

Regular Meeting

Tuesday

January 5, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, January 5, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as shown following:

Present: Hentges, Gallagher, Williams, Cichy, Stanton
Absent: None
Others: Stewart, Bromenschenkel

Chairman Stanton presiding.

Approved the Minutes of the Meeting of the Municipal Airport Authority Held December 15, 1992:

Mr. Hentges moved to approve the minutes of the regular meeting of the Municipal Airport Authority held December 15, 1992.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$48,650.31:

Mr. Hentges moved to approve the airport vouchers totaling \$48,650.31.

Second by Mr. Williams.

On the call of the roll, members Hentges, Gallagher, Williams, Cichy and Stanton voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Hentges moved to approve the individual voucher in the amount of \$3,112.23 to Foss Associates for professional fees in connection with terminal expansion study.

Second by Mr. Cichy.

On the call of the roll, members Hentges, Gallagher, Williams, Cichy and Stanton voted aye.

No member being absent and none voting nay the motion was declared carried.

With regard to the status of expansion of the terminal building to accommodate the airline catering operation, Mr. Parmer stated when he last talked to Mr. Pete Haug he requested the matter be delayed until after the first of the year. He stated he would be getting together with Mr. Haug to see what the next step should be.

Received and Filed Statement of Operations for the Month of November 1992:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of November 1992.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Received Communication from Mr. Don Driscoll, Manager, Fargo Air Traffic Control Tower, on Proposed Reduction in Hours of Operation:

Mr. Parmer read a communication dated December 17, 1992, from Mr. Don Driscoll, Manager, Fargo Air Traffic Control Tower, advising that the Fargo ATCT is currently involved in the formal steps required to effect reduced hours of operation. If reduced hours of operation are effected, Fargo ATCT would operate from 6:00 a.m. to midnight every day beginning June 1, 1993.

Mr. Parmer stated his request is that the Airport Authority oppose this action and that we do everything we can to maintain the current 24 hours of operation.

Mr. Don Driscoll was recognized and stated that the tower has been a 24 hour operation for many years, with the exception of a period during the air traffic controllers' strike in 1981. At that time the Department of the Defense and the FAA had an agreement that if an airport had military aircraft on 24 hour alert there would be a 24 hour control tower. When the NDANG replaced their F 4's with F 16's they no longer had alert status, therefore there is no longer a necessity for a 24 hour tower, unless we are able to meet the FAA criteria for a 24 hour operation, which is an average of four operations per hour. Mr. Driscoll stated that they took a survey over a 90 day period starting in September 1992, and the average number of operations for the entire midnight shift was 5.23, which is far below the four per hour required. He stated because of these statistics they are planning to reduce their hours effective June 1, 1993. Mr. Driscoll stated the only problem he sees is that airlines would not use Fargo as an alternate, as they often do now during bad weather.

Mr. Hentges asked if an air carrier needed an alternate at 11:00 p.m. would they come to Fargo or would we be removed entirely from their list of alternates because we do not have a 24 hour tower.

Mr. Driscoll stated that would depend on an individual airline's operating rules and regulations.

Mr. Gallagher asked if a diverted flight came in before midnight would it have to stay over until after 6:00 a.m.

Mr. Driscoll stated they would operate strictly within their hours but in a very unusual situation they would authorize their people to stay on to accommodate such circumstances. He stated the tower's hours are advertised nationwide so everyone will be aware of them. He stated the Guard was also concerned about what they would do if they should have a mission during that period and he advised them that with the proper notice the tower would be operational.

Mr. Williams asked where are the closest cities with 24 hour towers.

Mr. Driscoll indicated Minneapolis, Billings, Kansas City, and Winnipeg have 24 hour towers.

Mr. Ron Balvitsch, Northwest Airlines, asked Mr. Driscoll if they would consider moving the 6:00 opening time back a little as the first flights in the morning leave at 6:00.

Received Communication from Mr. Don Driscoll, Manager, Fargo Air Traffic Control Tower, on Proposed Reduction in Hours of Operation: (Continued)

Mr. Driscoll stated their staff has discussed this and they would still advertise the hours as 6:00 a.m. to midnight but the first person in the tower in the morning would be required to be there at 5:45 a.m. to accommodate the first flights in the morning. Mr. Driscoll stated that air carriers operate in and out of non controlled airports all over the world. He added that as far general aviation traffic at a non controlled airport, all pilots circle the airport to the left and announce their arrival on the frequency.

Mr. Parmer stated we should try to generate as much ammunition as we possibly can to oppose this action. He stated that we have used the fact that Fargo has a 24 hour control tower as a drawing card in business development at the airport. Mr. Parmer also stated that there are a number of occasions during the year when we need to have equipment on the field removing snow and he would hate to see them out there without instruction from the tower.

Mr. Williams asked the reason for the reduction in hours.

Mr. Driscoll stated there is no question that the reduction in hours will save the FAA approximately \$60,000 \$65,000, which is what compensation and benefits to have a controller on for those number of hours costs. Mr. Driscoll stated the other reason is that Fargo no longer meets the FAA criteria for a 24 hour tower.

Mr. Cichy asked Mr. Parmer if during the 1950's we also cut back the tower operation.

Mr. Parmer stated that was correct but we had Fargo Radio people sitting in the tower advising aircraft as well as equipment crew. At that time we did not even have radios in our equipment but they would signal with lights when to get off the runway.

Mr. Williams asked if the Guard will oppose this.

Mr. Parmer stated he would certainly hope they would even though they are no longer on alert status. He stated he would be discussing this with them.

Mr. Williams stated he can certainly see both sides.

Mr. Hentges stated he can understand with the federal deficit problem why the FAA would be looking at cuts such as this, but he feels there are enough questions here dealing with public safety, economic development, etc. that would warrant looking into this further. He stated with our plans for expansion of the general aviation area and looking forward to possibly having freight operations on the airport someday and a great portion of their operations being at night, he would like to support the director in his opposition to the reduction in the tower's hours of operation.

Mr. Hentges moved the Executive Director be authorized to take necessary action to request that the 24 hour status of the tower be maintained.

Second by Mr. Gallagher.

On the call of the roll, members Hentges, Gallagher, Williams, Cichy and Stanton voted aye.

No member being absent and none voting nay the motion was declared carried.

Authorized Execution of Farm Lease Extension:

Mr. Parmer stated that our three farm leases expire the end of the 1992 crop year. These leases are with NDSU, William Heller, and Arnold Larson. He stated the actual leases are not yet ready for signature. Mr. Parmer stated he would recommend we extend these leases for another three year period. He added that included in the lease is a clause that the Airport Authority can reclaim any parcel if it is needed for airport development.

Authorized Execution of Farm Lease Extension: (Continued)

Mr. Hentges asked if that clause pertained strictly to airport development or would be applicable if there were some exchange of land between NDSU and the Airport Authority to accommodate for additional parking at the dome, in which case the dome would pay the Airport Authority. He stated he felt that provision should be included as well.

Mr. Parmer stated there is no restriction in the leases as to the reason for the Airport Authority taking back any land.

Mr. Parmer stated he feels that provision should be included in any lease extension.

Mr. Cichy asked Mr. Parmer how the FAA will look at the Airport Authority's allowing airport land, purchased with federal assistance, for activities outside of aviation. He stated it seems that we are very concerned about limiting the use of airport property for aviation related matters and we would not want to get on the bad side of the FAA on this subject. He stated it seems to him that another community venture such as this does not smack of aviation.

Mr. Parmer stated that when the Airport Authority leased property to the National Guard for their armory the FAA determined this was a non aeronautical use of the property and required that the Airport Authority pay back to the FAA their portion of the fair market value of that property. He stated this money will come out of one of our AIP projects, and that parcel of land will no longer be shown on our Airport Layout Plan.

Attorney Stewart stated he is not sure how specific the recapture clause in the farm leases is so he will review them and work that out.

Mr. Hentges stated he would like to see the Airport Authority cooperate with the dome in any way we can.

Mr. Parmer stated he has already talked to Mr. Newton about the possibility of helping with their parking problems.

Chairman Stanton stated any recapture of land after the leases are in effect would have to be approved by the Airport Authority anyway, but she added that Mr. Cichy made a good point.

Mr. Hentges moved the Airport Authority authorize the execution of extensions to the three farm leases, including the conditions for recapture of the land as discussed.

Second by Mr. Gallagher.

On the call of the roll, members Hentges, Gallagher, Williams, Cichy and Stanton voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Committee Update on Weather Modification Incorporated Project:

Mr. Hentges stated the committee on the Weather Modification Incorporation proposal, consisting of Chairman Stanton, Mr. Parmer and himself, has not met since the last meeting but have had conversations since then. He stated that Attorney Stewart is in the process of drafting a development agreement between the Airport Authority and WMI which will incorporate some of the financial criteria required as a prelude to any investment by the Airport Authority. He stated he did have a phone conversation with Mr. Pat Sweeney and he encouraged Mr. Sweeney to prepare a letter of intent and have all of his financial information available to be able to disclose information to the Airport Authority. He stated that WMI is prepared to move to Fargo and they would like some type of commitment from the Airport Authority

Received Committee Update on Weather Modification Incorporated Project: (Continued)

He stated he is not sure what type of commitment the Airport Authority is able to make at this time but we are interested in having that industry relocate in Fargo and expand. He stated that right now the WMI operation in Beach is packed up and ready to move and they would like to have a letter of some kind from the Airport Authority so they could re establish their base here. He stated he is not recommending that the Authority offer WMI anything today other than our comments that we are interested in pursuing and assisting a viable industry in its efforts to relocate and expand. He stated the next step would be to review the draft of the development agreement.

Mr. Gallagher stated he feels there should be something in this agreement indicating exactly what WMI's operation will include. He stated we do not want to be stepping on the toes of our present operators. He stated they could be knocked out if WMI would go with a full FBO operation.

Mr. Cichy asked if Mr. Gallagher was talking about a non complete clause.

Mr. Gallagher stated he was referring to something similar.

Mr. Hentges stated he does not fully know what WMI intends to do beyond what they have already stated. He stated if it got to be a competing general aviation terminal we would want to look at that. He stated that we are planning to open up development in the new general aviation area so we can't be close minded to some duplication. He stated he has been as sensitive as anyone to our existing FBO tenants who have had difficulty over the years. He stated he is in favor of the Airport Authority offering support to someone wanting to locate in the new general aviation area in the way of ramp, taxiway, water and sewer, but outright grants is another question. He added that he is not advocating giving an unfair advantage to one FBO over another. Mr. Hentges stated that our existing FBO's have had, and still do have, the first opportunity to bring a proposal before the Airport Authority for relocation in the new general aviation area. He stated this is a pioneer venture and if WMI has the financial wherewithal to locate in the new general aviation area the Airport Authority has an obligation to look at their proposal. He stated WMI is a company with a regional and national product and service and he thinks the Airport Authority should look at that. He stated as far as putting one of the existing FBOs out of business we would be careful about that.

Chairman Stanton asked if Attorney Stewart needed some more information from the Authority before drafting the development agreement. She stated the discussion today has taken a different angle than previous discussions. She stated she feels the committee should meet again.

Mr. Hentges stated he feels the committee should meet immediately after this meeting.

Chairman Stanton stated the committee has not discussed the "non compete" aspect before. She stated Mr. John Kramer should be in on the discussion as well.

Mr. Hentges stated that "non compete" is different than duplication of services. He stated he would hope we would not kill a project because someone was going to sell fuel.

Chairman Stanton stated she was having a problem with the non compete aspect since this is free enterprise.

Mr. Williams asked for comments from other FBO representatives.

Mr. Hentges stated he was not sure we could attach such restraints when public funds are being used.

Dr. Clif Hamilton, Aviation Resources, was recognized and asked how many full service FBOs there are on the airport now.

Received Committee Update on Weather Modification Incorporated Project: (Continued)

Mr. Parmer stated that there are three FBOs (Aviation Resources, Dakota Aero Tech, and Victor Gelking) whose leases allow them to provide full FBO services, however Aviation Resources is the only one of the three that provide full service.

Dr. Hamilton stated the Airport Authority should know what WMI wants to do and if they want to apply to be an FBO they should be up front about it. If they don't want to be an FBO they what are they doing in the general aviation area?

Mr. Williams stated the scope of WMI's operation needs to be defined.

Mr. Hentges stated that there is going to be an FBO in the new general aviation area and if WMI is an FBO along with their other operations, fine, but someone is going to be the first FBO up there and be willing to take that first step. He added that there are some risks in being the first one located there.

Dr. Hamilton stated it is a risk especially without a runway or taxiway.

Mr. Hentges stated we are assuming those things are going to be in at some point so we have to look at the long term development. He stated there will be risks for the first FBO locating there but there will also be some rewards. He added that having a business willing to locate in the new general aviation area will also help the Airport Authority in getting federal funding for the runway and taxiway into the area.

Mr. Cichy asked Mr. Parmer for the best and worst possible scenarios as far as completion of the runway and taxiway.

Mr. Parmer stated that the proposal presented to the Airport Authority by Weather Modification has changed tremendously since their first contact, but based on the proposal brought before the board at the last meeting their operation will definitely be a fixed base operator. Mr. Parmer stated that as far as qualifying for funding for ramp and connecting taxiway into the new general aviation area the FAA would consider anyone moving into the area as qualifying. Mr. Parmer stated that he and Mr. Wes Schon, Ulteig Engineers, went to Bismarck last week to meet with the new person in charge of the FAA District Office in Bismarck, Irene Porter, and before that meeting Mr. Parmer stated he was confident that we could get the entire runway funded, as well as our first project in the general aviation area this year. Mr. Parmer stated that after that visit he is not as optimistic that will happen. He stated he still feels we will get two additional grants to complete the runway project. He stated that Mrs. Porter has indicated that any more discretionary money for North Dakota would have to go to the Fargo project. He stated that he was not sure that the ramp and connecting taxiway would receive as high a priority.

Mr. Cichy asked Mr. Parmer if he was saying that he does not think we will have the first stage done by 1993.

Mr. Parmer stated he does not want to say that but that is the feeling he gets. He stated we have asked for \$872,693 federal funds (\$969,659 total project cost) for the ramp and connecting taxiway and this project goes into the pile with all of the other requests for funds. Mr. Parmer stated he hopes that the FAA will consider funding the ramp and connecting taxiway even if we don't have a client in the new general aviation area at the moment. He stated that the Airport Authority will have to put water and sewer in the area eventually. Mr. Parmer stated that we have our preapplication on file with the FAA for the ramp and connecting taxiway project and there is nothing further we can do until we hear from them.

Mr. Hentges stated he feels the Airport Authority should write a letter to Weather Modification Incorporated welcoming them to consider Fargo as their new location, and indicate that the Airport Authority will do whatever it can in assisting

Received Committee Update on Weather Modification Incorporated Project: (Continued)

our current FBOs in making facilities and services available to WMI. He stated this does not obligate the Airport Authority in anything specific. Mr. Hentges stated that the Airport Authority is concerned about the existing FBOs and are interested in them surviving as profitable businesses. He stated he feels it is important for the existing FBOs to be part of the process and know what's going on. He stated there will probably be some risk as well as benefits for the first one to step up to the plate. He stated if one of the existing FBOs is interested in relocating and reinvesting the Airport Authority would work with them as well. Mr. Hentges stated we are not making any commitment to WMI at this point, we are simply welcoming them to relocate in Fargo.

Chairman Stanton stated the point made at the last meeting is that we are not approving an agreement at this time we are simply drafting one.

Mr. Gib Bromenschenkel stated that he has nothing against free enterprise but as a member of the Fargo Cass County Economic Development Board involved in distributing the economic development funds he could not support funds for a new business that would put someone else out of business. He stated he feels the EDC funds should be for new business. It would also depend upon what degree of competition.

Mr. Gallagher asked if Dr. Hamilton or Mr. Person decide they want to locate in the new general aviation area would the Airport Authority assist them also.

Mr. Parmer stated the Airport Authority has made no commitment to assist WMI with a building. The only thing we will continue to do is spend money for the development of runways, taxiways, roadways and things of that nature. He indicated he has never heard it stated how this \$1.6 million facility is going to be paid for.

Mr. Hentges stated this proposal went from a 6,000 square foot building to 30,000 square feet in a couple of weeks but nothing has been decided on anything. He stated WMI has made a proposal that spoke of regional and international weather modification, avionic development and marketing, basing several aircraft here that will need service, etc., and since it was aviation related and falls within our responsibility we looked at it. We have not spent a dime yet. Mr. Hentges stated we will need an FBO in the new general aviation area and someone has to step up to the plate. He encouraged the existing FBOs to put forth their plans.

Mr. Clif Hamilton III was recognized and stated that they are not sure of the Airport Authority's plans for the eastside. He stated if the eastside was bulldozed and someone leased a building to him in the new general aviation area he would move up there. On the other hand, the southeast corner of the airport is more accessible to the city and the dome.

Mr. Gordon Person, Dakota Aero Tech, was recognized and asked about the Airport Authority's requirements for FBOs. He stated he has seen many operators come and go over the years and in the past few years the operators have shown more stability than he has seen for many years.

Mr. Hentges stated the Airport Authority is concerned with what happens with the existing FBOs. He stated he would like to work in concert and that the FBOs be involved and give their input rather than taking pot shots at the project as we go along. He added that at some point there are going to be an operations up there

Mr. Ralph Braaten, Aircraft Services, was recognized and asked what was the best we could hope for as far as the runway and taxiway being completed, as well as what is the worst.

Received Committee Update on Weather Modification Incorporated Project: (Continued)

Mr. Parmer stated we expect the runway and taxiway project to be completed in 1993. That does not include the taxiway and ramp into the general aviation area, although it still might happen.

Mr. Hentges stated that the fall or winter of 1994 is a realistic timetable to look at and work for.

Chairman Stanton stated that no one is trying to put anyone out of business. We are trying to develop this airport. She stated she can understand the concern of the FBOs and we are going to do the best with what we have.

Mr. Cichy asked if WMI has indicated what percentage of their business will involve weather modification and how much would be general aviation.

Chairman Stanton stated we have never asked them. She stated the Airport Authority needs to tell Attorney Stewart what to include in the development agreement. She stated she feels the next step is to have another committee meeting.

Mr. Hentges suggested the committee meet at 9:00 a.m. prior to the next Airport Authority meeting on Tuesday, January 19. He stated in the meantime the existing FBOs need to advise Mr. Parmer of their concerns in letter form.

Chairman Stanton stated she feels the entire board should be in on these discussions because everything is brought back to the Authority anyway and we just go over it again.

Mr. Hentges suggested the whole board meet Tuesday, January 19, at the regular meeting time. Mr. Hentges stated in the meantime Mr. Parmer should write a letter to WMI inviting them to locate in Fargo.

Chairman Stanton again asked that any comments for the committee be submitted in writing.

Other Business:

Mr. Parmer stated that we lost our part time building attendant because of a reduction in hours and he would like authorization to replace this person. He stated it will be about 16 24 hours per week. He stated the previous employe worked about 36 hours per week but the building engineers felt we could cut back to about 16 24 hours.

Mr. Williams moved to authorize the Executive Director to replace the part time building attendant.

Second by Mr. Cichy.

On the call of the roll, members Hentges, Gallagher, Williams, Cichy and Stanton voted aye.

No members being absent and none voting nay the motion was declared carried.

Mr. Parmer stated he received a communication from Holy Cross Cemetery Association this morning regarding some problems they have had with snow due to our new security fence which is part of the Runway 8/26 project. Mr. Parmer stated there seems to be a snow problem with or without the chain link fence. He stated the City does blade the road but each time they do that they create a windrow. Mr. Parmer stated he talked to Mr. Larry Boulger recently and indicated we would be willing to help in any way we can.

Mr. Cichy moved to receive and file the communication from Holy Cross Cemetery Association.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Mr. Parmer distributed the airline traffic report for 1992.

Mr. Gallagher moved to adjourn the regular meeting of the Municipal Airport Authority until the Annual Meeting to be held Tuesday, January 19, 1993 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:32 a.m.

Annual Meeting

Tuesday

January 19, 1992

The annual meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, January 19, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as shown following:

Present: Hentges, Gallagher, Williams, Cichy, Stanton

Absent: None

Others: Stewart, Bromenschenkel, MacLeod

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 5, 1993:

Mr. Hentges moved to approve the minutes of the regular meeting of the Municipal Airport Authority held January 5, 1993.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$56,187.74:

Mr. Hentges moved to approve the airport vouchers totaling \$56,187.74.

Second by Mr. Cichy.

On the call of the roll, members Hentges, Gallagher, Williams, Cichy and Stanton voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Williams moved to approve the individual voucher in the amount of \$4,531.09 to Ulteig Engineers, Inc. for engineering services in connection with Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Cichy.

On the call of the roll, members Hentges, Gallagher, Williams, Cichy and Stanton voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Request from Mr. Victor Gelking Concerning Subleasing Hangar Space:

Mr. Parmer stated that Mr. Victor Gelking has requested the Airport Authority approve a short term sublease agreement between Victor Gelking and Weather Modification Incorporated. Mr. Parmer stated that Attorney Stewart has further details on the sublease.

Attorney Stewart stated that the sublease agreement between Victor Gelking and Weather Modification Incorporated is a short term sublease agreement for a six month term, continuing month to month after the initial term. Attorney Stewart stated this sublease agreement binds WMI to all of the terms in Mr. Gelking's lease. He stated he has no problem with the form of the sublease. He added that Mr. Gelking would continue to occupy a portion of the hangar.

Mr. Williams moved to approve the sublease agreement between Victor Gelking and Weather Modification Incorporated.

Second by Mr. Cichy.

On the call of the roll, members Hentges, Gallagher, Williams, Cichy and Stanton voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Communications from Dakota Aero Tech, Inc. and Aviation Resources, Ltd. Concerning Facilities in the New General Aviation Area:

Mr. Parmer stated that at the last meeting of the Airport Authority, Mr. Hentges indicated that if there was interest on the part of the existing FBOs in moving to the new general aviation area they should do so in writing and submit a letter to Mr. Parmer. Mr. Parmer stated he has received letters from Dakota Aero Tech, Inc. and Aviation Resources, Ltd.

Mr. Gordon Person, President, Dakota Aero Tech, submitted a letter of intent, dated January 14, 1993, to be eligible to relocate their maintenance and avionics repair station facility into a new hangar facility when the runway and taxiway is ready for service on the northeast corner of the airport. They anticipate a need for a hangar facility that would be able to house an airliner needing maintenance or for foul weather storage. The main floor hangar area would be approximately 45,000 to 50,000 square feet plus several small shops and offices. They would anticipate full FBO services at that time.

