimously.

2. FedEx Termination Agreement Approval

The Airport Authority has been in negotiations with FedEx to terminate its two lease agreements with the Airport Authority since May of 2016. The agreements are for use of Buildings and Ground Sites at the two following locations:

- Sort Facility – 2133 Air Cargo Drive; and
- Maintenance Facility – 2814 Airport Drive.

Early negotiations with FedEx revealed it would be in the best interest of both parties to agree to a lump-sum payment of FedEx's financial obligations and terminate the lease agreements.

Under the terms of the proposed Termination Agreement:

- FedEx will cease its operations in the Sort Facility by October 30, 2016 and in the Maintenance Facility by November 21, 2016.
- Both lease agreements terminate effective November 30, 2016 at 11:59 p.m. (the "Early Termination Date").
- By the Early Termination Date, FedEx will have removed all of FedEx's personal property, repaired any damage caused by such removal and restored both facilities to their original condition.
- On or before the Early Termination Date, FedEx will pay the Airport Authority the total sum of \$2,753,775.00, itemized as follows:
 - \$924,500.68, being the balance of unrecovered costs the Airport Authority incurred in constructing the "2013 Addition"; and
 - \$1,829,274.32, which amount is 75% of the "Rents" (as defined in the leases) estimated to be due under the lease agreements at the increased rate (plus a projected CPI increase of 1.9% per year) from December 1, 2016, through March 31, 2023.

It was moved by Malm, seconded by Kuhlman to approve the FedEx Termination Agreement and authorize the Executive Director to execute the document. **Action taken:** Motion carried unanimously.

3. 2017 Airport Operations Vehicle

Rick Audette has been soliciting bids for a replacement Operations vehicle. So far he has one bid of \$28,561.18 from Nelson Auto Center (under the ND State Contract), well under the 2017 budgeted amount of \$35,000. More bids will likely follow and the lowest bidder will be awarded the deal.

It was moved by Meland, seconded by Mock to approve the 2017 purchase of a vehicle for Airport Operations for an amount not to exceed \$28,561.18. **Action taken:** Motion carried unanimously.

The meeting adjourned at 8:28 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary

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

December 22, 2016

The Grand Forks Regional Airport Authority Board of Commissioners met in its regular session in the Board Room of the Byron L. Dorgan Terminal on Thursday, December 22, 2016 with Chairman Karl Bollingberg presiding. Members present were Brad Beyer, Rick Meland, Gary Malm, and Tim Mutchler. Absent were Jeannie Mock and Steve Kuhlman. Staff attending included Ryan Riesinger, Executive Director, Tanna Aasand, 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 8:04 a.m.

A. Reading and Approval of Minutes

It was moved by Malm and seconded by Beyer to approve the minutes for the November 17, 2016 meeting as written. **Action Taken:** Motion carried unanimously.

B. Reports

1. Financial Report

Tanna Aasand reviewed the financial reports with the board.

2. Director Report

Riesinger reported on current events including Master Plan briefings held last week.

3. Chairman Report

Bollingberg thanked the Authority staff for doing a great job in 2016, a year of much transition.

C. New Business

1. Legal and Insurance Services

There was a motion by Mutchler, seconded by Meland, to approve the extension of services for Camrud, Maddock, Olson & Larson Law Firm and Wings Insurance for the term of 2017-2019. Staff has been pleased with their past services and recommended the extension. **Action taken:** Motion carried unanimously.

2. Investment Strategy Discussion

Tanna Aasand and Ryan Riesinger presented plans regarding investing the funds received from FedEx per their Termination Agreement, and a discussion followed. Staff will move forward with soliciting bids from area banks. More specific plans will be brought to the board at the next meeting.

3. Resolution # 02-16 Authorizing Defeasance and Call of Certain Outstanding Airport Revenue Bonds

Brad Beyer made a motion to approve Resolution #02-16 authorizing Defeasance and Call of certain outstanding airport revenue bonds, as detailed below, and authorization for the Chair and Executive Director to execute the required documents. The motion was seconded by Tim Mutchler. **Action taken:** Motion carried unanimously.

Resolution # 02-16

A RESOLUTION AUTHORIZING DEFEASANCE AND CALL OF CERTAIN
OUTSTANDING AIRPORT REVENUE BONDS OF THE AUTHORITY

BE IT RESOLVED by the Board of Commissioners of the Grand Forks Regional Airport Authority (the "Authority") as follows:

Section 1. The Authority has issued \$2,410,000 Grand Forks Regional Airport Authority, North Dakota Airport Revenue Bonds (Contingent Tax Levy) (AMT), Series 2013A, dated as of November 13, 2013 (the "Bonds"), \$2,015,000 aggregate principal amount of which remain outstanding. A portion of the Bonds equal to \$920,000 in original principal amount (the "FedEx Bonds") was allocated to the completion of the expansion of the FedEx Air Cargo Sort Facility (the "Facility") located at the Grand Forks International Airport (the "Airport"), 2301 Airport Drive, Grand Forks, North Dakota. Of such amount, \$770,000 remains outstanding as of the date hereof. The Authority entered into a Lease and Agreement for Building & Ground Site with Federal Express Corporation ("FedEx") effective as of April 1, 2013 with respect to the 2133 Air Cargo Drive Facility (the "Air Cargo Drive Lease") and a Lease and Agreement for Building & Ground Site with FedEx effective as of April 1, 2013 with respect to the 2814 Airport Drive Facility (the "Airport Drive Lease"; together with the Air Cargo Drive Lease, the "Leases").

Section 2. On May 20, 2016, FedEx gave notice of intent to reduce service and terminate the Leases at the Airport. Pursuant to such notice, FedEx terminated jet service and vacated the Facility as of October 31, 2016. Pursuant to a Termination of Leases and Agreement, FedEx agreed to pay the Authority the balance of unrecovered costs incurred by the Authority in constructing the portion of the Facility financed by the Bonds.

Section 3. The Bonds are subject to redemption on June 1, 2021 (the Redemption Date), upon notice of call for redemption thereof mailed not less than 30 days before the Redemption Date to the bank at which principal and interest are payable and to the holder of each bond. The Authority has determined to deposit funds received from FedEx in amounts sufficient to defease the FedEx Bonds, which are currently outstanding in the principal amount of \$770,000. The Chair, Executive Director and Director of Finance are hereby authorized to enter into an Escrow Agreement with Wells Fargo Bank, National Association, as Escrow Agent, establishing the terms and conditions for the escrow account for defeasance of the FedEx Bonds and in accordance with Section 1.141-12(d) of the Treasury Regulations.

4. Resolution #03-16 – Appreciation for Kris Johnson on his Retirement

Kris Johnson, our airport equipment maintenance employee for the past 15 years, was recognized with Resolution #03-16, extending appreciation for his dedication, pride, and service. His retirement date was December 16, 2016. An open house was held to help him celebrate.

The meeting adjourned at 8:38 a.m.

Respectfully submitted,

Coleen Peterson, Board Secretary