Dr. Clif Hamilton, Jr., Treasurer, Aviation Resources, Ltd., advised in a letter dated January 19, 1993, that they would like to lease a building site at the northeast general aviation area with 300 feet of building frontage by 100 feet deep for Aviation Resources, Ltd., Executive Aviation, Inc., and Way Point Avionics, Inc. They feel a satisfactory lease agreement would be for \$1.00 per year for the option until such time as the crosswind runway is completed and the taxiways and general aviation ramp have been built, then \$100 a year until the time their facility is completed.

Mr. Cichy moved to receive and file the communications from Dakota Aero Tech and Aviation Resources.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Considered Certificate of Support for Majestic Limousine Service:

Mr. Parmer stated he has received a request from Majestic Limousine Service for a certificate of support from the Airport Authority. Mr. Parmer stated the Airport Authority received the same request from a bus chartering company and the Airport Authority authorized that certificate. He stated he does not have any problem with the Authority approving this request as long as we can write our own statement of support.

Mr. Gallagher moved the Executive Director be authorized to complete the certificate of support as requested by Majestic Limousine Service.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Authorized Attendance at FAA Security Training Course, Oklahoma City, June 6 11, 1993:

Mr. Parmer stated the FAA security people in Minneapolis encourage airport and airline security personnel to attend this FAA security training course which is being held in Oklahoma City, June 6 11, 1993. He stated he would like authorization to send Shawn Dobberstein, as he has been designated as the security officer for the Airport Authority. He stated he had advised the FAA to reserve a spot for us. He added that if they get too many registrations they will make decisions as to who will attend.

Mr. Cichy moved to authorize attendance at the FAA Security Training Course, Oklahoma City, June 6 11, 1993.

Second by Mr. Williams.

On the call of the roll, members Hentges, Gallagher, Williams, Cichy and Stanton voted aye.

No member being absent and none voting nay the motion was declared carried.

Discussed Aviation Legislation Which is Before the 1993 Legislative Assembly:

Mr. Parmer stated that last week there was a bill before the State Legislature concerning the state grant program for air carrier airports. He stated that years ago the total amount of money in the grant was \$1 million but the program has been continually going downhill and in this biennium there is \$161,000 in the program.

Mr. Parmer stated there was a stipulation in this most recent bill that state matching funds would not be available to airports which do not assess at least a two mill levy for airport purposes. Mr. Parmer stated that this year we are assessing only a one mill levy. He added that in checking with the other airports in the state he found out that both Bismarck and Minot are under the two mill requirement. This program also guarantees a minimum of \$25,000 to air carrier airport enplaning less than 20,000 passengers in any one calendar year. These would include Jamestown, Williston and Devils Lake. According to the way this bill was written the grant program would give \$75,000 of the \$161,000 total fund to those three airports, eliminating Fargo, Bismarck and Minot because of the mill levy requirement, leaving the balance of \$86,000 going to Grand Forks.

Mr. Parmer stated there were a number of people contacting legislators and the bill came out of the transportation committee hearing with a 7 0 vote for a recommendation to not pass the bill.

Chairman Stanton stated we had a lot of good help locally. She stated when she received a copy of the bill in the mail she did not notice the back page highlighting the mill levy requirement but after noting that she contacted some of the city commissioners who were in favor of lowering our mill levy and they contacted legislators in Bismarck. She stated the bill has not yet gone to the Senate and she hopes it does not pass but we need to keep a close eye on this.

Discussed Aviation Legislation Which is Before the 1993 Legislative Assembly:
(Continued)

Mr. Bromenschenkel stated that when he received this copy of the bill he made sure the other city commissioners received a copy.

Mr. Parmer stated the other bill (No. 2008) before the legislature is an appropriations bill for the ND Aeronautics Commission. He stated the hearing before the Appropriations Committee for that bill was this morning. Mr. Parmer explained that in this bill there is a grant program in the amount of \$1.6 million for the air carrier and general aviation airports in the state. Each airport must apply individually for these funds, based on an ongoing project. He stated that last year we requested \$100,000 for the Runway 8/26 Project and we were granted \$59,640. He stated we have not yet received the funds but are still working on the documentation process.

Mr. Parmer stated these are the only legislative items he is aware of at this time. He stated he would like authorization from the board to go to Bismarck and testify when some of these items come up.

Mr. Cichy moved that Mr. Parmer be authorized to testify on legislative matters on behalf of the Airport Authority.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Adopted Resolution of Appreciation to Chairman Jeannette Stanton:

Mr. Cichy offered the following resolution and moved its adoption:

WHEREAS, Mrs. Jeannette Stanton has just completed a year as Chairman of the Municipal Airport Authority of the City of Fargo, North Dakota, and

WHEREAS, During the year of Mrs. Stanton's chairmanship the Municipal Airport Authority moved steadily and successfully forward in improving the aviation facilities at Hector International Airport, and

WHEREAS, Mrs. Stanton has labored diligently and given unsparingly of her time in serving as Chairman of the Municipal Airport Authority.

NOW, THEREFORE BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby commend Mrs. Jeannette Stanton for her effective efforts on behalf of the Municipal Airport Authority of the City of Fargo, North Dakota.

BE IT FURTHER RESOLVED, That this resolution be inscribed upon the permanent minutes of the Municipal Airport Authority and a certified copy of the herein resolution be forwarded to Mrs. Jeannette Stanton.

Second by Mr. Hentges.

On the call of the roll, members Hentges, Gallagher, Williams and Cichy voted aye.

Chairman Stanton passed her vote.

The resolution was declared to have been duly passed and adopted.

Elected Chairman of the Municipal Airport Authority for Calendar Year 1993, as Per Bylaws:

Mr. Williams moved to elect Mr. Hentges as Chairman of the Municipal Airport Authority for calendar year 1993.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Elected Vice Chairman of the Municipal Airport Authority for Calendar Year 1993, as Per Bylaws:

Mr. Gallagher moved to elect Mr. Cichy as Vice Chairman of the Municipal Airport Authority for the calendar year 1993, as per bylaws.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Mr. Cichy moved to adjourn the annual meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, February 2, 1993 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Time at adjournment was 10:50 a.m.

Regular Meeting

Tuesday

February 2, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, February 2, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as shown following:

Present: Stanton, Gallagher, Cichy and Hentges
Absent: Williams
Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Annual Meeting of the Municipal Airport Authority Held January 19, 1993:

Mr. Cichy moved to approve the minutes of the annual meeting of the Municipal Airport Authority held January 19, 1993.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$29,447.53:

Mr. Cichy moved to approve the airport vouchers totaling \$29,447.53.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Airport Terminal Building Employees Request the Airport Authority Review Building Smoking Policy:

At its meeting on November 3, 1992, the Airport Authority revised its smoking policy in the building to include designated smoking areas at the far ends of the departure lounge, the designated areas in the restaurant and lounge, and the seating area across from the United Airlines ticket counter on the first floor.

Chairman Hentges stated the Airport Authority has received a petition from some of the airline employees requesting that smoking be removed from the lower level. The petition was signed by 17 employees.

Mrs. Stanton moved to receive and file the petition from airport employees regarding smoking policy.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Airport Terminal Building Employees Request the Airport Authority Review Building Smoking Policy:

Mrs. Stanton stated she walked through that area this morning and you can smell the cigarette smoke as soon as you enter the building. She stated she feels it is one of the Airport Authority's responsibilities to provide a smoke free atmosphere for the employees at the airport. She stated the casual smoker does not have to smell the smoke all day long but the employees do. Mrs. Stanton stated the Airport Authority should consider making the entire building smoke free, and if not entirely, at least that area.

Mr. Cichy stated he would highly endorse the idea of making the building smoke free.

Mr. Gallagher asked where the passengers coming off the airplanes would have to go to smoke.

Mrs. Stanton stated she is not talking about the restaurant and lounge but the rest of the building.

Mr. Ron Balvitsch, Northwest Airlines, asked about smoking in the work areas.

Chairman Hentges stated smoke free would mean everywhere in the building except the restaurant and lounge. Work areas would be smoke free.

Mr. Cichy asked Mr. Balvitsch how many of his employees smoke.

Mr. Balvitsch stated that several of his baggage handlers and a couple of his agents smoke. He stated he has made their office area non smoking but the employees do smoke in their area back in the tug concourse.

Mrs. Stanton stated this building is so open that it is almost impossible to control where the smoke is going to go and she really feels for the people who have to spend the day inhaling someone else's cigarette smoke.

Chairman Hentges stated we want to be sure that we ask the necessary questions in terms of notices, accommodations, etc. He stated that he personally is in favor of a smoke free building. He added that the restaurant and lounge will have their policy and he thinks we need to adhere to that. He stated as far as the tug area there are exhaust fumes and those are not very healthy either so we may possibly have to look at the ventilation in that area.

Mr. Balvitsch stated that will be hard to control.

Mr. Hentges stated he supports, in eventuality at least, if not immediately, declaring this building smoke free in interest of the public. Evidence is such that it needs to be done.

Mr. Parmer stated he does not know if the airlines have received any complaints about smoking in the far ends of the departure lounge but he has not. He stated we did get complaints about the smoking in the area between the stairs and security but that was corrected. He stated this petition asks that the area on the first floor that is now designated as smoking be eliminated and he agrees with that. He suggested we grant the request of the petition and leave the other areas as is. He stated there are employees smoking in the exclusively leased areas such as the car rental offices.

Chairman Hentges stated it is our responsibility that we eventually become a smoke free building and that we serve notice to the flying public as well. He stated that airlines have declared the airplanes smoke free and smokers are making adjustments accordingly. He stated we should serve notice that the terminal building is smoke free with the exception of the restaurant and lounge for now.

Mr. Bromenschenkel stated that the airport in Minneapolis is smoke free and he was also at the airport in Kansas City and the terminal building was smoke free with the exception of the bar.

Mrs. Stanton moved the Airport Authority declare the terminal building smoke free, with the exception of the restaurant and lounge.

Second by Mr. Cichy.

Airport Terminal Building Employees Request the Airport Authority Review Building Smoking Policy: (Continued)

Mr. Cichy asked Mr. Balvitsch if there has been any consideration by the airlines to change either equipment or the fuel used in their equipment.

Mr. Balvitsch stated there would be no change in equipment.

Chairman Hentges stated if there are some ventilation problems in the tug concourse area we may have to look at those. Chairman Hentges stated that a smoke free building is an eventuality and it appears in this case it is now.

Mr. Cichy stated that when the topic of smoke free buildings came up several years ago he was serving on a board along with the president of Northwestern Bell for this area at that time and when the question came up about the possibility of a law suit by smoking employees he stated that they had been advised by their legal counsel that they would have a better chance of surviving that type of suit rather than people suing them for passive smoke and the diseases arising from it.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams

The motion was declared carried.

Chairman Hentges stated the terminal building is now smoke free, effective immediately, with the exception of the restaurant and lounge. He also expressed appreciation to the employees who came forward to help us on this issue.

Received Communication from Corps of Engineers on Lease Extension for Hangar No. 9:

Mr. Parmer stated he received a communication dated January 19, 1993, from the Corps of Engineers regarding the hangar (No. 9) leased to the National Guard Bureau. The lease is due to expire on March 9, 1993 and the government has continued need of the hangar through September 30, 1997. Mr. Parmer stated their letter outlined three items which need to be clarified, discussed and/or negotiated prior to lease renewal actions. The first item being the coating on the hangar floor. He stated this has been a problem for a while and we are presently getting quotes on costs to repair. They also mentioned the replacement of lights in the main hangar and the response time in handling those matters, as well as designated parking spaces for government personnel.

Mr. Parmer stated they are also requesting the following items to upgrade the hangar:

- Place suspended acoustical ceiling tile in the parts room on the first floor
- Provide a conduit to the roof for antenna wires, 1" diameter minimum
- Provide a means to regulate the heating/cooling between the first and second floors of the office area (separate thermostats)
- Provide hot and cold water and a drain for a sink in the west upstairs office,
- Install a shower in the area of the parts room and the bathroom on the first floor

Mr. Parmer stated if we are going to install these upgrade items we are certainly going to adjust the rent or have them reimburse us in full.

Mr. Parmer stated they are also requesting information on actual costs for utilities, as the original lease stipulated \$7,500.00 as the annual cost for utilities. Mr. Parmer added that the actual costs have been running from \$4,800 to \$5,700.

Received Communication from Corps of Engineers on Lease Extension for Hangar No. 9:

Mr. Parmer stated since this is a renewal of the lease he and Attorney Stewart should get together to review this. He stated he will respond to the Corps of Engineers and at the same time attempt to get estimates for the requested improvements.

Chairman Hentges stated he does not recall all of the details of the provision in the lease regarding utilities.

Mr. Parmer stated that in negotiating the lease we added \$7,500.00 annually for utilities and at the end of the year the National Guard Bureau can request an accounting of the utilities for the year and request an adjustment if necessary. He stated this is the first time they have asked about the cost of utilities. He stated the fact that the actual cost of utilities may be less than the estimate does not automatically reduce the rent. He stated they will have to come forward with a request.

Mr. Cichy moved to receive and file the communication from the Corps of Engineers regarding lease of Hangar No. 9.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Chairman Hentges stated the Executive Director will proceed to meet with Attorney Stewart and Mr. Kolke to renew the lease.

Received Communication from Federal Aviation Administration on Review of Revised Airport Layout Plan:

Mr. Parmer stated he received a communication dated January 19, 1993, from Mr. Milt Heupel, FAA Airports District Office in Bismarck. The letter is in regard to the new Airport Layout Plan and because of all of the proposed construction they are suggesting we provide a shadow study. He stated the FAA is concerned about the line of sight from the tower cab to any portion of the runways. Prior to any construction of future Runways 17/35R or 8/26, the FAA is requesting we provide a shadow study depicting all proposed hangars/corporate buildings and all existing structures for their review and acceptance. If there are shadowing problems, resolution of these problems will need to be addressed. Mr. Parmer stated he does not know how long such a study will take but he would like authorization to retain Ulteig Engineers to conduct the shadow study and report to the Airport Authority.

Mr. Don Driscoll, Manager, Fargo Tower, was recognized and stated he is not sure the FAA would be willing to furnish funding for a runway that the tower can't see.

Chairman Hentges stated he would assume Ulteig Engineers will be consulting with the tower people.

Mrs. Stanton asked how difficult it is to determine whether or not there will be shadowing.

Mr. Wes Schon, Ulteig Engineers, stated they will have to do some surveying first. They will also have to determine where the proposed buildings will be located and try to create on paper what is proposed to take place.

Mrs. Stanton asked if it was a long and complicated process.

Mr. Schon stated it is not that complicated and as soon as the manpower and equipment is available to him it should take only a few days. He added that we basically need to determine what will fit under the line of sight from the tower to any particular point.

Mrs. Stanton moved to authorize Ulteig Engineers, Inc. to conduct a shadow study as requested by the FAA.

Second by Mr. Gallagher.

Received Communication from Federal Aviation Administration on Review of Revised Airport Layout Plan: (Continued)

Mr. Gallagher added that he recalls Mr. Driscoll warned us about this a couple years ago.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams

The motion was declared carried.

Authorized Execution of First Amendment to Grant Agreement for AIP Project No. 3 38 0017 12:

Mr. Parmer stated this amendment is somewhat different than other amendments as they normally increase the federal participation. He stated that this amendment calls for us to give back \$617,677. He explained that the Runway 8/26 Project is broken into three phases since we are not able to get funding for the entire project under one grant. The work to be done that will require the closing of Runway 17/35 was included in both Phase I and Phase II so we had to do some rearranging so that all of the work calling for the closure of Runway 17/35 would be in the same project and we would have to close the runway only once. He stated that this is basically transferring the money from one grant to another so the scope of the entire project has not changed.

Mr. Parmer stated the only thing he can't tell the Authority is when we will receive the grant, but the FAA does not know either.

Mr. Cichy moved to authorize execution of the First Amendment to Grant Agreement for AIP Project No. 3 38 0017 12 (Runway 8/26).

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams

The motion was declared carried.

Received Communication and Invoice from Mr. Allen Ross Concerning Damage to Tie Downs:

Mr. Parmer explained that several years ago Aviation Resources Ltd. turned back to the Airport Authority a portion of the ramp (near igloo building) which was designated as a free tiedown area. Mr. Parmer stated that some of the aircraft owners using that area will leave their tiedown ropes when they leave and they feel they have designated spots. He stated he has indicated to them it is a free area and there are no reserved spots.

Mr. Parmer stated that Mr. Allen Ross had vacated a tiedown spot while his airplane was in Casselton having repairs done and he left his ropes in that spot. During that time we had a snowfall and our maintenance staff did some snow removal in that area. The ropes were covered with snow and when the equipment went over that area the ropes were torn from tiedowns. He stated Mr. Ross has sent us a letter along with an invoice in the amount of \$222.60 for the purchase of the ropes and is requesting reimbursement from the Airport Authority. Mr. Parmer stated he wrote Mr. Ross advising that whatever the Airport Authority should decide about payment for his ropes there would be discussion about changing the rules for that area.

Received Communication and Invoice from Mr. Allen Ross Concerning Damage to Tie Downs:
(Continued)

Chairman Hentges asked if we have any other potential problems with that area and if there are more spaces available than needed so we could possible charge a nominal fee to assign a space.

Mr. Parmer stated we could assess a charge but then we would be back in the retail business which we have been out of for some time.

Chairman Hentges suggested we see if one of the FBOs would be interested in leasing the space and renting those spaces out.

Mr. Cichy moved to receive and file the communication from Mr. Ross.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Commissioner Hentges asked what action the Airport Authority would like to take regarding Mr. Ross's request for payment.

Attorney Stewart stated without more information he would suggest the request be denied.

Mr. Cichy moved to refer the matter to Attorney Stewart for proper legal action.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Authorized Attendance at AAAE/Washington Conference, March 22 24, 1993:

Chairman Hentges stated this is the conference he usually attends in Washington as he feels it is a very worthwhile conference.

Mrs. Stanton asked if these conferences are really worth the expense.

Chairman Hentges stated the group that attends this conference is relatively small considering the number of airports in the country and we have the opportunity to meet with senators and representative and discuss such items as funding for airport improvement projects. He added that he is willing to invest the time to attend this conference.

Mrs. Stanton stated she will vote for it this time but she takes a dim view of the whole operation as it must take a considerable amount of money and somewhere someone had better start cutting back.

Mr. Cichy moved to authorize attendance at the AAAE/Washington Conference.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams

The motion was declared carried.

Other Business:

Mr. Parmer stated he received a communication from Mr. Bob Selig, Airport Director in Grand Forks, over the weekend so that is why it did not make the agenda. He stated on January 15 he received a call from Mr. Selig advising that there was some interest in Grand Forks in changing the ND Century Code concerning Airport Authorities to allow compensation for Airport Authority members for attending meetings. Mr. Parmer stated he surveyed members of our Authority and the three members he was able to get ahold of at the time were not in favor of this. He stated he talked with Mr. Selig again after that and he indicated he got similar responses from other airports and perhaps it would not be taken any further. Mr. Parmer stated that over the weekend he got a copy of the bill so apparently people in Grand Forks are going ahead with it.

Other Business: (Continued)

Chairman Hentges stated our board's response has been that they can go ahead and do whatever they want but we are not interested in supporting it.

Mrs. Stanton stated she certainly would not support this, but not only that, it gives the City a problem as well since the City Commission appoints many boards. One of the hardest working boards is Planning and Zoning. Mrs. Stanton stated she sat on that board for a while and they really work at their position and they are not compensated. She does now know why we should be compensated and she does not feel people accept these appointments for compensation.

Chairman Hentges stated that if the members incur expenses there is certainly a way they can be reimbursed.

Mrs. Stanton stated we have always been reimbursed for such things as travel expenses to attend conferences, etc.

Mr. Cichy moved to receive and file the communication from Mr. Selig.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Mr. Bernie Ness, Avis Rent a Car, was recognized and stated that they have been in this building for seven years and every year the problem with water leaks has been getting worse. He stated this weekend they had three buckets in their back room and two buckets in the front. There is a 55 gallon trash container catching the water coming down and this weekend some water got on their computer printer. He stated maybe they should count their blessings because on the other side of the Information Center it was like a waterfall. He stated that after seven years the problem should have been solved but it keeps getting worse and it is an embarrassment for the car rentals who are trying to conduct business. He stated that Budget's wall is soaked and the sheet rock feels rubbery. He stated that it is an embarrassment to have this problem in as nice a facility as we have.

Mrs. Stanton asked if this happens every year and does it depend upon how much snow we have.

Mr. Ness stated it happens every year but this has been the worst.

Chairman Hentges asked about when it rains.

Mr. Ness stated the leaking is not as bad when it rains and it is usually short lived.

Mr. Parmer asked Mr. Ness if Avis has had a water problem before this.

Mr. Ness stated yes they have.

Mr. Parmer stated the building engineer told him that the west side of the building has not had a problem before this. Mr. Parmer stated the Airport Authority addressed the matter last year and we had consultants investigate the problem. We had contractors do extensive repairs on the windows and the flashing and spent about \$5,000. He stated that the roofing company also sealed off all drains and flooded the roof and not a drop of water came through. He stated we will continue to investigate the problem until we find the solution. He added that it is not something we are ignoring, we have not been able to control it.

Chairman Hentges suggested we contact Foss Associates.

Mr. Parmer stated he talked to them yesterday.

Chairman Hentges stated Mr. Parmer has been in contact with the architect, the window contractor, the roof contractor and we will take care of the problem.

Mrs. Stanton asked if we have ever gotten a guarantee from anyone that they can fix it.

Chairman Hentges stated the roofing business is tough.

Mrs. Stanton stated she knows it is but we have walls down there we don't want falling down and no one should have to do business under these conditions. Chairman Hentges asked Mr. Ness to continue to keep us advised of the situation.

Mr. Cichy moved to adjourn the regular meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, February 16, 1993 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:13 a.m.

Regular Meeting

Tuesday

February 16, 1993

The regular meeting of the Municipal Airport Authority was held Tuesday, February 16, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as shown following:

Present: Stanton, Cichy, Hentges
Absent: Gallagher, Williams
Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 2, 1993:

Mrs. Stanton moved to approve the minutes of the Regular Meeting of the Municipal Airport Authority held February 2, 1993.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$25,249.82:

Mr. Cichy moved to approve the airport vouchers totaling \$25,249.82

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Cichy and Hentges voted aye.

Absent and not voting: Gallagher and Williams

The motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mr. Cichy moved to approve the individual voucher in the amount of \$62,775.00 for construction in connection with Runway 8/26, Project No. 3 38 0017 12.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Cichy and Hentges voted aye.

Absent and not voting: Gallagher and Williams

The motion was declared carried.

Received and Filed Statement of Operations for the Month of December 1992:

Mr. Cichy moved to receive and file the Statement of Operations for the Month of December 1992.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Approved Renewal of Lease for Northstar Aviation Insurance:

Mr. Parmer stated that Northstar Aviation Insurance leases office space in the Eastside Terminal and their current lease expires May 6, 1993. They are requesting the lease be renewed on the same basis for a five year period.

Mr. Parmer stated the lease will continue to contain a recapture clause should the Airport Authority change its plans for that building.

Mrs. Stanton moved to approval the renewal of the lease with Northstar Aviation Insurance for office space in the Eastside Terminal as requested.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Received Information from Northern States Power on Energy Saving Program:

Mr. Parmer stated that we have been contacted by Northern States Power with information about the North Dakota Energy Financing Program. He stated that this program would apply only to the Westside Terminal at this time. Mr. Parmer stated that NSP has been working with a lighting supplier and their suggestion is that we change all of the ballasts and bulbs at a cost of \$15,325.00. He stated if we were to go ahead with that change we would receive a rebate of \$3,182 from NSP, leaving a capital investment by the Airport Authority in the amount of \$12,143. They anticipate this change to save us approximately \$5,552 per year, so we should get our investment back in 2.19 years. Mr. Parmer added that there is no cash outlay required from the Airport Authority but the financing is incorporated into our regular NSP bill.

Mr. Parmer stated we have also received a proposal for some changes in the Eastside Terminal but we received that only this morning so he has not had a chance to review it.

Mr. Parmer asked the Airport Authority if they wish to continue to pursue this program and if so he will meet with NSP again. He stated it appears our indebtedness from this program will be about \$5,000 a year and our savings will be about \$5,000 a year so it is really a wash. After the first two years is when we should notice the savings. Mr. Parmer stated that there were some other areas in the building not included in this program, such as the restaurant, but those could be included in a supplemental proposal.

Chairman Hentges asked if this program was promoted by the lighting supplier or NSP.

Mr. Parmer stated this proposal was presented by NSP, along with the supplier of the lighting supplies.

Chairman Hentges stated that if NSP is fronting this it has more credibility and directed Mr. Parmer to continue researching the program.

Received Report on Line of Sight Study:

Mr. Parmer stated that at the last meeting the Airport Authority directed Ulteig Engineers to complete a line of sight study at the request of the FAA. Mr. Parmer stated that Mr. Wes Schon has some very preliminary information for us today as they still plan to meet with FAA officials before the study is completed.

Mr. Wes Schon was recognized and stated that the FAA requires that the control tower on the field be able to see all portions of the runways and taxiways. The FAA has some concerns that the proposed buildings in the new general aviation area may block the view of the north end of Runway 17L/35R and taxiway surfaces. He stated the first profile they completed showed a height limit for buildings to be 26' in the FBO area and from 13' up to 24' in the private hangar area, depending upon the location.

Received Report on Line of Sight Study: (Continued)

Mr. Schon stated that on the Airport Master Plan, Coffman Associates shows Runway 17L/35R to be 4500' in length. He stated he is not exactly sure where they got this length because referring to the design charts for general aviation aircraft they show 3900' for aircraft holding up to ten passengers. This length has been used routinely in the Red River Valley for general aviation aircraft.

Mr. Schon stated that in his opinion Runway 17L/35R will be driven by one of two things, a safety related such as separating high speed jet aircraft from slower general aviation aircraft, or capacity driven. He stated he thinks we have some distance to go before capacity is an issue.

Mr. Schon stated that as we proceed toward approval of this runway the FAA will challenge us as to why we need 4500'. They would probably make the argument that aircraft needing longer than 3900' already have a runway (17/35). Mr. Schon stated that during the Master Plan Update, Coffman also showed the general aviation development being further to the west but then the facilities were so far removed from the runway and we would end up with a lot of green grass. He stated neither he nor Mr. Parmer agreed with that location so Coffman moved them back as they are now shown. Mr. Schon stated there are still a couple of other options. One option would be to shorten the runway to 3900' and move it south. Mr. Schon stated that there is no action required from the Airport Authority at this point.

Mr. Parmer stated we could also move the proposed site for the hangars to the west.

Mr. Schon stated another option would be to raise or relocate the tower. A more ideal location would be somewhere in the middle of all three runways. Again, in order to do that we would have to justify the need for a 4500' runway.

Chairman Hentges asked what types of general aviation aircraft would not be able to use a 3900' runway.

Mr. Schon stated that any turbine jet aircraft would not be able to land on 3900', but as far as propellers he has seen Fairchild Metros land on 3300'. A 3900' runway should be adequate for turbo prop aircraft. Mr. Schon added that the larger, more sophisticated general aviation aircraft will more than likely land on a runway with an ILS approach, and Runway 17L/35R is not programmed to have that.

Mr. Parmer stated this was just a preliminary report of the shadow study and we would not need any changes to the plan for Runway 17L/35R until we apply for funding for that runway, but we have to consider the entire improvement plan when we start developing the new general aviation area.

Other Business:

Mr. Parmer stated that the Board of City Commissioners requested a report from each city department for a report on 1992 overtime and they included the airport. He stated he wanted to channel his report through the Airport Authority and then forward a copy to the City Commission. He stated this report basically shows the two employee groups, building maintenance and field maintenance. He stated there was some discussion with the City Commissioners that supervisors in some of the departments were taking the overtime hours themselves and not giving it to employees. Mr. Parmer stated in his report he explained how we operate and how overtime is handled.

Mrs. Stanton asked how the overtime is controlled, and if it has to be approved by Mr. Parmer.

Mr. Parmer stated the overtime hours for the field crew are somewhat automatic as 88.8% of the overtime for the field maintenance crew is due to snow removal.

Other Business:

Mrs. Stanton stated that portion is understandable but she is not sure she understands the rest of it and she thinks the City Commission has a reason for doing this and is looking to us to be cutting back in some areas.

Mr. Parmer stated we don't have overtime just for the sake of having overtime. The building maintenance overtime is to cover vacation leave, sick leave, and military leave. Our crew works 24 hours a day, seven days a week, and we need people working at those times.

Mrs. Stanton asked Mr. Bromenschenkel what the City Commission was looking for. She added that if some of this is going to lead to privatization then we had better take a good look before it happens. She stated she feels the airport operates very well but the time for some belt tightening is coming.

Mr. Bromenschenkel stated that the main reason for this report is that in certain departments, not necessarily the airport, the person making the decision for overtime is the one getting the overtime hours, so some employees are getting more overtime than others.

Chairman Hentges stated this report should be received and filed and we can compare it apples to apples with reports from some of the other departments. He stated this is a very thorough report and if 6.2% of our personnel budget is for overtime and most of that is for snow removal those figures are to be expected.

Mr. Cichy asked how much of the overtime is due to military leave and how many people that involved.

Mr. Parmer stated that in the recent years we have had only one employee involved in military leave and he is now retired from the Guard so we no longer have anyone eligible for military leave.

Mrs. Stanton added that whether we like it or not we are all going to have to start looking at cutting costs.

Mr. Cichy moved to receive and file the overtime report and forward a copy to the City Commission.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Chairman Hentges stated that just before this meeting the subcommittee on the Weather Modification Incorporated project met and it is their recommendation that the Airport Authority contract with an independent financial advisor such as Mr. Robert Thibideau to look at the financial picture of WMI and come back with a recommendation as to the viability of varying degrees of the project.

Mrs. Stanton moved the Airport Authority hire an independent financial advisor, Mr. Robert Thibideau, or someone of like qualifications and experience, to analyze the proposal and financial data submitted by WMI, and make a recommendation to the Airport Authority.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Cichy and Hentges voted aye.

Absent and not voting: Gallagher and Williams

The motion was declared carried.

Mr. Cichy moved to adjourn the regular meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, March 2, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:07 a.m.

Regular Meeting

Tuesday

March 2, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, March 2, 1993, at 10:30 a.m.

The members present or absent were as shown following:

Present: Stanton, Gallagher, Cichy, Hentges

Absent: Williams

Others: Stewart

Chairman Hentges presiding.

Approved Airport Vouchers Totaling \$51,695.21:

Mr. Gallagher moved to approve the airport vouchers totaling \$51,695.21.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Cichy moved to approve the individual voucher in the amount of \$9,489.64.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Received Claim Affidavit from Allen Ross on Tiedown Damage:

Mr. Parmer explained that at the February 2, 1993 meeting the Airport Authority discussed a communication from Mr. Allen Ross concerning damage to his tiedown ropes which were left at the free tiedown area on the general aviation ramp while he was having his aircraft serviced in Casselton. Mr. Ross had requested the Airport Authority reimburse him for the cost of the ropes which was \$222.60. Mr. Parmer stated that the Airport Authority took no official action on the matter other than to refer it to Attorney Stewart for proper legal response. Mr. Parmer stated we have now received a Claim Affidavit and Order for Appearance in small claims court on March 9. Mr. Parmer asked the Airport Authority how it wished to handle the matter.

Received Claim Affidavit from Allen Ross on Tiedown Damage: (Continued)

Attorney Stewart suggested bringing as a witness to court someone else who uses that free tiedown area that would testify that it is a regular practice of those using the free tiedown area to remove their ropes when they vacate a space.

Chairman Hentges stated this puts the Airport Authority in a tough spot.

Chairman Hentges suggested taking a letter from the Airport Authority explaining that the area in question is just a free tiedown area. He added that maybe we will need to send periodic notices to those using that area that the Airport Authority is not responsible for damage to personal property.

Mr. Cichy asked Mr. Parmer if he had checked whether or not this was a reasonable figure for the ropes.

Mr. Parmer stated they were a specialized set of tiedown ropes.

Mr. Pat Sweeney was recognized and stated that they use that area to tie down aircraft and they would like it to continue to be a free area. He stated that whenever he does his preflight he always takes up his ropes and puts them in his aircraft. He stated he would agree with the Authority that if the ropes were left on the ramp by the aircraft owner the Authority should not be held responsible for damage. He added it is only common sense to take your ropes with you.

Mr. Parmer stated that Mr. Ross took his airplane to Casselton for maintenance and he felt that by leaving his tiedown ropes the spot would be reserved for him.

Mrs. Stanton suggested Mr. Parmer go to the court appearance and make our case. She added that maybe we need to again advise the pilots using this area of the rules.

Received Report on Non Smoking Policy for Terminal Building:

Mr. Parmer stated that at the last meeting the Airport Authority declared the Westside Terminal smoke free, with the exception of the restaurant and lounge. Mr. Parmer presented a copy of the memo which was distributed to all building tenants. He indicated that he received a copy of the memo back with comments from some Northwest Airline employees. Those comments were as follows:

"Are you saying that the Barnstormer is not in this building?"

"Doesn't the Barnstormer have a lease like the airlines?"

"Aren't the gas fumes in the work areas worse than the smoke?"

"We will smoke until the questions are answered."

Mr. Parmer stated he advised Mr. Balvitsch that his employees could address the Airport Authority on the matter. He stated he thinks the point the airline employees are trying to make is that we made an exception with the restaurant and lounge and they feel since the tug concourse in a non public area they feel those privileges should be extended to that area also.

Mrs. Stanton stated she is not aware of any restaurant that is entirely smoke free and that is why the Airport Authority excluded the Barnstormer from the non smoking policy. She added that we could have taken smoking out of the entire facility.

Mr. Ron Balvitsch, Northwest Airlines, stated that the building is not a smoke free building and it is pretty hard to enforce the policy in the tug concourse area when it is allowed in the restaurant.

Mrs. Stanton stated she does not agree with that at all.

Mr. Warren McKee, Northwest employee, stated that the employees are not able to go into the restaurant just to have a cigarette.

Mrs. Stanton asked if they could go outside. She stated that at many businesses the employees have to go outside to smoke.

Received Report on Non Smoking Policy for Terminal Building: (Continued)

Mr. McKee stated the Barnstormer is set up for customers only. He added that passengers cannot even go in to smoke unless they purchase something.

Mrs. Stanton stated the Barnstormer is a business and if they allow everyone in the restaurant just to smoke they aren't going to stay in business. She stated she has no problem with the policy the Airport Authority has outlined.

Mr. Parmer stated the situation in the tug concourse is that it is a non public area and the public is never allowed back there. He stated the airline employees that smoke in the area would not be blowing smoke in the public's face.

Mr. Gallagher asked what percentage of the airline employees smoke.

Mrs. Stanton asked if everyone who works in the back smokes.

Mr. Dave Dion, American Airlines, stated not everyone but there has not been too much argument from those who don't smoke.

Mrs. Stanton stated that sometimes the non smokers don't really want to start a war.

Mr. Balvitsch stated that a worse problem than the cigarette smoke is the gas fumes in the tug concourse area and we could get in more trouble with OSHA because of that than because of cigarette smoke.

Mr. McKee stated that the ventilation system in the tug concourse has been shut off for two years because cold and snow was coming through the vents. There is even a tarp over one of the vents.

Mr. Parmer stated that is the best ventilating system in the whole building because of the equipment discharging fumes all day long.

Mr. Dave Dion stated there is no problem with gas fumes in the tug concourse area because the doors are being opened constantly during the day and none of the equipment is operated for long periods of time while it is in the tug concourse area. He stated the back is not a public area and the smoke does not filter into other areas. He stated someone who is not smoking can get away from the smoking area.

Mr. Cichy asked the airline managers if they feel it would be a problem to allowing smoking in the tug concourse area.

Mr. Dion stated he would not have a problem with allowing smoking.

Mr. Balvitsch stated the smoking has not stopped. He stated the Airport Authority made the building a smoke free building with the exception of the restaurant, but he cannot enforce the rule unless the entire building is smoke free.

Mr. Dion stated his employees do not smoke in the tug concourse area.

Mr. Cichy asked what percentage of the employees do smoke.

Mr. Dion stated five percent of his employees smoke.

Mr. Balvitsch stated that 50% of his ground service employees smoke and just a couple of the ticket agents.

Mr. Cichy asked the airline managers if they would have a problem with the smoking policy being amended to allow smoking in the tug concourse area.

Mr. Balvitsch stated that if the Airport Authority made an exception for the restaurant he doesn't see how they could not make an exception for the back area.

Mr. Dion stated that there is no way the public will have access to the tug concourse area.

Chairman Hentges asked about the car rental agencies. He stated they will want the exception extended to them as well.

Mr. Parmer stated the car rental counters are considered a public area. He added that the Airport Authority did not declare the terminal building smoke free period, but rather smoke free with exceptions.

Mrs. Stanton stated it is still a publicly accepted non smoking building. Mrs. Stanton stated she is not in favor of changing the policy. She feels the Airport Authority did a good thing and if we allow smoking in the tug concourse area we are going to have all kinds of people wanting to get back there.

Received Report on Non Smoking Policy for Terminal Building: (Continued)

Mr. Al Ashburn, Northwest employee, stated that he wished to correct a statement made at the last meeting by Mr. Bromenschenkel that the terminal in Minneapolis is smoke free. He stated that there are smoking areas in the terminal in Minneapolis.

Mrs. Stanton stated that it is coming. She added that statement was not what influenced her. She stated what influenced her was the cigarette smoke you had to smell when you came into the building and a lot of people objected to it. She stated there are far more non smokers than there are smokers and there is no way to get away from the smoke, whereas a smoker can smoke somewhere else.

Mr. McKee stated that the cigarette smoke in the tug concourse is much less of a problem than the equipment exhaust.

Mrs. Stanton stated she is not sure we are arguing apples to apples, but if we have an exhaust system that is not working then we should check into that.

Mr. Gallagher asked what their argument would be if the exhaust system in the area were working properly.

Mrs. Stanton asked if employees smoke all day long or was it just on coffee breaks.

Mr. McKee replied that they smoke all day long.

Mr. Gallagher stated it was Northwest Airlines that started this whole thing with banning smoking on their flights.

Mrs. Stanton stated she commends Northwest Airlines for that. She stated that no smoking in public is coming. She added she used to smoke and it was hard to quit but non smokers have rights too and smokers can go outside to smoke.

Mr. Parmer stated he feels what we are trying to do is protect the public from cigarette smoke.

Mrs. Stanton stated we are trying to protect the employees as well.

Mr. Parmer stated that previously we allowed smoking in the tenants' office areas if their superiors allow it. He stated we are talking about a non public area and he is wondering if that should be considered differently.

Chairman Hentges stated at this point he is not prepared to make any changes in the smoking policy. As far as the restaurant, there were comments made at the last meeting and he would assume at some time in the future the Authority will be meeting with the restaurant people. He stated that as Mrs. Stanton has indicated "smoke free" in all public areas is inevitable. He stated there will never be a smooth, comfortable transition but in this country in time, smoking will not be permitted in buildings open to the public. He stated that smoking has been proven to be a terrible health hazard and second hand smoke is just as bad as first hand. He stated that hopefully we can make this as smooth as possible. He stated he is really disappointed that Northwest Airlines employees have defied the decision of the Airport Authority.

Mr. Balvitsch asked how you police something with holes in it.

Chairman Hentges stated that we are not the policemen. We are receiving this report and we will discuss how this can best be handled.

Mr. Balvitsch stated when this building is entirely smoke free he will abide by it.

Chairman Hentges stated that the Airport Authority sets the rules in the building, not the tenants. He added the Airport Authority will take into consideration all of the comments that have been made, but we need the cooperation of everyone. He added that the Airport Authority will be talking to the car rental people as well as the restaurant. He added that the previous smoking policy for the building stands. He added that we will check into the operation of the ventilating system in the back. Chairman Hentges stated that if we start making exceptions now we have nothing.

Received Report on Non Smoking Policy for Terminal Building: (Continued)

Mr. Cichy asked the airline managers if the airlines are looking at alternate fuels for their equipment.

Mr. Dion stated American Airlines is looking at electrical equipment but nothing locally at this point.

Received Report on Negotiations to Extend Lease of Hangar No. 9:

Mr. Parmer stated that the Airport Authority is presently leasing Hangar No. 9 to the National Guard Bureau and the Army Corps of Engineers is handling the lease. At the meeting of February 2 the Airport Authority received a letter from the Corps of Engineers requesting negotiation of the lease extending to 1997. Mr. Parmer stated that our present lease is for \$42,000 per year, of which \$7,500 is designated as utility costs. He stated that over the past four and a half years the utility costs have been approximately \$5,200 a year. Mr. Parmer stated he met with Mr. Bud Kuhn, Corps of Engineers, recently to discuss the lease. Their correspondence included a request for some improvement items other than the floor surface. Mr. Parmer stated that Mr. Kuhn suggested that the renewal lease provide for a utility allowance be reduced from \$7,500 to \$5,500 but that the rental of the hangar go from \$34,500 to \$36,500, so the amount actually remains the same.

Chairman Hentges asked if they requested reimbursement for the utility costs.

Mr. Parmer stated they proposed that the Airport Authority pay for the requested building improvements instead of refunding them for unused utility charges.

Mr. Parmer stated they also discussed the condition of the hangar floor. Mr. Parmer stated he has received quotes on various methods of repair and estimates have varied from \$10,000 to \$28,000. He stated he is sure there is some way to satisfy their concerns without having to spend \$28,000. He added that Mr. Kuhn was not that concerned about the floor at this time but was anxious to arrange for the lease extension as the lease expires in March.

Mr. Gallagher moved the Airport Authority extend the lease on Hangar No. 9 and proceed with the improvements requested by the Corps of Engineers.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Received Grant Agreement for Project No. 3 38 0017 13, in the Amount of \$2,882,565, for Continued Work on Runway 8/26 Project:

Mr. Parmer stated that we do not have the actual grant agreement in hand but we expect it in the mail any day. Mr. Parmer stated that instead of calling a special meeting the Airport Authority can take action to accept the grant agreement today. He stated that the FAA is still working on the grant to Phase III of the project in the amount of \$1.4 million.

Mrs. Stanton moved the Airport Authority accept and authorize execution of the Grant Agreement in the amount of \$2,885,565 for Project No. 3 38 0017 13 for continued work on Runway 8/26 Project.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Authorized Execution of Electrical Contract Documents, Runway 8/26 Project No. 3 38 0017 13:

Mr. Parmer stated that until now the Airport Authority has not had contract documents with the contractor for the electrical portion of Phase II of the Runway 8/26 Project (Edling Electric). Mr. Parmer stated that Edling has not been able to order materials without a contract and they would like to be able to proceed with ordering materials. Mr. Parmer stated the documents are in order and it is just a matter of the Airport Authority authorizing execution of the contract documents.

Mrs. Stanton moved the Airport Authority authorize execution of the contract documents with Edling Electric for the Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Gallagher

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Thursday, March 25, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:07 a.m.

Regular Meeting

Thursday

March 25, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Thursday, March 25, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as shown following:

Present: Stanton, Gallagher, Hentges
Absent: Williams, Cichy
Others: Stewart, MacLeod

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 2, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held March 2, 1993.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$55,532.44:

Mr. Gallagher moved to approve the airport vouchers totaling \$55,532.44.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher and Hentges voted aye.

Absent and not voting: Williams, Cichy.

The motion was declared carried.

Received and Filed Statement of Operations for the Month of January 1993:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of January 1993.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Accepted and Authorized Execution of Amendment No. 1 to the Grant Agreement for FAR Part 107.14 Security Update, Project No. 3 38 0017 11:

Mr. Parmer explained that we have requested Amendment No. 1 to the Security Update Project No. 3 38 0017 11 in the amount of \$17,829.47 and the FAA has approved this request.

Accepted and Authorized Execution of Amendment No. 1 to the Grant Agreement for FAR Part 107.14 Security Update, Project No. 3 38 0017 11: (Continued)

Mrs. Stanton moved to accept and authorize execution of Amendment No. 1 to the Grant Agreement for the FAR Part 107.14 Security Update, Project No. 3 38 0017 11.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Received Resolution of Allen Ross Claim for Damage to Special Tiedown Ropes:

Mr. Parmer stated he expected to have received something from small claims court regarding the case against the Airport Authority by Mr. Allen Ross for damage to tiedown ropes. Mr. Parmer stated he had not yet received anything but reported that he did appear in court for the case and the judge found for the defense (Airport Authority).

Received Report on Airport Layout Plan, Line of Sight Study:

Mr. Parmer stated that some weeks ago the Airport Authority authorized Ulteig Engineers to conduct a Line of Sight Study as requested by the FAA. Mr. Parmer stated that the FAA is holding up approval on our ALP until the line of sight study is completed and any adjustments made. Mr. Parmer asked Mr. Wes Schon, Ulteig Engineers, to explain any modifications made as a result of the study.

Mr. Schon stated that after conducting the study and numerous discussions with Mr. Parmer he made the following three modifications to the ALP:

1. Shortened Runway 17L/35R from 4500' to 3900'.
2. Moved Runway 17L/35R south 200'.
3. Moved the corporate hangar complex further west.

Mr. Schon added that the runway will remain in the same east/west position but it will be shorter and moved further south. Mr. Schon stated that these changes give a clear line of sight from the control tower to the end of the runway. He stated that if this is acceptable to the Airport Authority we will then submit it to the FAA for their approval. He stated that he and Mr. Parmer will either go to Bismarck to meet with Irene Porter of the FAA Airports District Office or invite her to Fargo, as she has not yet visited our airport.

Mr. Schon stated a recent letter containing some concerns of the FAA included the dome.

Mr. Parmer stated that before the dome was approved it went through an airspace review. Mr. Parmer asked Mr. Dave Cink, Fargo Tower, to comment on the matter.

Mr. Cink was recognized and stated that question of Runway 17L/35R and parallel taxiway in relation to the dome was brought up but they again went through the review and it was not a factor.

Mr. Schon stated that he would think that the approach to Runway 13/31 would affect the dome far more than 17L/35R. He stated that he feels this plan with the recent adjustments is a good one and if we go moving the hangar sites any further west we will have to start rethinking a lot of things. He stated the next step now is to review this with the FAA.

Mr. Gallagher asked how these changes will affect the cost of the project.

Mr. Schon stated that the changes should actually reduce the cost of construction since the runway was shortened. He added he did not calculate the difference in cost but it will probably be a little less and in the worst case scenario it would break even.

Received Report on Airport Layout Plan, Line of Sight Study: (Continued)

Mr. Parmer stated that Weather Modification Incorporated has been waiting for construction to begin in the new general aviation area so that they may locate there. In proposing their plans they have indicated to the Airport Authority that they would like to be located as far west as possible. Mr. Parmer stated he would not agree wholeheartedly.

Mr. Schon stated the front area of the new general aviation ramp is set aside for FBOs. He stated the total width of the ramp is approximately 1500', which is twice the size of the air carrier ramp.

Mr. Parmer stated that other than some fine tuning of this plan we are ready to go on to the next step and submit it to the FAA Bismarck office where it goes on to another FAA level from there.

Mr. Gordon Person, Dakota Aero Tech, was recognized and stated that in past planning discussions for Runway 17L/35R the possibility of extending the runway and moving Cass County 20 has been considered and if any extension is still a consideration you would not want to do any shifting because the line of sight could again be obstructed.

Mr. Parmer stated if the runway were extended it would also have to be widened and we would have to come up with justification for the extension.

Mr. Schon stated that according to FAA guidelines Runway 17L/35R has a recommended length of 3900' and any lengthening would have to be justified. Unless we would have a capacity problem the argument the FAA would make is that there is a 10,000' full instrument runway 1700' to the west and why should they invest the money on something not necessary. He added that we have a long way to go before we have a capacity problem.

Mrs. Stanton moved to approve the changes to the Airport Layout Plan with regard to Runway 17L/35R and the general aviation area as outlined and that the Executive Director and Ulteig Engineers be authorized to proceed with submission to the FAA for approval.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher and Hentges.

Absent and not voting: Williams, Cichy.

The motion was declared carried.

Received Invitation to Participate in Total Quality Management Satellite Seminar Program:

Mr. Parmer stated the Airport Authority has received a memorandum from Commissioner Furness inviting members of the Airport Authority to attend the Total Quality Management in Government satellite seminars. These seminars are being sponsored by the Fargo Chamber of Commerce, the City of Fargo and Cass County. The seminars are being held at Northwest Technical College, Moorhead on May 27 and June 17, 11:45 a.m. to 2:00 p.m.

Mrs. Stanton moved to receive and file the invitation to the Total Quality Management Satellite Seminar programs.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Authorized Attendance at the AAAE Annual Conference and Exposition, May 9 12, Dallas, Texas:

Mr. Parmer stated that the American Association of Airport Executives will be holding its Annual Conference and Exposition in Dallas this year, May 9 12.

Mr. Gallagher moved to authorize attendance at the AAAE Annual Conference and Exposition, May 9 12, Dallas, TX.

Second by Mrs. Stanton.

Mr. Hentges stated he feels it is important for the Executive Director and members of the Airport Authority to attend these conferences. He stated he just returned from attending the AAAE legislative conference in Washington, DC and added that now more than ever the airport trust fund is under severe attack. He stated there is a lot of conversation going around Washington right now about taking money from that trust fund for purposes other than its intended use, which is airport improvements. The trust fund has been held hostage by Congress to offset the deficit. Mr. Hentges stated there are 150 new members in Congress and the strength of the AAAE organization is important to the airports in the country so he feels it necessary that we attend these conferences. Mr. Hentges stated there are important conversations held at these conferences in addition to the seminars that are conducted.

Chairman Hentges stated that the proposed economic stimulus package contains \$250 million for airports and Fargo has been categorized as a priority airport for fiscal year 1993 funding and that is why we are getting the funding for the Runway 8/26 Project.

Mr. Parmer stated it is his understanding that any new money for airport improvements will follow the same guidelines as the Airport Improvement Program and the FAA presently has funding requests far in excess of funds available. He added that at the next meeting he plans to review the upcoming airport improvement projects which are not eligible AIP funding.

On the call of the roll, members Stanton, Gallagher and Hentges voted aye.

Absent and not voting: Williams, Cichy.

The motion to authorize attendance was declared carried.

Other Business:

Mr. Parmer stated that last year we received some correspondence from the International Trade Roundtable that was somewhat critical of the Airport Authority as far as pursuing air cargo business. He stated that one of the criticisms was that no one from the Airport Authority attended an air cargo conference that was held. Mr. Parmer stated that he just received information from Mr. Al Goldberg regarding the 2nd Annual International Air Cargo Conference and Exposition, May 18 19, Ft. Lauderdale, FL. They would like to see someone from the Airport Authority attend for an opportunity to search out clients for the Airport Industrial Park.

Mr. Parmer stated he discussed with Mr. Gallagher the possibility of his attending this conference and Mr. Gallagher indicated he would be willing to attend.

Mrs. Stanton moved to authorize Mr. Gallagher's attendance at the 2nd Annual International Air Cargo Conference and Exposition, May 18 19 in Ft. Lauderdale, FL.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher and Hentges voted aye.

Absent and not voting: Williams, Cichy.

The motion was declared carried.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, April 13, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:23 a.m.

Regular Meeting

Tuesday

April 13, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held on Tuesday, April 13, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as shown following:

Present: Stanton, Gallagher, Williams, Cichy, Hentges

Absent: None

Others: Bromenschenkel, MacLeod

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 25, 1993:

Mr. Cichy moved to approve the minutes of the regular meeting of the Municipal Airport Authority held March 25, 1993.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$62,863.82:

Mr. Gallagher moved to approve the airport vouchers totaling \$62,863.82.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Cichy moved to approve the individual voucher in the amount of \$5,659.75 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received and Filed Statement of Operations for the Month of February 1993:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of February 1993.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Received Summons and Complaint, Doris Harbin vs. Municipal Airport Authority:

Mr. Parmer explained that this summons and complaint involved a woman who fell in the terminal building.

Mrs. Stanton moved to receive the summons and complaint and refer it to our insurance carrier and Attorney Stewart.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Received Declaration Establishing a Plan for Condominium Ownership:

Mr. Parmer stated there is a two stall hangar located on the airport which is owned by David Olig and Ed Samuelson. They now have plans to divide the hangar into two separate units and enter into a condominium agreement and are looking for the Airport Authority's concurrence.

Mrs. Stanton moved to approve the declaration establishing a plan for condominium ownership for Northwest Hangar and authorize execution of declaration.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Communication from Valley Aviation Requesting Permission to Install an Aircraft Self Fueling Station:

Mr. Parmer read a communication from Mr. Clif Hamilton III, Valley Aviation, stating that in the interest of general aviation Valley Aviation would like to do their part in making it more affordable for general aviation pilots to operate their aircraft by offering discounted self service fuel. They would like permission from the Airport Authority to install and operate such a devise. The location of the self service station would be adjacent to the Valley South hangar. Installation of the station would meet or exceed all current city fire codes.

Mrs. Stanton moved to receive and file the communication from Valley Aviation.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Mr. Parmer stated he has visited with the Fargo Fire Department as well as the FAA certification inspector in Chicago to see if they had any concerns. Mr. Parmer stated the FAA is going to send him a copy of the regulations they require. He added he was surprised to learn that Fargo Fire Department regulations require the tank be underground. Mr. Parmer advised representatives of Valley Aviation that when they start planning the installation that the plans for the tanks at our maintenance shop would be available for them to review.

Mr. Cliff Hamilton III was recognized and stated the requirements depend upon the capacity of the tanks and they are planning on 1,000 gallon tanks.

Mrs. Stanton moved to approve the request of Valley Aviation to install an aircraft self fueling station, contingent upon meeting the requirements of the codes of all agencies involved.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Copy of Communication from Federal Aviation Administration Concerning Proposal to Reduce Operating Hours of the Air Traffic Control Tower:

Mr. Parmer stated Mr. Don Driscoll, Manager of the Fargo Air Traffic Control Tower, furnished him with a copy of a memorandum he received from the Federal Aviation Administration dated March 26 regarding reduction in the hours of operation of the Fargo Tower. Mr. Parmer stated the significant paragraph of the memorandum was paragraph number two, which stated:

"When evaluating a request for a reduction in operating hours, it is the Division policy to consider the cost factors as well as the impact on the aviation community. An overwhelming number of letters opposing this reduction in hours were received from airport users and airport management. The major concerns were the compromising of the levels of service and safety. Based on this response, we feel the continuation of a 24 hour tower at Fargo is in the best interest of the airport and the aviation community."

Mrs. Stanton moved to receive and file the communication from the Federal Aviation Administration concerning the hours of operation of the control tower.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Chairman Hentges thanked those who took the time and effort to write letters regarding this matter.

Authorized Purchase of Paint Striper for the Maintenance Department:

Mr. Parmer stated that the airport maintenance staff does a lot of its own striping and the machine they have presently is no longer operational and needs to be replaced. Mr. Parmer stated the cost of the proposed unit is approximately \$2,500.

Mrs. Stanton stated that someone brought to her attention that Cass and Clay counties share a striper and wonder if it might be worthwhile to see if the airport might be able to use that one as well.

Mr. Parmer stated the maintenance department does not do the striping on the runways but there is a lot of other striping in parking lots and the general aviation area and we need to have the machine readily available when we need it.

Mr. Williams stated it has been his experience with those machines that unless they are kept up they are a lot of trouble. He stated that Mrs. Stanton's idea was fine but it would be best for the airport to have its own machine.

Mr. Williams moved to authorize the purchase of a paint striper for the maintenance department.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Discussed Improvement Projects Not Eligible for AIP Funding:

Mr. Parmer stated there are a number of improvements the Airport Authority should be giving serious consideration to which do not qualify for federal assistance. Mr. Parmer stated the parking lot near the Eastside Terminal is not in good shape. He stated he would like the Airport Authority to consider putting a level course over the entire asphalt area. He stated that Ulteig Engineers has done a rough cost estimate.

Discussed Improvement Projects Not Eligible for AIP Funding: (Continued)

Mr. Parmer added that before we do anything with the asphalt we will have to replace a water main. In 1980 we brought a new water main down the access road but there was one section of water main that was not replaced and that is the section serving a line of hangars. Mr. Parmer also stated that before resurfacing the parking lot we would have to settle the matter of the Northwest Airlines fuel tanks that were removed. He stated he has discussed this with Northwest Airlines and after four years of monitoring the area they are satisfied that there is no contamination of the soil. Mr. Parmer stated the rough estimate of this project is about \$140,000.

Mr. Parmer stated a second project to be considered are the utilities into the new general aviation area. The City Engineer's estimate on this project is \$350,000 for the water and sewer.

Mr. Parmer stated the third project he has in mind is asphaltting the surface in the viewing park area just off the westside access road. He stated this area is used quite frequently and the surface right now is just gravel. Mr. Parmer stated the Airport Authority may recall that Mr. Bob Johnson, Fargo Park District, had further plans for this viewing park, such as a children's park. Mr. Parmer stated he talked to Mr. Johnson this morning and he is still considering going ahead with the children's park. He stated he also asked Mr. Johnson if the Airport Authority went ahead with the paving project if the Park District would consider funding some type of decorative retainer around the parking area, as we have had cars drive into the ditch before. He stated he was not sure of the cost factor involved. Mr. Parmer stated the paving project in the viewing park area would be roughly \$40,000. He added that even though it looks like a small area it would require about 1,250 tons of bituminous resurfacing.

Mr. Williams asked Mr. Parmer to rate the priority of these three projects.

Mr. Parmer stated that the first two projects will be required, the paving on the eastside and the utilities in the general aviation area. He stated he would like to see the work completed on the eastside parking lot. In answer to a question from Mr. Williams, Mr. Parmer stated the \$140,000 estimate would include the replacement of the water line as well as the parking lot surface.

Mr. Williams stated he feels the parking lot should be a number one priority.

Mrs. Stanton asked Mr. Parmer which projects he would suggest we do.

Mr. Parmer stated he would suggest we do them all. Mr. Parmer stated if the Airport Authority feels it would like to proceed with the projects our first step would be to get plans and specifications drawn up, approve the plans and specs, and then go to bid.

Mr. Cichy moved the Executive Director be authorized to proceed with the preliminary steps for these three projects and that firm recommendations be made to the Airport Authority, at which time we can act upon the projects.

Second by Mrs. Stanton.

Chairman Hentges stated that during the AAAE legislative conference in Washington he learned that the water and sewer projects at the airport would possibly be an eligible item in the economic stimulus package. Chairman Hentges asked Mr. Bromenschenkel to comment on the block grant funds they recently decided to return to the federal government.

Commissioner Bromenschenkel stated the funds that they voted to return to the Federal government were community development funds to be used for areas with low to moderate income families and probably could not be used for installation of utilities at the airport. He added the funds could be used to make a building handicapped accessible.

Discussed Improvement Projects Not Eligible for AIP Funding: (Continued)

Chairman Hentges stated that if funds become available for such projects we should have our projects ready to go so that if the bill passes we would be ready to submit our projects for funding. He stated that when the Airport Authority put in water and sewer for the Airport Industrial Park it was a jointly funded venture between the Airport Authority and the City of Fargo.

Mr. Williams stated we have a lot of development planned and he wants to be sure we don't short ourselves.

Mr. Parmer stated he just sent the FAA our five year development plan which calls for improvements in excess of \$12 million.

Chairman Hentges stated he feels it is important for the Airport Authority to remain apprised of the City Commission's plans and budgets in order to avert a situation such as last year when the City Commission came to the Airport Authority requesting it reduce its mill levy at the last minute in order to get the Commission out of a budget corner.

Commissioner Bromenschenkel stated that the City Commission's response to the stimulus package fund spoke only to city funds and that is only part of the package. He stated that there will be a 90 day window in which these projects would have to be approved and a water and sewer project may be eligible for such funding.

Mr. Gallagher asked Mr. Cichy about the possibility of sliding polyethylene pipe into the existing water main.

Mr. Cichy stated he was not sure about this particular project. He stated that was done with some of the pipe on the south side of Fargo, but we would have to consult the City Engineer on that.

Mr. Wes Schon, Ulteig Engineers, indicated that the water main in question is a six inch main. He stated the bulk of the cost of such a project is the excavating and that is why the slip line procedure is encouraged. He stated the City may want to upgrade to a minimum of an eight inch pipe but the slip line will not work with a six inch main. He added that the sanitary system on the eastside seems to be alright with the exception of the manholes which could be taken care of at the same time so they are kept up to date.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Mr. Parmer stated he wished to update the Airport Authority on the additional \$1.4 million we are waiting for from the FAA to complete the 8/26 Project. He stated that it is his understanding that Hector Airport is a priority airport for receiving funds but apparently those funds are tied to the stimulus package which has not been passed by Congress. He stated he had expected to receive the grant by now but he is still confident we will receive it before the project gets going.

Chairman Hentges stated that this was funding that was authorized for 1993 but was not released and now incorporated into the stimulus package so it is a "smoke and mirrors" situation. He stated the money is in the AIP funds and there is no reason we should be taken off the list.

OTHER BUSINESS:

Chairman Hentges stated that Mr. Bob Thibideau is present at the meeting and asked if Mr. Parmer wished to discuss anything on Weather Modification Incorporated.

Mr. Parmer stated he did not have any information on the agenda but asked Mr. Thibideau to make any comments he had.

OTHER BUSINESS: (Continued)

Mr. Thibideau was recognized and stated that he has not gotten all of the information he needs yet from WMI and that he would like to get some sense of what the Airport Authority is looking for in his analysis.

Chairman Hentges stated that one thing the Authority is looking for is WMI's financial ability to support a lease, whatever level it may be.

Mr. Thibideau stated that one unknown factor is that a great deal of their revenue is "one time" business from foreign income and they have been successful in replacing that revenue with other projects.

Chairman Hentges stated he talked with Pat Sweeney the other day and they have had an illness in the family recently but we could possibly gather further information before the next Airport Authority meeting on April 27.

Mr. Cichy moved to adjourn the regular meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, April 27, 1993 at 10:30 a.m. in the Airport Boardroom.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:10 a.m.

Regular Meeting

Tuesday

May 4, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, May 4, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Cichy, Hentges

Absent: Williams

Others: Stewart, Bromenschenkel, MacLeod

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 4, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held April 13, 1993.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Approved Airport Vouchers Totaling \$54,797.28:

Mr. Gallagher moved to approve the airport vouchers totaling \$54,797.28.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Approved Individual Voucher to Edling Electric:

Mrs. Stanton moved to approve the individual voucher in the amount of \$85,983.20 to Edling Electric for Partial Payment Request No. 1 for construction materials in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Received and Filed Statement of Operations for the Month of March 1993:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of Operations for the Month of March 1993.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Received Communication from Civil Air Patrol Requesting Airport Authority Purchase Advertisement in Quarterly Publication:

Mr. Parmer stated he received a communication from the Civil Air Patrol requesting the Airport Authority purchase an advertisement in their quarterly publication. The rates for the ads range from \$75 to \$895. Mr. Parmer stated that he indicated to them that the Airport Authority has not approved these types of requests in the past because we get so many. Mr. Cichy asked who receives the publication and how it would benefit the Airport Authority.

Mr. Parmer stated he is not sure how many people receive this publication.

Chairman Hentges stated the Airport Authority does contribute to the Civil Air Patrol in the form of rent allowances.

Mr. Cichy moved the Airport Authority decline this opportunity and that the request be denied.

Second by Mr. Gallagher.

All members present voted aye and the motion be declared carried.

Received Communication from Federal Aviation Administration Concerning Attendance at Civil Aviation Security Training Seminar:

Mr. Parmer stated that at the January 19, 1993 meeting the Airport Authority approved attendance at an airport security seminar in Oklahoma City in June. This seminar is funded almost entirely by the FAA and there are a limited number of attendees. Unfortunately, we were not one of the airports selected. They have now advised us of another course to be held in August in South Bend, Indiana. He stated that all travel expenses would be the responsibility of the Airport Authority. Mr. Parmer requested the prior approval for attendance be extended to this seminar.

Mr. Cichy moved the approval for attendance at the airport security seminar be extended to the seminar in South Bend, IN.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Received Communication from Tobacco Free North Dakota:

Mr. Parmer stated he received a communication from Tobacco Free North Dakota (TFND) advising that Hector Airport has been selected to receive an outstanding service award. The awards will be presented at the annual meeting of TFND on May 11, 1993 in Bismarck. Mr. Parmer stated he would not be able to attend the luncheon as he will be in Dallas for the AAEE Conference.

Mrs. Stanton stated she feels we should send them a letter thanking them for the award.

Chairman Hentges stated we certainly should acknowledge the award in some manner.

Mr. Cichy stated he feels the acknowledgment should be more than cursory as we were obviously a leader in this area.

Received Communication from Tobacco Free North Dakota: (Continued)

Chairman Hentges stated he would like to see someone represent the Airport Authority and accept this award. He asked Mrs. Stanton to see if she can attend and if not, arrange for someone else to go.

Mr. Cichy moved to authorize attendance at the Tobacco Free North Dakota luncheon in Bismarck on May 11, 1993.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Considered Purchase of Laser Printer:

Mr. Parmer asked Shawn Dobberstein to present the Airport Authority with the details on the laser printer and the need for this purchase.

Mr. Dobberstein stated that we have been considering the purchase of a laser printer for some time as it would be a nice addition to our computer equipment. He stated that a laser printer will give us more print capabilities and options and allow more creativity with documents prepared. He stated that we had a demonstration of the Hewlett Packard LaserJet 4 Printer at the City Engineer's Office. He stated that the differences between a laser printer and our current printer is that it is faster, quieter, better quality print, as well as more print options. He stated another feature is that this printer will print the AutoCad software which contains maps, layout plans, etc.

Mr. Dobberstein stated he received three informal proposals, the lowest of which was \$1,803 (installed) from The Network Center. Other proposals were \$1,829 from Computerland and \$1,942 from Microage Computers. He added that the original printer that came with the computer system has been in storage for some time and he stated we have gotten offers of \$50 \$75 to purchase the unit.

Chairman Hentges stated that for the small difference between the lowest proposal and Computerland's proposal, he feels the service capabilities of Computerland are greater.

Mr. Dobberstein stated that other departments of the City have purchased equipment from The Network Center and have had very good service. He added that The Network Center has good relationship with the City.

Mr. Gallagher moved to approve the purchase of a laser printer from the vendor of the staff's choice and that the old printer be sold.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Reviewed Runway 8/26 Schedule:

Mr. Parmer stated we are still looking for the final \$1.4 million in discretionary funds to finish the Runway 8/26 project. He stated many airports in the country had proposed projects which were tied to the stimulus package and since that did not pass in Congress those airports are now looking for discretionary funds. Mr. Parmer stated we have some congressional people working on our behalf but we have not yet heard anything. Mr. Parmer stated he didn't think it would happen but we might not be able to finish the project this fall.

Reviewed Runway 8/26 Schedule: (Continued)

Mr. Parmer stated that the area between Taxiway A and B is our main concern this year as the air carriers will be required to operate from Taxiway A for a period of 60 days. He stated that he and Mr. Wes Schon met with the contractor the other day trying to set up schedules, etc., and there will be other meetings prior to the pre construction conference on May 19. Mr. Parmer stated we have also met with the airline representatives and have been in contact with the Air Transport Association with regard to Taxiway A. He stated that we are doing even more than the airlines thought we would be doing in order to use the taxiway as a runway temporarily. We will mark the taxiway as a runway, have Runway Identifier Lights on both ends and a PAPI installed. Mr. Parmer indicated there are some details yet to be worked out on the PAPI as the system the contractor has ordered will not be shipped until June 28. There is a possibility of borrowing a two box PAPI from Devils Lake.

Mr. Parmer stated that at this point the only concern the people at the Air Transport Association have is the location of the box for the Guard's barrier cable. The cable will extend across the runway only during Guard operations. The rest of the time the taxiway will be free of the cable so that it will not interfere with the air carriers. He stated the only problem is that the control box for the barrier will be in the safety area. He stated we might have more concern from the FAA than from the air carriers.

Mr. Parmer stated as far as the schedule is concerned right now we plan to close Runway 17/35 starting June 7 for 60 days. He stated that during that time we will also be doing rehabilitation work on Runway 17/35.

Mr. Parmer stated that if and when we receive the third grant it will not have that great an affect on the construction schedule. Mr. Wes Schon, Ulteig Engineers, stated they have already been working for about a week now. He stated that another consideration with regard to the PAPI would be renting a system and they have gotten an estimate of about \$1,000, which is a nominal fee. He stated he would prefer going that route rather than borrowing one and possibly messing up someone else's project.

Mr. Parmer asked if the rental cost would be included in the project.

Mr. Schon stated it could be added with a change order.

Chairman Hentges stated that when we are talking about a multi million dollar project additional costs such as this are nominal.

Mr. Schon stated they have not yet received final approval of our safety plan from the FAA.

Chairman Hentges distributed copies of a letter from Senator Dorgan which was a follow up to his visit with Senator Dorgan in March. He stated he would like this board to consider contracting with a consultant in Washington to assist us in obtaining this additional funding. He stated the person he has in mind is Sarah Garland, who is extremely well connected in Washington. He added that he is not even sure she has time available. Ms. Garland was Administrative Assistant for Senator Burdick, Chief of Staff for Senator Conrad, and also has an associate who was involved with appropriations and transportation with Senator Andrews. Chairman Hentges stated he would suggest we contract with Ms. Garland up to a dollar amount feasible to Mr. Parmer to assist us with this funding.

Mr. Parmer stated right now we are working with Senator Conrad's office and he is not sure we should step in the middle of this with a consultant. He stated Senator Conrad's staff has sent a letter to Secretary Pena with a copy to the acting administrator of the FAA. This letter was sent April 30 so we have not received anything at this point. Mr. Parmer stated there are discretionary dollars available in the AIP fund which have already been appropriated. We also know that the number of requests awaiting funding far exceed the funds available.

Reviewed Runway 8/26 Schedule: (Continued)

Mr. Parmer stated he has stressed the fact that the FAA requested in 1991 that the Airport Authority move ahead with the Runway 8/26 project.

Mrs. Stanton stated that she sees no point in hiring a consultant to do what we have two senators and one congressman to do for us, as that is their job, and they are certainly aware of our needs. She added that we are coming up to budget time and since dollars are tight she would not be in favor of this type of expenditure. She stated that we have done very well in the past with assistance from our congressmen and she would not be in favor of hiring a consultant at this time.

Chairman Hentges stated that in his judgement hiring a consultant would not be going over anyone's head. He added that the consultant he has in mind is not putting any pressure on him and he is not even sure she would have any time available. He added that it would be a shame to lose project funds over the matter of a consultant's fee.

Mrs. Stanton stated we are not going to lose project funds and we have done some very important projects without the services of a consultant.

Mr. Gallagher stated he would see nothing wrong with getting an idea of the anticipated cost.

Chairman Hentges stated that Sarah Garland is a native of North Dakota and is not going to take advantage of this situation. As of January she resigned as Dorgan's chief of staff and is very much in demand in Washington.

Mr. Parmer stated that the FAA District Office in Bismarck periodically asks us to submit a five year plan for improvements. We submitted a plan recently calling for expenditures in excess of \$12 million.

Mr. Parmer stated that if this project is delayed until next year the first thing the FAA will do is take our enplanement funds for 1994, which are estimated to be \$954,000. If this is the case it would put our plans for the general aviation area back a year. He stated that we had hoped to move ahead with development in the new general aviation area as soon as the Runway 8/26 project was completed.

Chairman Hentges stated that right now the federal government is appropriating only a portion of the funds coming in from the tax on airline tickets, which is designated for the Airport Improvement Program. The rest of the funds are being used to offset the deficit. He added that another concern is that airlines are looking to Congress to use these funds to assist the airline industry, which would stop airport improvements for the next several years.

Mr. Parmer stated that the paper figure for the surplus in the trust fund gained from the tax on airline users is in excess of \$8 billion but the money has been used for some other purpose.

Chairman Hentges stated they use that figure to reflect less government borrowing and less deficit and that looks like an erosion that is going to continue.

Mr. Cichy stated that basically we have a project and are not sure about our funding and the question is will hiring a consultant put us over the hump or are we comfortable with going the way we have been going. He stated in all due respect to the Chairman's suggestion things have been going well in the past.

Mrs. Stanton stated it still comes down to what Congress is going to do. She stated she does not feel one person is going to make a bit of difference. If Conrad, Dorgan and Pommeroy don't know what we need and aren't working for it then the pressure should be on them and we shouldn't have anyone in between.

Reviewed Runway 8/26 Schedule: (Continued)

Chairman Hentges stated we have been lucky in some respects in the past and he doesn't want to pick on this thing but having someone who cares riding herd on this thing could not hurt.

Mr. Cichy asked Chairman Hentges how much he suggests spending on a consultant.

Chairman Hentges stated he felt that should be left up to the Executive Director but that we put a limit of about \$5,000. He added that Mr. Parmer has met with Sarah Garland and if there were no benefit to the Airport Authority's hiring her she would tell us that.

Mr. Parmer stated if we were starting a new project that would be another matter but this project has already received full approval from the FAA.

Chairman Hentges stated that we have been relying on discretionary funds which means the disbursement of those funds is at someone's discretion.

Mr. Cichy moved to adjourn the regular meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, May 18, 1993 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:19 a.m.

Regular Meeting

Tuesday

May 18, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, May 18, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Hentges, Stanton, Williams, Cichy

Absent: Gallagher

Others: Stewart

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 4, 1993:

Mr. Cichy moved to approve the minutes of the regular meeting of the Municipal Airport Authority held May 4, 1993.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$44,396.28:

Mr. Williams moved to approve the airport vouchers totaling \$44,396.28.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher.

The motion was declared carried.

Approve the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Cichy moved to approve the individual voucher in the amount of \$5,010.67 to Ulteig Engineers, Inc. for engineering services in connection with Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Williams.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher.

The motion was declared carried.

Approve the Individual Voucher to Northern Improvement Company:

Mr. Cichy moved to approve the individual voucher in the amount of \$94,554.63 for Partial Payment Request No. 4 for construction in connection with Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Williams.

Approve the Individual Voucher to Northern Improvement Company: (Continued)

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher.

The motion was declared carried.

Received Progress Report on Runway 8/26 Project:

Mr. Parmer stated there is a preconstruction conference scheduled for 10:00 a.m. on Wednesday, May 19, in the Airport Boardroom. Mr. Parmer stated this is a requirement of the FAA.

Mr. Parmer stated we have scheduled Runway 17/35 to be closed June 7. He added that everyone has been notified of this closure and this is one of the items that will be discussed at the preconstruction conference.

Mr. Parmer stated that he was just advised that the North Dakota Aeronautics Commission has funding in the amount of \$108,000 to distribute to general aviation and air carrier airports in the state. They will be having a meeting June 4 at which they will receive requests for funding. He stated he has not checked with the Aeronautics Commission yet but he is not even sure we would be eligible for any funding for the Runway 8/26 Project as our request last year for funding for this same project was approved. We have not yet received the funds but we were awarded \$56,000 of the \$329,000. He stated he would be contacting the Aeronautics Commission and will advise the Airport Authority.

Mr. Wes Schon, Ulteig Engineers, was recognized and stated that he has two change orders that need approval. One is for Northern Improvement's portion of the project. Since funding for the entire project was not included under one grant the FAA did some transferring of funds from one grant to another. Also included in that change order is the removal of RVR towers in order to implement the Safety Plan, as well as enlarging one gate which amounted to an increase of \$220.

Mr. Schon stated the other change order is Change Order No. 1 to the electrical portion of the project which is simply a time extension requested by Edling Electric. He stated the reason for this request is the delay in getting the project under way. He stated the requested date for the extension was November 30, 1993. He stated that if we do not get the additional funding we are waiting for yet this year we will probably have to extend that further.

Mr. Schon stated final details on these change orders should be taken care of at the preconstruction conference tomorrow and he would like the Airport Authority to authorize the Executive Director to sign them at that time.

Mr. Schon stated all of the fence work on this project has been completed and they have done as much of the dirt work as possible.

Mr. Parmer asked how long it will take to convert Taxiway A to a runway.

Mr. Schon stated changing the signage, lighting and markings on Taxiway A to a runway should not take more than one day.

Mr. Schon reviewed the requested change orders. The change order to the electrical portion of the project involves no change in cost, it is simply a request for a time extension to November 30, 1993. Mr. Schon explained that the change order to Northern Improvement's portion of the project institutes the grant for Project 3 38 0017 13 in the amount of \$1.6 million. Included in the change order is the cost for renting REILs and VASIs, removing the RVR towers, and the widening of one gate from 24' to 30' at a cost of \$220, which was completed last fall.

Received Progress Report on Runway 8/26 Project:

Mr. Parmer asked if the FAA approved the change in the gate before work was completed.

Mr. Schon stated the FAA has not approved the alteration in the gate but they do not want to see every change as minor as this. He stated in the past he has sent small change orders to the FAA and they have sent them back without signature advising that they do not want a change order for every small change. He added he is confident the FAA will cover the \$220 for the gate alteration.

Mr. Parmer stated that the items in the change order for Northern Improvement have all been approved by the FAA but we are still waiting for a final dollar figure, which will be based on their bid.

Chairman Hentges stated he would like to see the Airport Authority be as accommodating as possible as far as time extensions since the contractors have been extremely cooperative in holding their bid prices.

Mr. Schon stated that if the third grant, which consists of the paving east of Taxiway B, does not come in this year then Edling cannot put lights up until the pavement is in. If that is the case we will then have to extend the project again until 1994.

Mrs. Stanton moved to authorize the Executive Director to sign the change order to the electrical portion of the project as requested by Edling Electric.

Second by Mr. Williams.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher.

The motion was declared carried.

Mrs. Stanton moved to authorize the Executive Director to sign the change order to Northern Improvement's portion of the project when the actual dollar figure has been received.

Second by Mr. Williams.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher.

The motion was declared carried.

Received Report on AAAE Annual Conference:

Mr. Parmer stated this year's AAAE Conference was attended by over 1700 registrants (airport representatives, exhibitors, etc.). He stated there were 287 exposition booths which is the largest number he recalls. Mr. Parmer stated there was a great deal of emphasis on environmental issues. He stated they did things a little differently this year and ran sessions concurrently so they were not able to attend all sessions. He added that this year they will be offering videos tapes of all sessions for purchase and information on that will be coming out in the near future.

Mr. Parmer stated the AAAE is starting a new program called the Airport News and Training Network (ANTN) offering a continuing education program. He stated the subscription charge is \$285 per month, with a \$1300 one time equipment fee and \$700 annual equipment maintenance fee. He stated he has not received all of the information on this but when he does he will advise the Airport Authority.

Received Report on AAAE Annual Conference: (Continued)

Mrs. Stanton asked how many Airport Authority members from across the country attend this conference.

Mr. Parmer stated he did not have an exact figure but does have a roster of those attending.

Mrs. Stanton stated she does not know why the conference needs to be five days long.

Mr. Cichy stated the Secretary of Transportation normally attended the conference but this year had a message via tape. In his message the Secretary assured us it is business as usual as far as providing funding for improvements and construction. He stated that the air traffic is projected to double in the next ten years. Mr. Cichy stated there was a lot of talk about going more with dual runways (side by side) to better utilize existing facilities. Mr. Cichy stated the Secretary of Transportation is the former mayor of Denver and was involved in the new airport project in Denver which was projected to be a \$1.8 billion project and is now over \$20 billion.

Mr. Cichy stated also present at the conference was the acting administrator of the FAA and he spent quite a bit of time discussing the project changes in the landing systems.

Mr. Parmer stated the acting administrator of the FAA is asking for only a one year extension to the Airport Improvement Program. He stated in the past the program has been extended for three to five years. He stated the administration has appointed a committee to study the air transportation system. He added that he did not really hear any encouraging words. Mr. Parmer stated that airport improvement funds have been raised through user taxes and on paper there is a surplus of \$8 billion, but this surplus has been used for other purposes. Mr. Parmer stated the airlines are looking for a change in the law to allow airlines to retain a portion of the ticket tax rather than turning it over to the trust fund.

Chairman Hentges stated the airlines lost somewhere in the neighborhood of \$1.6 billion last year and they are looking to divert an entire year's AIP allocation to fill that gap. This is one of the reasons this commission was appointed.

Chairman Hentges stated the Airport News and Training Network is not something we should scoff at before we have all of the details. There is probably some valuable education and training that can be gained. He stated as the program gets more established and gains more subscribers the cost may come down.

Chairman Hentges stated the AAAE organization represents mainly the smaller airports in the country so it is important for their lobbying efforts in Washington to have these types of conferences. He added that AAAE's efforts in Washington have been very effective in the past.

Chairman Hentges stated one session that he, Mr. Parmer and Mr. Schon attended was on minimum standards for self fueling on the airport. He stated we have allowed this in the past but we will probably see more regulations in the future.

Chairman Hentges stated he feels it is beneficial to have these brainstorming sessions to review the conference as those who attend don't always have the opportunity to get together during the conference.

Received Report on AAAE Annual Conference: (Continued)

Mr. Parmer stated that he has mentioned before that we have submitted our five year plan to the FAA office in Bismarck. This plan calls for improvements in excess of \$12 million of FAA funds. The office in Bismarck has even indicated they cannot begin to fund projects in that amount. He stated that he and Mr. Schon do have a meeting in Bismarck on Monday, May 24 to come up with an amended plan. Mr. Parmer stated he feels funding will boil down to discretionary funds because if we are expected to fund all of our improvements based on enplanement funds only it will take a long time. He stated our enplanement funds in 1993 were \$826,000 and we anticipate \$954,000 in 1994. He stated he feels the FAA is looking to airports to facilitate the Passenger Facility Charge (PFC) to fund improvement projects.

Mrs. Stanton asked if it is really necessary that this conference run five days.

Mr. Parmer stated that Mrs. Stanton should attend the AAAE conference one year.

Mrs. Stanton stated she has never attended because she feels the registration charge is outrageous.

Mr. Parmer agreed the registration fee is high.

Mrs. Stanton stated she feels \$515 for registration is outrageous and she is going to calculate how much it cost to send the Authority members.

Mr. Cichy asked Mrs. Stanton how she can determine it is not worthwhile unless she has attended.

Mrs. Stanton stated she has never found that anyone attending has ever brought anything back that she has found to be impressive.

Mr. Cichy moved to adjourn the regular meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, June 1, 1993 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:05 a.m.

Regular Meeting

Tuesday

June 1, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, June 1, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Cichy, Hentges

Absent: None

Others: Stewart

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 18, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held May 18, 1993.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Approved Airport Vouchers Totaling \$20,702.13:

Mrs. Stanton moved to approve the airport vouchers totaling \$20,702.13.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Edling Electric:

Mr. Cichy moved to approve the individual voucher in the amount of \$65,600.50 for Partial Payment Request No. 2 for work in connection with Project No. 3 38 0017 13.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received and Filed Statement of Operations for the Month of April 1993:

Mr. Gallagher moved to receive and file the Statement of Operations for the month of April 1993.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Approved Request from North Dakota Air National Guard for Three Month Extension on Lease for Room 301, Eastside Terminal:

Mr. Parmer stated the Faker Program leases space in the Eastside Terminal and recently they leased additional office space on the third floor for a six month term. The lease on this space expires June 30, 1993, and they would like to extend the lease for another three months.

Mrs. Stanton moved to approve the request for a three month extension on the lease for Room 301, Eastside Terminal, as requested by the North Dakota Air National Guard.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Communication from FARGODOME Concerning Parking on 19th Avenue North:

Mr. Parmer stated he received a copy of a letter from Mr. Roger Newton, Executive Director of the FARGODOME, to Mr. Rick Lane, Traffic Engineer for the City of Fargo. In his letter, Mr. Newton refers to problems they have had with vehicles parking along the north side of 19th Avenue between the roadway and the Airport Authority's fence during dome events. Vehicles also park in the property for sale between the airport and Sunmart so a copy of this letter was also sent to the owner of this property, Mrs. Fred Hector.

Mr. Parmer stated he has not yet had a chance to visit with Mr. Newton but apparently he is asking the Traffic Department for some assistance with this problem. He stated this is certainly a concern and wanted the Airport Authority to be aware of the situation.

Mr. Williams moved to receive and file the communication from the FARGODOME.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Chairman Hentges stated the Executive Director will be keeping an eye on the matter and advise the Authority.

Receive Communication from First Bank Fargo on Automatic Teller Machine Proposal:

Mr. Parmer stated that one of the projects of the Hospitality Committee was to install the Automatic Teller Machine in the terminal. He stated at that time we had received quotes from various banks and we were advised that there would have to be at least 100 transactions per day to make it worthwhile for the bank. Mr. Parmer stated we have not had that many transactions per day but more like 30 35 per day. Mr. Parmer stated we have now received a communication from First Bank Fargo with a proposal for continuing the ATM service. The contract term would be one year with a monthly charge of \$950. For each withdrawal or cash advance we would be credited 35 cents and for each balance inquiry or transfer we would be credited five cents. Based on March transactions the net cost for that month would have been \$672.10 (\$950.00 less a credit of \$277.90 for 794 transactions at 35 cents each.) The estimated number of transactions needed to break even each month would be 2,725.

Mr. Parmer stated the Airport Authority must decide if it wishes to keep the cash machine in the terminal and if it is worth approximately \$600 a month.

Receive Communication from First Bank Fargo on Automatic Teller Machine Proposal:
(Continued)

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated he feels the figures speak for themselves. If there are 30 35 people a day using the machine there is apparently a need. He stated he saw an ATM in a Stop n Go store the other day and he wonders how much use a machine in that location would get. He stated there is a need for the machine but he doesn't think we will have 100 people using it every day. On the other hand if the machine were removed we would have 30 35 people every day asking where they could get cash.

Chairman Hentges stated the ATM is in a prime spot in the terminal and maybe we could check into the value of that space for advertising for the bank.

Mr. Williams stated Union State Bank has a machine at West Acres. There were previously two machines at the mall but one was losing money and the Union State machine just makes a few dollars, even with all of the traffic at the mall. He added he doesn't feel there is any way the machine at the airport can make money. Mr. Williams stated this is a service to the public but does the Airport Authority want to subsidize it.

Mr. Parmer stated that before a decision is made he would like to opportunity to visit with Mr. Steve Lovas from First Bank.

Mr. Williams stated if an ATM is that important to the passengers maybe the three airlines could subsidize the cost.

Mrs. Stanton moved to receive and file the communication from First Bank Fargo and that Mr. Parmer contact Mr. Lovas.

Second by Mr. Cichy.

Mr. Dave Dion, American Airlines, stated there is some value to the bank in having the machine at the airport and perhaps the Airport Authority could get bids from other banks.

All members present voted aye and the motion was declared carried.

Received Communication from Northwest Airlines Concerning Proposal Before Congress to Obtain a Refund of Excise Taxes:

Mr. David Hanna, Sales Manager, Northwest Airlines, was recognized and thanked the Airport Authority for the opportunity to appear today. He apologized for not being able to have someone from their Government Affairs Office here today but due to a change in plans they were unable to be here.

Mr. Hanna stated the purpose of his visit today is to solicit the support of the Airport Authority for the proposal presently before the Senate Finance Committee, of which Senator Conrad is a member. The proposal would allow airlines with excess net operating losses (NOLs) to obtain a refund on the amount of excise taxes they paid for the past two years. This is not a tax subsidy; it simply allows airlines to use NOLs now as credits against excess taxes, instead of waiting, as the law allows, to use those NOLs to reduce income taxes once the airline is profitable. Mr. Hanna added that this money does not come out of the Airport Trust Fund but rather from the General Treasury. Mr. Hanna stated that this would amount to about \$1.8 billion for the entire industry and about \$340 million for Northwest Airlines. Mr. Hanna offered to answer any questions the Authority members might have. Mr. Hanna added that as far as they know there is no opposition to this except from the Treasury Department. Mr. Hanna stated there is an alternate proposal whereby the federal government would offer low interest or interest free loans to air carriers.

Mrs. Stanton stated she would support this and hopes it passes.

Received Communication from Northwest Airlines Concerning Proposal Before Congress to Obtain a Refund of Excise Taxes: (Continued)

Mr. Parmer stated that in the past few months we have discussed proposed ideas of the airlines regarding the excise tax and at one time it was the intent of the airlines to dip into the trust fund to support this. He stated the Airport Authority would never have supported this type of proposal. In meeting with a group from Northwest Airlines the other day they made it clear that this proposal did not involve the trust fund.

Mrs. Stanton stated the airline industry definitely needs some help and the Airport Authority should do whatever it can to help.

Mr. Williams stated this gets back to the philosophy of business.

Chairman Hentges asked about the timing on this in terms of the committee taking action. He stated there is a lot of impact to consider.

Mr. Hanna stated that his company has been pressing them to get something done this week. Senator Conrad will be in the town this week and they are going to try to have an opportunity to meet with him.

Chairman Hentges stated with regard to the matter of losses, each airline has its own difficulties.

Mr. Williams stated this could reflect on the entire transportation industry as he is sure every form of transportation has to charge excise taxes. He added he thinks this thing could get nasty.

Mrs. Stanton stated she can understand that but our interests are with the airline industry. If there is a problem with the trucking industry let the trucking businesses handle that.

Mr. Cichy stated this is apparently a matter that will not be easily settled.

Chairman Hentges stated this proposal is certainly worthy of the Airport Authority's consideration but he would like to see the board wait until the next meeting until we adopt some form of resolution.

Mr. Jim Gordon, United Airlines, stated that United and American can also check with their company people and advise the Airport Authority on their opinions.

Chairman Hentges stated this is too complex an issue to act on today. He asked Mr. Parmer to contact Senator Conrad's office to see if he is available for a meeting with members of the Airport Authority.

Received Communication From APCOA Discussing Possibility of Adjusting Rates:

Mr. Parmer stated he received a communication from APCOA outlining their proposal for an adjustment in the parking rates. He stated he does not expect the Airport Authority to take action today as he would like them to take some time to review the proposal. He stated that he will also have a recommendation at the next meeting.

Chairman Hentges stated he would also appreciate a response from the airlines on this matter.

Mr. Cichy moved to receive and file the communication from APCOA.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Received Report on Meeting with FAA District Office Personnel on Airport Improvement Program:

Mr. Parmer stated he and Mr. Wes Schon, Ulteig Engineers, went to Bismarck last week to meet with representatives of the FAA District Office to discuss the five year improvement plan submitted recently. After reviewing our plan and the improvements totaling about \$12 million they indicated they will not have that kind of money. He stated he is not sure how they can be certain that money will not be available but they have asked us to revise our plan. He stated the FAA officials are anticipating that they will not be getting any increased discretionary funding over and above the \$1.5 million that is presently allotted for the entire state and we are asking for much more than that for Fargo. He stated they also made it very clear that they were concerned with the development at other airports as well.

Mr. Parmer stated it doesn't look like we are going to have the projects in our five year plan funded as we had planned. They will all be financed but it is just going to take longer. He added that there was no indication from them that we are going to have the balance of the 8/26 project funded this year. He added he feels the FAA is holding off until after September 30 and the new fiscal year at which time they will immediately use our enplanement funds for the project, which will set us back another year. He stated he feels it is important that we continue to solicit assistance from our congressional delegation to obtain this funding.

Received Update on Runway 8/26 Project:

Mr. Parmer stated we are proceeding with the project and Runway 17/35 will be closed next Monday. All of the air carriers have been advised and have received all of the necessary information.

Mr. Parmer stated the response he has received from the air carriers is that they are more than satisfied with our plan for the alternate runway. He stated it has been suggested that the lights on Alpha Taxiway remain on during daylight hours.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, June 15, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:00 a.m.

Regular Meeting

Tuesday

June 15, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 15, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Cichy, Hentges

Absent: None

Others: Stewart

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 1, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held June 1, 1993.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$21,581.05:

Mr. Cichy moved to approve the airport vouchers totaling \$21,581.05.

Second by Mr. Williams.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$13,736.20 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Williams.

On the call of the roll, members Stanton, Williams, Cichy, and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Mr. Gallagher now present.

Reviewed Air Carrier Excise Tax Rebate Proposal:

Chairman Hentges stated at the last Airport Authority meeting there was a presentation given by Northwest Airlines explaining their proposal now before Congress for an air carrier excise tax rebate. At that meeting the managers from United and American indicated they would research the matter with their company legal departments and get back to us with each of their positions at this meeting.

Reviewed Air Carrier Excise Tax Rebate Proposal: (Continued)

Mr. Jim Gordon, Manager, United Airlines, was recognized and stated that United Airlines' position is that they do not support Northwest's proposal as it does not serve the interests of United Airlines. He added that there are other proposals which would serve the interest of United and they would support them. He indicated that American Airlines has the same opinion.

Mr. Parmer stated that he received information from American Airlines outlining their position on tax issues and distributed copies to the Authority members. He stated this does not follow the same lines as the proposal from Northwest Airlines but it is evident the carriers are looking for some relief in areas of taxation. Mr. Parmer stated he sees nothing wrong with the Airport Authority supporting Northwest's position. We don't know what will happen as far as tax relief for the airlines, if any at all. He stated the approach Northwest has taken is a tough one as it is an attempt to get money out of the general treasury. Mr. Parmer stated originally the Airport Authority was concerned about the Airport Trust Fund but after meeting with Northwest it is clear they are not attempting to get funds from the Airport Trust Fund.

Chairman Hentges stated he agrees there is no harm in supporting Northwest's proposal, however, there is some risk in endorsing something specific when we don't have all of the information. He stated he can think of reasons why the airlines, some more than others, need to have some attention and relief, as do other industries. He stated that the skyrocketing fuel costs during the Gulf War and having some of their equipment commandeered for transporting troops certainly had an effect on their financial situation. Chairman Hentges stated that there has been a federal commission appointed to study the transportation system which will have a report and recommendations after a 90 day period. He stated if the Airport Authority has a general resolution for some type of industry assistance he would be in favor of that. He would not support any specific proposal with which all of our carriers are not unanimously in favor.

Mrs. Stanton stated it doesn't matter to her who made this request. Her feelings would be the same if it were American or United. She would like to support the carriers that serve this airport.

Mr. Williams stated he thinks we are all saying the same thing. He concurs that the Authority has to support the airlines but apparently this is a bad law and he feels that United and American are on the right track in getting it corrected. Mr. Williams stated he can see Northwest's position but this should be looked at over the long run.

Mrs. Stanton asked why we couldn't help get the process started. If this proposal is going to be changed it will be done along the way. We don't make the final decisions on this. They are simply asking for our support. She added that someone else will have to battle the specifics and details of the whole situation. She added that at this point she would not feel comfortable in not supporting Northwest.

Mr. Gordon stated this is a controversial issue and this proposal would benefit only a few carriers and not the majority.

Mrs. Stanton asked if United has another proposal to offer.

Mr. Gordon stated there are several other proposals out there and even though Northwest's proposal will not hurt the other airlines it will not benefit them.

Chairman Hentges stated this issue is a political hot potato and there are a lot of ideas being tossed around. He stated there is a commission consisting of blue ribbon people from the airline industry as well as economists and congressional people and they will be coming back with a report and recommendations in August.

Reviewed Air Carrier Excise Tax Rebate Proposal: (Continued)

Chairman Hentges stated that Northwest originally came in with a strong position on obtaining funds from the Airport Trust Fund and within two weeks realized they would have to change their approach. He stated it is incumbent upon the Airport Authority to support the airlines' request for attention in a strong and appropriate manner without being specific.

Mr. Parmer stated he thinks we are all saying the same thing but saying it differently. The airlines are looking for some sort of relief and the Airport Authority would support that.

Mr. Gallagher moved that the Airport Authority go on record as supporting Northwest Airlines in their efforts to get relief from their economic plight, as well as support efforts by either of the other carriers for similar relief.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and thanked the Airport Authority for its support.

Reviewed APCOA Proposal on Rate Adjustment:

Mr. Parmer requested this item be delayed until a later meeting as he has not yet had a chance to thoroughly discuss the proposal with Mr. Governale.

Mr. Williams moved the item be delayed as requested by the Executive Director.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Chairman Hentges stated that while discussing this rate proposal with APCOA we might want to bring up any other matters that might need attention, such as equipment, etc.

Received Communication from Western Protection on Adjustment for Security Services:

Mr. Parmer stated he received a communication from Western Protection, Inc. advising that effective August 1, 1993, they will be adjusting their hourly rate from \$7.10 to \$7.32. The last increase was April 1991. Mr. Parmer stated this amounts to an increase of slightly more than \$50 per month.

Mr. Williams moved to receive and file the communication from Western Protection, Inc.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Received Report on North Dakota Aeronautics Commission Allocation of Air Carrier Airport Grant Funds:

Mr. Parmer distributed a summary of air carrier airport grant requests submitted to the Aeronautics Commission. The total funds available for distribution was \$108,538 and they received requests for \$353,371. He stated we requested \$49,152 and were awarded \$18,067, which was 16.6% of available funds. Mr. Parmer stated he is not sure about the system the Commission uses to determine priority.

Mr. Parmer stated the Aeronautics Commission has also given us a breakdown of the 1993 State Block Grant Program. Mr. Parmer explained that when the legislature first established the Block Grant Program the distribution was based

Received Report on North Dakota Aeronautics Commission Allocation of Air Carrier Airport Grant Funds: (Continued)

on enplanements and still is, but there was a stipulation in the legislation that the smaller air carrier airports boarding less than 20,000 passengers per year would receive a minimum of \$25,000. The appropriation has been reduced considerably over the years from as much as one million to only \$161,500 for 1993. That minimum guarantee was never changed so the three small airports will receive more than three of the large airports in the state.

Mrs. Stanton asked if this matter was discussed during the last legislative session.

Mr. Parmer stated that everyone is afraid to talk about taking money away from the small airports. He added that when the minimum was first written into the law there should have been a formula for adjustments based on the total of the grant funds.

Mrs. Stanton stated the present method is not fair.

Mr. Parmer stated he would like to see the other large airports in the state protest this distribution method. He added that the director of the Aeronautics Commission has indicated he also has a problem selling the Block Grant idea to the legislature.

Chairman Hentges stated we would have nothing to lose by opening up the matter. He added that we should pursue this matter, talk to the governor as well as members of the Aeronautics Commission, and make our case.

Mrs. Stanton stated this method of distribution is not fair and we should start doing something about it now before the next legislative session.

Chairman Hentges stated we can at least go on record as opposing it.

Mr. Gallagher asked how the priority ratings on the grant requests were assigned.

Mr. Parmer stated he has no idea how their priority rating works. He stated we requested funding for a signage project which was mandated by the FAA and it did not receive a high priority rating.

Mr. Cichy moved to receive and file the information on the North Dakota Aeronautics Commission Air Carrier Grant Requests.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Received Communication from Robert Gibb & Sons Concerning Additional Heat Pump for the Westside Terminal Building:

Mr. Parmer stated that last August we received a proposal from Robert Gibb & Sons, Inc. for an additional heat pump for the kitchen area. This has been a problem for the Building Engineer for some time and he feels an additional heat pump in the kitchen area would solve the problem. Mr. Parmer stated that Mr. Heck is very knowledgeable in this area and asked him to comment.

Mr. David Heck, Building Engineer, was recognized and stated when the building was designed there was only one pump in the restaurant area and it is too small for the dining area and the kitchen. He stated the hoods above the grills in the kitchen do have air handlers but they should have had heating and cooling capabilities, which adds to the problem. He stated one additional heat pump should take care of the problem.

Chairman Hentges stated that apparently in the original design they felt it would be adequate but it is not. He asked Mr. Parmer for his recommendation.

Received Communication from Robert Gibb & Sons Concerning Additional Heat Pump for the Westside Terminal Building: (Continued)

Mr. Parmer recommended the Airport Authority go ahead with the addition of one heat pump as proposed by Robert Gibb & Sons. He stated there may be some adjustment in the proposal price of \$6,760 as that figure was provided to us last August. He added that Robert Gibb & Sons has done an excellent job handling our mechanical system.

Mr. Cichy now absent.

Mr. Williams moved to approve the installation of one additional heat pump as presented.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy.

The motion was declared carried.

Mr. Cichy now present.

Foss Associates Reviewed Terminal Roof Repair:

Mr. Mark Foss, Foss Associates, was recognized and stated their roofing specialist, Mr. Patrick DeLaPointe, has been working with Mr. David Heck on the roof problem.

Mr. DeLaPointe stated on May 26 he reviewed the lower roof system which is in the area of the entries, car rental agencies, and Information Center/seating area. This area of the roof is about three or four feet lower than the canopy. He stated he has found that the flashing has aged to the point where it is about as brittle as cardboard. When this type of flashing is new it has a consistency of inertube rubber. He stated since this material was installed the technology has improved and basically this material has aged prematurely. Mr. DeLaPointe stated the roofing contractor did make some temporary repairs in May.

After talking with Mr. Heck about the problems over the years with snowfall, ice runoff, and water, it is evident that the roof is a snow catcher and it will be necessary in the future to remove snow cover from the roof. He added that he would suggest adding paver blocks in order to facilitate shoveling on the roof. Mr. DeLaPointe added that another item addressed was the amount of snow and ice on the roof and there are a couple ways of looking at this.

Mr. DeLaPointe stated that another thing he noticed is that when the roof was originally designed there were no overflow scuppers. He stated that typically he prefers to see overflow scuppers on a roof and would propose installing scuppers so that at the 2.5" to 3" stage it will reach an overflow scupper and start draining.

Mr. DeLaPointe stated that he would recommend covering the rubber flashing with sheet metal so that the flashing is not exposed to the damage of the sun or damage by shoveling the snow.

Mr. DeLaPointe stated that Mr. Parmer had received some estimates from roofing contractors, and with this additional work he would estimate total cost in the neighborhood of \$28,000 to \$32,000. He stated he could set up some alternates to keep the cost down if the Authority desires. He stated the drawings and specifications are pretty much complete and the project has been advertised and bids will be received at the next Airport Authority meeting.

Foss Associates Reviewed Terminal Roof Repair: (Continued)

Mr. Cichy stated that basically we have two problems. The first being with the material and secondly the design of the roof. He stated the material problem we can do something about but the design problem we will have to live with forever.

Mr. Williams stated he feels the roof should be fixed properly and we should not cut corners with alternates to the specs.

Mr. Parmer asked about warranty on the roof.

Mr. DeLaPointe stated the airport received a five year manufacturer's warranty on the roof system. He added that was later raised to five years from the contractor and ten years from the manufacturer. He stated he has contacted the manufacturer, Carlisle, and the representatives assured him they will provide the materials for the repairs free of charge. He stated that if we had not addressed the other issues they might have come out and installed the new material free of charge, but that would not have solved all of the problems. Mr. DeLaPointe stated that there is quite a bit of traffic on the high roof between the two ladders and that is where the pavers will be added.

Mr. Parmer asked Mr. DeLaPointe if we can expect problems on other areas of the roof.

Mr. DeLaPointe stated his understanding that there have been some repairs done on the canopy but as far as the scope of this project this should remedy the situation.

Mr. Williams stated the Airport Authority relies on the expertise of a roof specialist and he moved the Airport Authority authorize the Executive Director to proceed with the project to repair the roof.

Second by Mrs. Stanton.

Mr. Parmer stated that bids will be received on July 6. In the interest of time the advertisement for bids has already been published.

Mr. DeLaPointe stated he has discussed the matter with local contractors and he is convinced we will not get the best bid prices as there are a very limited number of contractors installing Carlisle roofing systems. He stated in order to increase the competition he wrote the specifications to include other membrane manufacturers, other than Carlisle, with which they have had success.

Mr. Parmer asked if anything should be done about the windows and any leaking caused in that area.

Mr. DeLaPointe stated recaulking the bottom row of windows is included in the project. He added that he is asking for a warranty of five years from the contractor and ten years from the manufacturer. At the end of ten years the Airport Authority will have the option of extending the manufacturer's warranty another five years for an additional charge.

Mr. Parmer stated we have not had any leaks since the temporary patching was done so we are apparently on the right track.

Mr. Mark Foss stated that by opening the bids up to other manufacturers those bids may be slightly higher than the contractors using the Carlisle since the roofing materials will have to be included, so the Carlisle contractors will have an edge because the materials will be provided at no cost.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Update on Runway 8/26 Project:

Mr. Parmer stated the runway project is off and running. He offered the Airport Authority members a tour of the construction site at their first opportunity.

Mr. Wes Schon, Ulteig Engineers, stated that Runway 17/35 was closed on Tuesday at about 1:00 in the afternoon and we are now operating from Taxiway A. He stated there is a lot of heavy demolition going on right now in the area where the two runways will intersect. He stated they have also begun repairs on Runway 17/35. He stated right now we are battling the weather aspect and are looking for a nice forecast.

Mr. Williams stated he has received comments from some people held up in Minneapolis due to construction and different landing restrictions in Fargo.

Mr. Schon stated there was one day last week when the cross winds were tremendous. He stated he does not have information on delays but the air carriers have been coming in on a regular basis.

Mr. Balvitsch stated the only delay he has been aware of was one Mesaba delay.

Mr. Schon stated if things go as planned the runway will reopen after 60 days which is August 6.

Mr. Dave Cink, Fargo Tower, stated they have not experience any major problems, only day to day minor items.

Other Business:

Mr. Parmer stated he received a communication from Dakota Aero Tech, Inc. regarding some repairs to the boiler in one of our buildings which they sublease from Aviation Resources. Mr. Parmer stated the boiler was replaced in 1989 and there is some question as to who is responsible for the repairs. Mr. Parmer stated he would like Attorney Stewart to study the lease and address the matter. Mrs. Stanton moved to receive and file the communication from Dakota Aero Tech and that the matter be referred to Attorney Stewart.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, July 6, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:31 a.m.

Regular Meeting

Tuesday

July 6, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 6, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Cichy, Hentges.

Absent: Williams

Others: Stewart, Bromenschenkel

Vice Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 15, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held June 15, 1993.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Approved Airport Vouchers Totaling \$49,621.90:

Mr. Gallagher moved to approve the airport vouchers totaling \$49,621.90.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher and Cichy voted aye.

Absent and not voting: Williams, Hentges.

The motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$135,888.30 to Northern Improvement Company for Partial Payment Request No. 5 for construction in connection with Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher and Cichy voted aye.

Absent and not voting: Williams and Hentges.

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$386,378.55 to Northern Improvement Company for Partial Payment Request No. 1 for construction in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher and Cichy voted aye.

Absent and not voting: Williams and Hentges.

The motion was declared carried.

Approved the Individual Voucher to Edling Electric:

Mrs. Stanton moved to approve the individual voucher in the amount of \$52,771.56 to Edling Electric for Partial Payment Request No. 3 for construction in connection with the Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher and Cichy voted aye.

Absent and not voting: Williams and Hentges.

The motion was declared carried.

Mr. Hentges now present. Vice Chairman Cichy relinquished the chair to Chairman Hentges.

Received Bids for Partial Re Roofing Project Westside Terminal:

Mr. Mark Foss, Foss Associates, received and opened bids for the partial re roofing of the Westside Terminal. Bids received were as follows:

CONTRACTOR	BASE BID	ELECTRICAL SUBBIDDER & BID AMOUNT	WINDOW SUBBIDDER & BID AMOUNT	ALT. #1 CANOPY FLASHING	UNIT PRICE INSUL.
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A&R Roofing	\$45,600.00	Rick Electric	Glass Unltd.	\$4,770.00	\$.75
	\$3,190.00	\$13,070.00			

Greenberg Roofing	\$44,892.00	Rick Electric	Glass Unltd.	\$3,158.00	\$.58
	\$2,900.00	\$11,880.00			

Herzog Roofing, Inc.	\$44,500.00	Rick Electric	Glass Unltd.	\$1,900.00	\$.73
	\$4,000.00	\$14,500.00			

Pierce Roofing	\$46,820.00	Rick Electric	Glass Unltd.	\$5,600.00	\$.58
	\$3,190.00	\$13,100.00			

United Roofing	\$36,855.00	Rick Electric	Glass Unltd.	\$3,500.00	\$.65
	\$3,045.00	\$12,475.00			

Mr. Gallagher moved the bids be received and referred to Mr. Parmer and Foss Associates for evaluation and recommendation.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Mr. Parmer stated that since there are time constraints with this project he would like a consensus from the Airport Authority to hold a special meeting to award the project as soon as the evaluation has been completed and a recommendation is available.

Mr. Foss stated he and Mr. Parmer should be able to complete the evaluation of the bids today immediately following the meeting. He added that he would assume most the roofing contractors are behind because of the weather so they would like to know as soon as possible also.

Authorized Execution of Quit Claim Deed, DARCO Investments, for the South 90' of Lot 4 and North 110' of Lot 5, Block 4, Airport First Addition:

Mr. Parmer stated in 1991 DARCO Investments entered into a purchase agreement with the Airport Authority for the South 90' of Lot 4 and the North 110' of Lot 5, Block 4 in the Airport First Addition. He stated the payments have been made as scheduled and the final payment is now due if they wish to purchase the property. Mr. Parmer stated Attorney Stewart has prepared the Quit Claim Deed and the balance due on the purchase price of the property is \$31,072.85, which does not include any interest on the unpaid balance.

Mrs. Stanton moved to authorize the execution of the Quit Claim Deed.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Received AAAE Memorandum of AIP Funding:

Mr. Parmer stated he received a memorandum dated June 20, 1993, from the American Association of Airport Executives advising of the urgent need for airport assessment support. This year is shaping up to be a very tough one for airport representation in Washington D.C. and concern over the financial condition of the airline industry has caused both the new administration and many members of Congress to be especially attentive to the arguments posed by the airlines, including those surrounding issues such as PFCs and funding for the Airport Improvement Program. The House Transportation Appropriations Subcommittee last week recommended an AIP funding level of only \$1.5 billion, which is a \$300 million cut from the current level. Mr. Parmer stated we will be receiving information shortly asking us to support an airport assessment. The AAAE is requesting the support of this special assessment. It is not a standard, routine request but because of the unusual staffing burdens placed on them their federal affairs resources will be stretched very thin. Mr. Parmer stated another matter of concern is the Essential Air Service. The House Sub Committee has recommended eliminating that completely. Mr. Parmer stated he wanted the Airport Authority members to be aware of the situation and that we have been in contact with our congressional delegation.

Mrs. Stanton asked what kind of an assessment we are talking about.

Mr. Parmer stated we presently pay an assessment on an annual basis but he has not yet been advised of the amount of the assessment.

In answer to a question from Mr. Cichy, Mr. Parmer stated that all of the funding for the Airport Improvement Program comes from the trust fund, none of it comes from the general fund.

Mr. Cichy asked the reason for the proposed cut backs in the Airport Improvement Fund coming out of Washington. He asked if Congress has intentions of using trust fund money derived from airport/airline usage for other purposes.

Mr. Parmer stated he has not received any information that would indicate that. He stated it is his understanding they were just cutting the funding.

Mrs. Stanton stated that does not make sense. If the money is there why aren't they dispensing it for airport improvement projects.

Chairman Hentges stated his experience with AAAE is that they are very well received among the congressional people in Washington. He stated that the airport trust fund has been used to offset the deficit so less than one third of the funds are appropriated each year. He stated that Hector Airport has greatly benefited by the efforts of the AAAE and the fees we pay are nominal in comparison. He added that he feels we need to support the AAAE.

Received Communication from Attorney Stewart on Hangar Boiler Repairs:

Mr. Parmer stated that Attorney Stewart requested this item be delayed until further information is received.

Reviewed Air Carrier Service:

Mr. Parmer stated the reason he put this item on the agenda is because this is the first time the Airport Authority has met since United Airlines announced it was going to cease its service to Fargo effective September 8, 1993. He stated we are also aware of the problems Northwest has had and that American has not had the boardings anticipated. Mr. Parmer stated there have already been conversations with other airlines to see if they would be interested in serving the eastern part of North Dakota. Mr. Parmer stated he does not expect to find a quick fix to this problem. He added that United's announcement was a surprise to everyone as there was no indication they were considering this.

Mr. Parmer stated as far as Northwest's situation, if they must go into a Chapter 11 situation we can only hope that our present service will continue. Mr. Parmer asked Mr. Ron Balvitsch, Northwest Airlines, if he had any further information.

Mr. Balvitsch stated that at 4:00 this morning the pilots and Northwest Airlines signed an agreement so the team in place in Delaware to institute the Chapter 11 proceedings has been delayed so the ball is now in the court of the other unions. He stated they are in negotiations with the company and whatever agreement they come to it has to come in the next few days. He stated the attorneys in Delaware are standing by.

Mr. Jim Gordon, United Airlines, was recognized and stated based upon current economic conditions, United made a pure business decision to re employ its assets. He stated United's pullout may be softened by the presence of Great Lakes (United Express). He stated he thinks we will see more and more where major carriers, in order to cut losses, will rely on commuters to feed the hubs. He added that they hate to go but looking at the big picture they can understand United's decision.

Chairman Hentges asked Mr. Gordon if he felt this decision may be reversible.

Mr. Gordon stated at this point he cannot tell what United's ultimate game plan is. He stated if certain situations materialized United could reconsider. He stated that personally he thinks it was a hard decision for United to make. He added that anything is subject to change. Mr. Gordon stated that with the exception of himself all Fargo United employees have been offered positions elsewhere in the system. He added that Mr. Parmer will be receiving information soon as far as United Express.

Chairman Hentges stated the commuter airline opportunities have expanded tremendously here in Fargo. He stated we need to get information to the public about all of the flight opportunities. He added any suggestions in that area would be appreciated.

Received Runway 8/26 Project Update:

Mr. Parmer stated that because of the weather not everything on this project has been smooth sailing. He stated we hope to get back on schedule so that it will not interfere with the proposed re opening of Runway 17/35. Mr. Parmer asked Mr. Schon to give a further update.

Mr. Schon stated the weather has been giving us problems but the contractor has been diligent almost to a fault as far as getting out there and working on the project. Mr. Schon stated there have been people out there seven days a week for the past couple of weeks. He stated we expect to start paving on Thursday.

Received Runway 8/26 Project Update: (Continued)

Mr. Parmer stated there have been some flight cancellations due to cross wind limitations but some of the winds were so strong that the flights may have been cancelled even if they had been operating on the main runway.

Chairman Hentges asked if we are going to meet our 60 day deadline.

Mr. Schon stated if the month of July gives us a break as far as weather we should be able to re open the runway about August 8. If we continue to have this daily rain there could be some delay.

Mr. Ron Balvitsch, Northwest Airlines, stated he would like to comment on the article appearing in The Forum on Saturday. He stated there have been a lot of misconceptions about the loss of flights due to weather in Fargo and in discussing this with Mr. Parmer it was decided that it would be appropriate to alert the public as to the situation and he feels The Forum did an excellent job.

With regard to funding of the Runway 8/26 Project, Mr. Parmer stated we are still waiting for funding totaling \$1.4 million to complete the project. He stated he received a communication from the FAA today advising that funding for the final phase of the project will not be available until the new fiscal year in October. What that means is they will apply our 1994 enplanement funds, which is approximately \$1 million, toward this leaving a need for only \$400,000 in discretionary funding. He stated we have asked that the entire \$1.4 million come from discretionary funds so that we can use our 1994 enplanement funds to move ahead with development in the new general aviation area. This would set us back a year in our improvement plan. He stated he received a copy of a letter Senator Conrad received from Secretary of Transportation Pena indicating they have been good to Hector Airport as we have received a grant of \$2,882,000 for the project this year. Mr. Parmer stated the letter did not mention that we had to give back \$600,000 from another project to maintain that. They also did not mention that all of the funding approved for the 8/26 project, with the exception of the \$1.4 million, has been enplanement money. We are looking for only \$1.4 million in additional discretionary funding.

Other Business:

Mr. Parmer stated that Mr. Preston North, a partner in the ABHN hangar, is present and would like to make a request with regard to a new fuel tank.

Mr. Preston North was recognized and stated that they have been working with Mr. John Ahrens of the Fargo Fire Department on upgrading their fuel tank to comply with safety codes. He stated they have done some research and in order to modify the tank to meet safety codes they would spend about as much as a new tank would cost. He stated they are considering purchasing a new tank, the same size as their present tank.

Mr. Parmer stated he has received some information recently from the FAA on requirements for self fueling. He asked that the Authority allow he and Attorney Stewart time to review these regulations before acting on this request so they can be sure all of the bases are covered. He stated he received this information from the FAA when Valley Aviation requested permission to install a self fueling tank.

Mr. North stated they certainly want to do everything they can to comply with regulations. He stated this tank is not for commercial use.

Mr. Parmer stated that we have an agreement with another self fueling operation and he would like to review that as well and probably have a similar agreement with ABHN. Mr. Parmer added that he does not recall ABHN Partnership getting prior approval before it's present tank was installed.

Other Business:

Mr. North stated that at the time their hangar was being constructed they did discuss the installation of the tank and they were not aware they needed further approval other than the discussion they had. He added that they have made upgrades to the tank since its installation. They also get a permit for the tank each year from the Fire Department as well as register the tank with the ND Fuel Tank Release Fund.

Chairman Hentges stated these regulations have come about by virtue of problems with self fueling at airports around the country. We are not trying to delay the issue but want to look carefully at the overall picture. He stated he still has difficulty understanding why someone selling fuel in a centralized fuel station can't more economically and better serve all of the independent people. Of course it is more convenient to have the fuel right by your hangar but there are problems that come with that and it is going to get more expensive to maintain these self fueling facilities.

Mr. North stated that one of the reasons they built the hangar in the first place is so that they can fuel and maintain their aircraft and the FAA protects the right of an aircraft owner to service his own aircraft.

Mr. Parmer stated the Airport Authority is not questioning the right of aircraft owners but it has a responsibility to set certain rules and regulations. He stated he wants to be consistent with how we handled other self fueling operations.

Mr. North stated the primary reason they installed the tank is that it is more cost effective for them to buy their own fuel rather than buying from someone else.

Mr. Parmer stated we are not trying to delay action on this request we just want to handle it properly.

Mr. Cichy asked if action from the Authority was required today.

Mr. Parmer stated that the Airport Authority will eventually have to approve replacement of the tank. If the Airport Authority wishes it can approve this request today, subject to the approval of the Executive Director and Attorney Stewart after satisfactory compliance with all regulations.

Mr. Cichy moved to approve the request by ABHN Partnership for the replacement of a fuel tank, subject to the approval of the Executive Director and Airport Authority Attorney after satisfactory compliance with all regulations.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams

The motion was declared carried.

Awarded Bid for Partial Re Roofing Project Westside Terminal:

Mr. Mark Foss was recognized and stated he has reviewed the bids and has comments and a recommendation at this time. Mr. Foss stated their estimate was \$33,500 and the lowest bid was \$36,855, which is 10% over estimate. He stated that Rick Electric is the only electrical contractor in the area certified to do the lightning protection work and Glass Unlimited did the original glass work in the terminal so they are the subbidders.

Mr. Foss stated that Alternate No. 1 involves replacement of the canopy flashing. He stated this is something that the building engineer would like to have done and the additional amount for this is \$3,500.00.

Mr. Foss stated they expected A&R Roofing and Pierce Roofing to be the lowest bidders because they would be installing the brand of flashing used in the original building so some of their material would have been free.

Awarded Bid for Partial Re Roofing Project Westside Terminal: (Continued)

Mr. Foss stated the rain has delayed some of the roofing contractors but work on this particular project can be done up to November 15.

Mr. Foss added that as far as downspouts for the roof, if it is determined they are needed Mr. Heck will build them himself.

Mr. Foss recommended the project be awarded to the low bidder, United Roofing Inc. based on their bid of \$36,855.

Mr. Parmer stated if that is Mr. Foss's recommendation he will go along with it.

Mr. Gallagher moved the Airport Authority award the partial re roofing project to United Roofing Inc. based on their bid of \$36,855.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams

The motion was declared carried.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, July 20, 1993 at 10:30 a.m. in the Airport Boardroom.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:31 a.m.

Regular Meeting

Tuesday

July 20, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, July 20, 1993 at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Hentges

Absent: Cichy

Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 5, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held July 6, 1993.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$35,043.88:

Mr. Gallagher moved to approve the airport vouchers totaling \$35,043.88.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$29,722.91 to Ulteig Engineers, Inc. for Partial Payment Request No. 15 for engineering services in connection with the Runway 8/26 Project.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$76,391.80 to Northern Improvement Company for Partial Payment Request No. 6 for construction in connection with the Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy. The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$411,293.12 to Northern Improvement Company for Partial Payment Request No. 2 for construction in connection with the Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Received and Filed Statement of Operations for the Month of May 1993:

Mr. Williams moved to receive and file the Statement of Operations for the Month of May 1993.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Reviewed FAA Flight Standards District Office Space Requirements in Eastside Terminal:

Mr. Parmer stated the FAA Flight Standards District Office has for some time indicated an interest in leasing additional space in the Eastside Terminal. He stated that the National Guard Faker Program presently leases 850 square feet and plan to relocate to Guard facilities by October. Mr. Parmer stated he advised the FSDO manager that he would try to get the Airport Authority's approval to hold the additional space for them. He added that this space is adjacent to the offices on the second floor and that the lease rate would be the same, \$9 per square foot.

Mr. Parmer stated that the FSDO manager also asked about the possibility of the Airport Authority constructing a new facility for lease to governmental entities. Mr. Parmer stated there has been no further discussion on that possibility since the National Weather Service's decision to relocate.

It was the consensus of the Airport Authority that the FAKER office space be reserved for the FAA FSDO.

Received Minutes of Table Top Emergency Exercise:

Mr. Parmer stated the FAA requires that the airport conduct a live emergency exercise of a simulated airplane crash once every three years and a table top exercise every year. Mr. Parmer stated an exercise was held July 13, and he felt the exercise was well attended. He added that the airport is powerless in an emergency without the assistance of the various agencies involved. Mr. Parmer stated each of these agencies have their own emergency plans and have responded very well to the needs of the Airport. Mr. Parmer stated we will have a live exercise next year. He added that before United Airlines announced their pullout, the fire chief at the Guard, Vince Babler, had arranged for the fire chief from Sioux City as well as the pilot of the DC10 that crashed in Sioux City, to attend our exercise. He stated since United will not be in Fargo next year he is not sure they will attend.

Chairman Hentges asked Mr. Parmer if any agency that should have been represented was not at the meeting.

Mr. Parmer stated the Guard sent out the announcements and the list they used included those attending a recent tornado exercise. He added he was not aware of anyone who was not represented that should have been.

Mrs. Stanton moved to receive and file the report from the Tabletop Exercise held July 13, 1993.

Second by Mr. Williams. All members present voted aye and the motion was declared carried.

Approved Change Order No. 3 for Runway 8/26 Project (Net Deduct of \$15,270.00):

Mr. Parmer stated Change Order No. 3 to the Runway 8/26 Project involves a change in the joint seal material used on the Runway 17/35 rehabilitation portion of the project. He stated that because of spalling in some joint areas the neoprene specified to be used has not been able to spread and seal both sides.

Mr. Schon stated the neoprene has been a good seal and has lasted on that runway for over twenty years but because of spalling on the edges of the joints the new neoprene seal is not doing the complete job. Their production with this material has been next to nil as well as not sealing properly. He stated that in light of these problems he has requested a waiver from the FAA to use a Dow Corning silicone seal, which has been used by a number of airports and states. He stated the silicone comes out the consistency of toothpaste so it will fill in the joints as well as any irregularities. He stated this product has been around for 20 years but has not yet been put on the FAA's approved list. He added that Denver Stapleton Airport has used this material, as well as many other airports in the country. Mr. Schon stated this product is also a little cheaper, which is the reason for the deduct, and will also better enable us to finish the project on time. He added that the contractor is familiar with the product and has been encouraging him to use this for months.

Mrs. Stanton moved to approve Change Order No. 3 to the Runway 8/26 Project No. 3 38 0017 13, for a net deduct of \$15,270.00.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Received Progress Report on Runway 8/26 Project:

Mr. Parmer stated that Mr. Wes Schon, Ulteig Engineers, advised him that paving would be completed today in the area of the intersection between Runway 17/35 and 8/26. He stated at our last construction meeting on July 15 the contractors were advised that they have 17 working days until August 7, which is the scheduled reopening of Runway 17/35. He stated at that meeting the contractors did not indicate they would not be able to meet that deadline.

Mr. Schon said, as stated, they are paving at the intersection of Runways 17/35 and 8/26 and should be completed with that section by the end of the day. They are also making progress on the taxiway pavement. He stated that right now everything is predicated on weather. He stated the pavement at the intersection should have ample strength by August 8 and the areas adjacent to 17/35 should be completed so there are no holes or edges with which to contend.

Mr. Schon stated that part of this project included repairs to Runway 17/35. He explained that the runway overlay is 22 years old and required partial and full depth repairs. He stated they will also be doing joint sealing and rubber removal. When all of that has been done they will put new markings on the runway. He stated these repairs will not make the runway 100% perfect but it will buy us about 10 more years before major repairs are required. Mr. Schon invited the Authority members to come out and view the project.

Authorized Execution of Contract Documents for Roof Repairs:

Mr. Parmer requested this item be added to the agenda. At the last meeting the Airport Authority received bids for the repair of the roof in the Westside Terminal. He stated Foss Associates has prepared the contract and it is ready for the chairman's signature. He stated he has not yet received a schedule of the work from Foss Associates.

Mrs. Stanton moved to authorize execution of the contract documents for the repairs to the roof of the Westside Terminal, project to be done by United Roofing.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Other Business:

Mr. Gallagher asked what the Airport Authority is doing as far as contacting other airlines concerning adding service to Fargo. He stated he thinks Continental would be interested.

Chairman Hentges stated there has been discussion with the airlines, as well as travel agents and the Fargo Chamber of Commerce. He stated we have not formally made any contact with airlines but have been talking with United about reconsidering their decision. There have also been discussions with American encouraging them to continue their service.

Mr. Parmer stated some of the other cities in North Dakota have been talking with Continental about service to various Canadian cities. He stated we would like to see Continental fly Winnipeg Fargo Denver. He stated a representative from Continental Airlines has been contacted and indicated an interest. He plans a trip to Fargo in the next 60 days.

Chairman Hentges stated it is a matter of traffic. Northwest downsized the aircraft used out of Fargo because we did not fill their 757's. If we don't use it we'll lose it.

Mr. Parmer stated he feels we did use United and are still losing it. He stated United boarded 30,000 and deplaned 30,000 people in 1992.

Mr. Williams stated he also thinks it is a matter of price. He asked if the occupancy on both of United's flights was bad or if it was just on the flight stopping in Sioux Falls, because the two times he flew that route they were full out of Sioux Falls so there were a limited number of seats available out of Fargo because they were full out of Sioux Falls.

Mr. Parmer stated both of United's flights used to stop in Sioux Falls but they changed it to only one.

Chairman Hentges stated if anyone has any ideas at all to convey them to Mr. Parmer. He stated we are working with the Chamber of Commerce on some ideas, but the airlines also need to do some promotion to fill their seats.

Mr. Williams stated in the business world if your business isn't going well you go to your customers and sometimes you have to make concessions. He asked if that is ever done in this business. He asked if the Airport Authority should make some concessions with airlines to entice them to do business with us. He stated he would rather make concessions than have things shut down.

Other Business: (Continued)

Mr. Parmer stated if you make concessions for one you have to make them for all of the airlines. He stated it is written into our contracts with the airlines that if we make concessions with one it applies to all. Mr. Parmer stated we could go to United and tell them we will waive their landing fees but he doubted it would change their mind.

Chairman Hentges again asked that if anyone has any ideas to convey them to Mr. Parmer.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, August 3, 1993, at 10:30 a.m.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:03 a.m.

Regular Meeting

Tuesday

August 3, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo was held Tuesday, August 3, 1993 at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Cichy and Hentges

Absent: None

Others: Stewart, Bromenschenkel, MacLeod

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 20, 1993:

Mr. Williams moved to approve the minutes of the regular meeting of the Municipal Airport Authority held July 20, 1993.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$31,361.75:

Mr. Cichy moved to approve the airport vouchers totaling \$31,361.75.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Cichy moved to approve the individual voucher in the amount of \$132,124.50 to Northern Improvement for Partial Payment Request No. 7 for construction in connection with Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Cichy moved to approve the individual voucher in the amount of \$706,873.93 to Northern Improvement Company for Partial Payment Request No. 3 for construction in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Edling Electric:

Mr. Cichy moved to approve the individual voucher in the amount of \$37,565.10 to Edling Electric for Partial Payment Request No. 2 for construction in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Received Communication from Confederate Air Force, Inc., Red River Valley Wing, Regarding Static Display of B17, August 19 22, 1993:

Mr. Parmer stated he received a communication from the Red River Valley Wing of the Confederate Air Force dated July 21, 1993, requesting authorization for a static display August 19 22. They also requested permission for the Fargo Amvets Post #7 to provide beer and food. A July 26 letter from the Amvets indicates they have a liquor license and dram shop insurance. Mr. Parmer stated he does not know if they have applied for a beer permit with the City Commission.

Mr. Bromenschenkel stated he did not recall their application.

Chairman Hentges asked Mr. Parmer about security in the area.

Mr. Parmer stated the CAF will have some people posted at the gates so there should be no problem. He stated his main concern would be that the concessionaire have the proper permit, license, etc., for the beer so the Airport Authority does not have any liability.

Attorney Stewart stated the letter from the Amvets indicates they have the liability insurance.

Mr. Gallagher moved to approve the request for a static display by the Confederate Air Force with concessions to be provided by the Amvets Post #7.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Received Official Notice from United Airlines on Termination of Service to Fargo and Reviewed Lease Requirements:

Mr. Parmer read a letter from United Airlines dated July 12, 1993, which he received on July 26. The letter stated that United has announced that it intends to discontinue service to Fargo after September 7, 1993. It is with regret that they must terminate service at Fargo but difficult and previously unthinkable decisions are necessary considering the current financial ills facing the airline

Received Official Notice from United Airlines on Termination of Service to Fargo and Reviewed Lease Requirements: (Continued)

industry. This letter serves as formal notice that United will vacate its exclusively leased terminal space and will terminate its lease obligation effective September 15, 1993.

Mr. Parmer stated that after receiving this letter he reviewed the airline leases with Attorney Stewart. The Airport Authority's lease with the airlines was for an initial five year term with options for three five year renewals. He stated that right now we are in the second five year period. The lease states that if one of the air carriers intends to discontinue service the Airport Authority must receive at least 12 months notice. He asked Attorney Stewart to comment.

Attorney Stewart stated the lease does require a 12 month notice and United will be responsible for the rent payments unless they are able to sublet the space to someone else.

Chairman Hentges indicated the lease certainly outlines the agreement between United Airlines and the Airport Authority but we will still need to know the fiscal impact to the operation of the airport and what accrues to the other tenants.

Mr. Parmer suggested the Airport Authority refer the issue to Attorney Stewart to review this with United Airlines.

Attorney Stewart stated he would write United Airlines as they may have overlooked this provision in the lease.

Mr. Jim Gordon, United Airlines station manager, was recognized and stated the legal affairs department of United is aware of the situation but he has not been given any specific instructions.

Mr. Williams moved to receive and file the communication from United Airlines and that Attorney Stewart be directed to contact United Airlines regarding the lease provisions.

Second by Mr. Gallagher.

Mr. Bromenschenkel asked what United Express plans to do with their service.

Mr. Gordon stated that United is negotiating with United Express now as United Express is in need of United's equipment. He added that he anticipates a smooth transition and that to the passengers it will still be considered United Airlines.

Mr. Parmer stated that should the Airport Authority be successful in leasing the space to another tenant United's obligation would cease.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Received Communication from Attorney Stewart Reviewing Leased Building Maintenance:

Mr. Parmer stated we recently received a communication from Mr. Gordon Person, Dakota Aero Tech, inquiring about recent repairs to the boiler in Hangar No. 8, which the Airport Authority leases to Aviation Resources, Ltd. and they sublease to Dakota Aero Tech. This boiler was replaced in 1989 and Mr. Person felt the maintenance cost to repair the boiler was excessive since the boiler was fairly new. There were also some repairs done to the boiler in Building #7 (old shop building) which Dakota Aero Tech leases from the Airport Authority. The matter was referred to Attorney Stewart at the meeting held June 15, 1993.

Received Communication from Attorney Stewart Reviewing Leased Building Maintenance:
(Continued)

Attorney Stewart stated that after reviewing the leases he wrote a letter to Mr. Parmer dated July 21, 1993, with a copy to Mr. Person, advising that the lease provides that the tenant is responsible for maintenance of the buildings, with the exception of structural matters, which would be the responsibility of the Airport Authority.

Mr. Cichy moved to receive and file the communication from Attorney Stewart.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Received Recommendation on APCOA Rate Adjustment:

Mr. Parmer stated that we recently received a proposal from APCOA on a suggested rate adjustment. He stated that he has visited with Mr. Tony Governale on the matter but it is really up to the Airport Authority. He stated it is not necessary to take action on the matter today but it was put on hold previously. Mr. Parmer stated that one of APCOA's recommendations was to increase the rate in Short Term to 75 cents each half hour with a daily maximum of \$7.50. The present rate is 50 cents each half hour with a daily maximum of \$5.50. Mr. Parmer stated he does not have a problem with the daily maximum rate being increased but would not agree with increasing the half hour rate. He stated he doubts that most people parking in the short term lot are able to do their business in the terminal and exit the lot within the first half hour segment. Mr. Parmer stated as far as the long term lot, APCOA's only proposed adjustment is increasing the daily maximum from \$4.00 to \$4.50.

Chairman Hentges stated we have some budget work coming up and we may want to review that before taking any final action. The parking lot is a good source of revenue for us and if we are looking at some reductions in other revenue sources we may want to consider an increase. He asked if the Airport Authority approves just part of APCOA's proposed adjustment are we locked into those rates for an extended period of time.

Mr. Parmer stated the Airport Authority has the authority to initiate changes in the parking lot at any time and APCOA will go along with our wishes. If the Airport Authority decides to go ahead with the proposed adjustments with the exception of the increase of the half hour rate in short term we don't have to wait another year should we decide to go with another increase.

Chairman Hentges stated that if we are going to authorize any part of this proposed adjustment we should look at it for about a year, as in the interest of the public we would not want to make another increase too soon.

Mr. Gallagher moved to authorize the rate adjustment proposed by APCOA making the rates as follows:

SHORT TERM		LONG TERM	
		First half hour	\$.50
Each half hour	\$.50	Each addl. hour	.50
Daily Maximum	7.50	Daily Maximum	4.50

Second by Mr. Cichy.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Received Copy of 1992 Comprehensive Annual Financial Report:

Mr. Parmer stated he received one copy of the 1992 Comprehensive Annual Financial Report for the City of Fargo. He stated he has only two copies at this time but will be receiving additional copies shortly.

Mr. Parmer stated the only comment in the report relating to the airport is regarding the farm leases and the matter of the lessee not being current on his lease payments and no interest being charged on outstanding balance. Their suggestion was that the lessee be assessed finance charges on the past due balance and consider competitive bids to find a more suitable tenant. Mr. Parmer stated this is not entirely true as in 1992 the Airport Authority drafted an agreement with the tenant to pay off the delinquent balance which included interest. Mr. Parmer stated the tenant has kept current with the payments set up in the agreement. He added that as far as his payments for the current year he still owes the Airport Authority for a great portion of the payment due on April 15, 1993 but he met with him last evening and he agreed that both the current lease and the past due will be paid by the end of the year.

Chairman Hentges stated he talked with Mr. Larson recently and he is very aware of his responsibilities and he will make the agreed effort. He stated Mr. Larson also has some land he may wish to sell to the Authority.

Mr. Cichy moved to receive and file the 1992 Comprehensive Annual Financial Audit.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Discussed 1994 Budget:

Mr. Parmer stated he has not yet completed the proposed budget for 1994 but he distributed copies of the 1993 budget and indicated the figures for 1994 will be prepared next week and forwarded to Airport Authority members for review and approval at the meeting of August 20.

Mrs. Stanton now present.

Mr. Parmer stated he does not anticipate a great deal of change for 1994.

Review Future Non AIP Projects:

Mr. Parmer stated the Airport Authority recently discussed some projects that are not eligible for AIP funding. The first of those items is the viewing park. There is a lot of activity around the park and we should consider paving it. Second is the parking lot by the Eastside Terminal which needs a lot of work. The third project is the water and sewer into the general aviation area. Mr. Parmer stated Mr. Wes Schon, Ulteig Engineers, has prepared some estimated cost figures.

Mr. Schon stated the estimate for the viewing park includes paving, fencing and signage. He stated the Airport Authority might want to work with the Park District on the fencing as they may be willing to participate. He stated we can go with more or less pavement than proposed, depending upon how much the Authority wishes to spend. He stated his estimate right now is \$50,275.

Review Future Non AIP Projects: (Continued)

Mr. Schon stated the project in the Eastside Terminal parking lot is mainly repair. He added that some of the concrete on the apron in that area needs some repair also. He stated his estimate for repairs in the Eastside Terminal area is \$46,725. He stated this bid did not include any water or sewer repairs in the area. Mr. Schon stated the parking lot has some trouble areas but he has seen parking lots in far worse condition.

Mr. Parmer stated at one time we had talked about a level course over the parking lot area and also replacing water lines.

Mr. Schon stated he estimated the cost for that would have been about \$130,000. He stated that could certainly be done if the Authority wanted to spend that much. He stated there are some areas that aren't used that much and the lot is solid except for a few holes.

Chairman Hentges stated we need to look at our budget and see what kind of revenue is generated in the area and what we have to re invest in improvements. He stated some of the parking lot goes to the general good of the area but some is for specific needs.

Mr. Williams stated it has been his experience with black top that once it goes it really goes and he feels we should keep up the lot before it all goes.

Chairman Hentges stated if we plan to go ahead with this project we should get our order in now as the contractors are backed up.

Mr. Parmer stated if the Airport Authority wants to proceed with these projects they should approve them today so we can advertise for bids.

Mrs. Stanton moved the Executive Director be authorized to go ahead with plans and specification for the projects outlined (viewing park and Eastside Terminal parking lot) and advertise for bids.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Authorized Execution of Grant Agreement for Project No. 3 38 0017 14 (Final Phase of Runway 8/26 Project):

Mr. Parmer stated that we have not yet received the paperwork for the grant covering the final phase of the Runway 8/26 Project. He stated he talked to the FAA and they expect it to be done by the end of the week. Mr. Parmer stated that instead of calling a special meeting to authorize execution of the Grant Agreement he requested the Airport Authority take action today and when the documents arrive they can be signed by the Chairman and Authority Attorney. Mr. Parmer stated the amount of the grant offer will be \$1,407,657, making the total participation by FAA to \$5,978,779. and the Airport Authority's contribution to \$664,309. He stated this should complete the Runway 8/26 Project as bid one year ago.

Mr. Parmer stated in the process of obtaining the funds it was his intention, as well as the FAA's, to complete the project this year. Mr. Parmer stated that unless we are prohibited by weather the project should be completed this year.

Mrs. Stanton moved to authorize execution of the Grant Agreement for Phase III of the Runway 8/26 Project (AIP Project No. 3 38 0017 14) in the amount of \$1,407,657.

Second by Mr. Williams.

Chairman Hentges stated this is certainly cause for celebration and the Airport Authority certainly appreciates the work that went into this.

Authorized Execution of Grant Agreement for Project No. 3 38 0017 14 (Final Phase of Runway 8/26 Project): (continued)

Mr. Parmer stated the FAA wanted to hold off on this final funding for the project so that we would be obligated to use our 1994 enplanement funds. By obtaining this discretionary funding for the final phase we will now be able to move ahead with our plans for development in the new general aviation area.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Mr. Gallagher stated we should send a letter of thanks to Senator Conrad and his staff for their efforts.

Mr. Hentges stated he did call the Senator's office to express appreciation on behalf of the Airport Authority but we will send a letter as well.

Received Progress Report on Runway 8/26 Project:

Mr. Parmer explained that this phase of the project required that we close Runway 17/35 and convert Taxiway A to a temporary runway. The runway was closed on June 7 and we gave the contractor 60 days to complete that portion of the work. He stated the 60 day term is up on August 7 and we are looking at reopening Runway 17/35 on Monday, August 9. Mr. Parmer stated the closure has caused some problems for the air carriers and we have had to cancel some flights over this period due to weather and landing conditions.

Mr. Wes Schon stated they poured the last piece of pavement today. He stated that despite the adverse weather conditions this season we are staying close to schedule. He stated the fact that we are even close to the deadline is amazing and it is due to the diligence and stellar performance of the contractor and subcontractors.

Mr. Schon stated the next major step after Runway 17/35 is open will be to work on the pavement at the intersection of Runway 8/26 and Taxiway B so we can re open that taxiway. Mr. Schon stated that the scheduling of the work on the project has changed from the original plan since the FAA did the rearranging with the funding. If the money had not been stretched out into three grants the scheduling of the project would have been different. He stated that this particular paving crew is scheduled to go to Wyoming after they are done with the paving.

Chairman Hentges asked Mr. Parmer to comment on what this additional funding means for the general aviation development.

Mr. Parmer stated that our next enplanement funds will be awarded in October and that amount should be approximately \$960,000. He stated we will submit our application for next year's project as soon as we are able. This project will be the taxiway and ramp into the general aviation area and roadway off County 20.

Chairman Hentges asked about the water and sewer into the new general aviation area.

Mr. Parmer stated this item is not eligible for AIP funding so we could start that project any time. He stated we did receive an estimate some time ago from the City Engineering Department and we can either have the City do the work or use a private contractor.

Chairman Hentges stated when we did the water and sewer for the Airport Industrial Park the City participated in the funding for that project. He stated whether we will ask them to do that this time remains to be seen.

Mr. Parmer stated this is an airport responsibility and may be looked at differently than the Industrial Park, as we were even looking at non aviation activity in the Industrial Park. Mr. Parmer stated he can talk to the City Engineering Department to see if they are in a position to do any work or if they would rather we have it done by private contractor.

Received Progress Report on Runway 8/26 Project: (Continued)

Commissioner Hentges stated the City may want to participate with engineering services.

Gallagher moved to authorize the Executive Director to proceed with specifications and advertisement for bids for the water and sewer project in the new general aviation area.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Other Business:

Mr. Jim Sweeney and Mr. Pat Sweeney, Weather Modification, were recognized.

Mr. Jim Sweeney stated they appreciate the Airport Authority's efforts in securing funds for the completion of the Runway 8/26 project this year so that we can move ahead with general aviation development next year. Mr. Sweeney stated the next big step for them would be to execute the agreement between Weather Modification Incorporated and the Airport Authority. He stated WMI went through the financial study done recently and they would like to proceed with an agreement. He stated right now they are operating from Victor Gelking's hangar and are very tight on space.

Chairman Hentges stated if any of the Authority members have any questions on the financial aspects of WMI they should see Attorney Stewart. He asked if, in the meantime, there was any reason that Attorney Stewart could not work on drafting an agreement.

Attorney Stewart indicated he would have an agreement drafted for review at the next meeting.

Mrs. Stanton moved to adjourn the regular meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, August 17, 1993 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:28 a.m.

Regular Meeting

Tuesday

August 17, 1993

The regular meeting of the Municipal Airport Authority was held Tuesday, August 17, 1993 at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Cichy and Hentges

Absent: None

Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 3, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 3, 1993.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$30,118.32:

Mr. Cichy moved to approve the airport vouchers totaling \$30,118.32.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$38,113.08 to Ulteig Engineers, Inc. for Partial Payment Request No. 2 for engineering services in connection with the Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$79,429.50 to Northern Improvement Company for Partial Payment Request No. 8 for construction in connection with the Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$211,373.75 to Northern Improvement Company for Partial Payment Request No. 4 for construction in connection with the Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Edling Electric:

Mrs. Stanton moved to approve the individual voucher in the amount of \$24,993.45 to Edling Electric for Partial Payment Request No. 5 for construction in connection with the Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received and Filed Statement of Operations for the Month of June 1993:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of June 1993.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Received Communication from First Bank Fargo Regarding Fast Bank Automatic Teller Machine:

Mr. Parmer distributed copies of a communication dated August 3, 1993, from First Bank Fargo, regarding the Fast Bank Automatic Teller Machine. Mr. Parmer stated the last communication we received from First Bank was in May. He stated that he and Chairman Hentges have met with representatives of the bank since then to discuss their proposal. Mr. Parmer stated they offered the bank some advertising space in the terminal building in lieu of a monthly fee for the ATM. Mr. Parmer stated their proposal at that time was \$950 a month with credits applied for each transaction. Mr. Parmer stated First Bank was not interested in any advertising space at this time but have come back with a counter offer reducing the monthly fee from \$950 to \$800. The bank has indicated that based on the use of the machine in June the fee after credits for transactions would have been \$450.00. Mr. Parmer stated that if we want to continue to use the machine we will have to pay for it.

Mr. Parmer stated one alternate solution we may have is to ask the City to include providing an ATM at the airport as a line item in their contractual agreement for banking services.

Mr. Bromenschenkel stated the City just completed its negotiations for a new three year contract with Community First.

Mr. Hentges stated he felt they had a cordial meeting with the representatives of First Bank and they were not interested in advertising space at that time and apparently after three months there has been no change. He stated the Airport Authority can decide either to subsidize the ATM or come up with another alternative.

Received Communication from First Bank Fargo Regarding Fast Bank Automatic Teller Machine:
(Continued)

Mrs. Stanton stated the ATM is a nice service but she cannot see spending \$800 a month for it and it is not going to get any better. She stated we are at a point where we should be saving money, not spending more. The public is mad enough about the cost of everything.

Mr. Williams stated it can't get any better now with the loss of one airline.

Chairman Hentges asked Mr. Balvitsch, Northwest Airlines, if it is going to be an inconvenience to them if there are people coming to their counter asking them about a cash machine.

Mr. Balvitsch stated if they have 30 people a day coming to them wanting change and are not able to get it they will be mad, but Northwest Airlines certainly is not going to finance the machine.

Chairman Hentges asked how many transaction are recorded in a month.

Mr. Parmer stated it comes out to about 30 35 per day. Their initial minimum estimate was 100 transactions per day in order for the machine to pay for itself.

Chairman Hentges asked the Airport Authority members if they are interested in spending anything.

Mrs. Stanton stated that would depend on how much.

Mr. Williams stated if the airlines are not interested in subsidizing it neither is he.

Mr. Gallagher suggested waiting until Mr. Bromenschenkel is able to check into including the ATM in the City's banking contract.

Mr. Williams stated he would suggest we look into ways to ease that off. If we get cooperation from the airlines in subsidizing the ATM he would then be in favor of the Airport Authority participating.

Mr. Ron Balvitsch stated if the machine is removed they could refer any requests for a cash machine to the Airport Authority office.

Mrs. Stanton stated people would soon find out it wasn't available there either. Mrs. Stanton stated she thought people traveled with money. She added that she would never depend on a cash machine being located in an airport.

Mr. Balvitsch stated people don't travel with money and many times they use the cash machine to get money to exit the parking lot.

Mrs. Stanton added that she can't blame the bank for charging for the service as that is their business.

Mr. Parmer stated we have no contract with the bank but they have asked that we respond to them by August 20. He stated he does not know if that means they will remove it immediately or not.

Mr. Balvitsch stated maybe the bank could charge the customer a fee for every transaction made.

Chairman Hentges stated they discussed that with the bank and they indicated that was a difficult thing to do because it is a Fastbank machine and has something to do with a regional or national contract.

Chairman Hentges stated we should consider how important an ATM is to the traveling public and then if it is that important we should somehow incorporate it into our overall operations budget. If it is important to have it there should find a way to fund it.

Mr. Ron Balvitsch stated he felt a comparable scenario was the bathrooms in the terminal. It costs money to have the bathrooms and we don't charge people to use the bathroom.

Mrs. Stanton stated the law requires bathrooms in a public facility and she did not feel that was an accurate comparison.

Mr. Gallagher moved to refer the matter back to Mr. Parmer for further negotiation.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Received Communication from Planning Department Concerning Public Facilities Review:

Mr. Parmer stated he received a communication from Commissioner Arlette Preston, Chair of the Public Facilities Review Committee. Mr. Parmer stated they are requesting that any proposed project at the airport go through the Public Facilities Review process.

Mr. Bromenschenkel stated the Public Facilities Review Committee is basically involved in reviewing the altering of public buildings and at this point he could not see anything that would involve the airport.

Mr. Gallagher stated the airport has its own planning commission.

Chairman Hentges stated he usually attends the meetings of the Planning Commission and he feels that this new committee may have been precipitated by one public facility project that did not come before the Planning Commission and has caused some problems. He stated he does not know which facility this was but he feels that may have precipitated this. Chairman Hentges stated the Planning Commission meets once a month and they require an agenda item be in ten days before the meeting so there are times the Airport Authority cannot wait with certain projects, such as something that needs to be done late in the construction season.

Mr. Gallagher stated he thought the law that established the Airport Authority also gave it authority to have its own planning commission.

Chairman Hentges stated that is correct but this is a courtesy to the City. He added that the Park Board does bring its projects before the Planning Commission.

Mr. Parmer stated the Public Facilities Review Committee will be a committee that reviews proposed projects before they are brought before the Planning Commission.

Attorney Stewart stated that an example of a project the Airport Authority has planned that might be submitted to this review committee would be the roadways into the new general aviation area.

Chairman Hentges asked Attorney Stewart if the Airport Authority was to decide to go ahead with the water and sewer project into the new general aviation area yet this fall would we have to wait for approval from the Planning Commission.

Attorney Stewart stated utilities would not be affected.

Mr. Williams moved to receive and file the communication from Commissioner Preston.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Authorized Dates for 1994 Airshow:

Mr. Parmer stated the Fargo Chamber of Commerce has reactivated its Airshow Committee (Dick Walstad and Darrol Schroeder, Co Chairmen). He stated they have had a couple of meetings and are tentatively looking at the weekend of August 13, 1994, with the weekend of August 20 as a rain date. Mr. Parmer stated he would like preliminary approval from the Airport Authority for these dates.

Mr. Williams moved to authorize the proposed dates of the weekends of August 13 or August 20, 1994 for an airshow.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Authorized Attendance at AAAE Fall Legislative Conference Washington, DC:

Chairman Hentges stated he plans to attend the AAAE Fall Legislative Conference in Washington, DC, September 13 14, 1993. Chairman Hentges stated the 103rd Congress will be back from recess and that is also the time the select committee appointed by the President to assure an economically viable airline industry will be reporting and the trust fund could be in jeopardy. He added it should be an important meeting.

Mrs. Stanton stated she feels they are an exercise in futility.

Mr. Gallagher moved to authorize attendance at the AAAE Fall Legislative Conference, September 13 14, Washington, DC.

Second by Mr. Cichy.

On the call of the roll, members Gallagher, Williams, Cichy, and Hentges voted aye.

Mrs. Stanton voted no.

The motion was declared carried.

Reviewed Request from Barnstormer to Replace Ice Machine:

Mr. Parmer stated that Mr. Pete Haug visited with him recently about the purchase of a new ice machine. Mr. Haug was not able to attend today's meeting but the manager, Renee Noehre, was present. Mr. Parmer stated they have had the current ice machine since moving into this building. He stated they are looking to replace the machine with one slightly larger and the cost should be approximately \$2,500 to \$3,000.

Chairman Hentges stated this is only the second piece of equipment we have had to replace in the restaurant since moving into the building.

Mr. Williams asked what our lease with the restaurant provides regarding equipment.

Mr. Parmer stated the Airport Authority owns the equipment and the Barnstormer maintains the equipment, normal wear and tear excepted. The Airport Authority replaces the equipment when it wears out. He added that they will be trading the current machine in but it will have very minimal trade in value.

Mrs. Renee Noehre was recognized and stated they have had to buy 100 pounds of ice a day to keep up with the demand.

Chairman Hentges stated the Barnstormer's rent is based on volume and we want their volume up and they need an larger ice machine to do that.

Mrs. Stanton moved to authorize the purchase of a new ice machine for The Barnstormer.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Update on Runway 8/26 Project and Approved Change Order for Phase III:

Mr. Parmer stated the change order requested is basically to incorporate Phase III, which is the portion of the project covered by the grant which we just received and accepted at the last meeting. Mr. Parmer requested the Airport Authority approve the change order for Phase III of the project, which will authorize the contractor to proceed with the construction of Runway 8/26 (Stage 3) and parallel taxiway (Stage 3), pave Runway 8/26 (constructed in Stage 1) and parallel taxiway (constructed in Stage 1) for Runway 8/26.

Mrs. Stanton moved to approve the change order as outlined.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Update on Runway 8/26 Project and Approved Change Order for Phase III:
(Continued)

Mr. Wes Schon, Ulteig Engineers, stated the change order also included a time extension into 1994. He indicated the contractor is moving ahead with the project with the intention of completing this year but the construction season will end soon.

Mr. Parmer stated he realizes there will be some carryover into next year but he wants it to be something other than the runway itself. He stated the FAA gave us this last grant because we told them we would be able to complete the project this year. He stated he does not want to get into a situation where we have given the contractor so much time that he folds up his tent and moves on to another project.

Mr. Schon stated he does not think that is the case at all, but from the contractor's position they are very apprehensive about signing a \$1.3 million change order that must be completed by October 1 when they know they probably cannot do that because of the timing. He added that the problem is we were not able to offer it to them until now. Had we been able to offer it to them in June it would have been different. Mr. Schon stated if the Airport Authority does not wish to grant the time extension the present completion date is October 31, 1993.

Mr. Schon stated the contractor requested an extension to August 1994 so his request is July 31, 1994. He stated that gives them June and July next year to complete the project. Mr. Schon stated they are shooting for completing the mainline paving of the runway this fall, but that still leaves us the taxiway plus the crossovers, radiuses, etc.

Mrs. Stanton stated that no one could help the weather this summer.

Mr. Schon stated there is no question they are going to work until freeze up. Mr. Schon stated if it is the opinion of Mr. Parmer and the Authority that they do not want to grant a time extension the change order can be rewritten. He stated he talked to the contractor and they are very apprehensive and may not even sign a change order without a time extension.

Mr. Parmer stated he knows there are going to be carry over items but he did not want to carry over part of the runway.

Mr. Schon stated he does not want to carry over any of the runway either and we have already started the process on the runway going east.

Chairman Hentges stated if the Airport Authority approves the change order today and the contractor does not wish to sign it without the time extension we will have to negotiate with them anyway. He stated that if weather is an acceptable delay he would support the Director's position that we keep the pressure on to complete the major portion of the project completed this year. He stated he did not think the contractor could object to that.

Mr. Parmer stated the contractor's major concern, of course, is the penalty written into the contract if the job is not completed by the date specified. He added that we are not going to tell the contractor they have to be completed by October 31 or we are going to assess a daily penalty. Mr. Parmer stated he would like to be assured the contractor is going to exert every effort possible to complete the project.

Mr. Schon stated he would like to meet with representatives of Northern Improvement and Mr. Parmer so they can assure us that every effort will be made to complete the runway by freeze up this year and whatever work remains will have to carry over, that is just part of our climate.

Chairman Hentges stated that Northern Improvement is experienced enough to know that if you have 81 days of paving on the main runway they can't make it but if it were 51 days they might. If they say its impossible we certainly aren't going to enforce a completion date.

Received Update on Runway 8/26 Project and Approved Change Order for Phase III:
(Continued)

Mr. Schon stated that when we start getting to the end of the construction season we don't want 2700 feet of concrete laying out there and worrying about whether or not it is going to freeze. It's not a risk worth taking. Mr. Schon stated he and Mr. Parmer can meet with Northern Improvement and get some assurances that every effort will be made to complete it yet this year. He added that once the area is ready to be paved it will take only four days to pour the pavement.

Mr. Schon stated the draft change order included a time extension but this change order can be amended not to include a time extension and if a time extension is needed at a later date the Authority can do that at any time. He added that if the Authority is willing to extend time to the contractor if our climate comes to the end of a construction season the FAA will go along with such a request.

Chairman Hentges stated that he is certain that Mr. Parmer and Mr. Schon can work out an agreement with Northern Improvement. He added that both parties are certainly going to be reasonable. He added that we put a lot of pressure on to get the discretionary funds so that we could finish the project this year.

Mr. Schon stated since the contractor is not here he would like to say on their behalf that they have held their bid prices for an extended period of time.

Mr. Gallagher stated we could talk about this all day but until we get the third party involved we won't solve anything.

Mrs. Stanton moved to approve the change order to the Runway 8/26 Project with the time extension item being subject to further approval.

Second by Mr. Cichy

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Mr. Williams now absent.

Reviewed and Approved 1994 Operations and Maintenance Budget and 1994 Construction Budget:

Mr. Parmer stated the proposed Operations and Maintenance Budget for 1994 is almost identical to 1993, with the exception of the debt services. Also, if there are any adjustments in salaries by the City Commission those will be made automatically.

Mr. Parmer reviewed the items in the 1994 proposed capital improvement budget. Those items included:

- Carryover from Runway 8/26 Project
- Water and Sewer Service to Northeast General Aviation Area
- Construction of General Aviation Apron and Connecting Taxiway, Access Road and Parking
- Construction of Taxiway to New T Hangar/Corporate Hangar Area
- Construction of Hangar Facilities in Northeast General Aviation Area

These projects total approximately \$5,150,000, of which \$3,240,000 would be funded by the FAA and \$1,910,000 from the Airport Authority's improvement fund.

With regard to the water and sewer in the northeast general aviation area, Mr. Parmer stated he and Mr. Wes Schon visited with the City Engineer's Office and they would be unable to assist this year. Mr. Parmer stated that after further discussion he feels it would be best to delay this until next year because of a need for some further consideration and planning, yet it will not delay any construction in the spring.

Reviewed and Approved 1994 Operations and Maintenance Budget and 1994 Construction Budget: (Continued)

In answer to a question from Chairman Hentges, Mr. Parmer stated the balance in the Airport Improvement Fund, after current obligations, is approximately \$2 million.

With regard to the mill levy, Mr. Parmer stated the budget printout received from the Finance Office shows two mills. The Airport Authority certified two mills last year but at the request of the City Commission we reduced that to one mill for 1993. He stated it is up to the Airport Authority the number of mills it wishes to certify. He added that they do not have to make a final decision today but he would like to be able to submit the proposed budget to the Finance Office so that we do not hold up the budget process.

Chairman Hentges stated he does not want to see another situation like last year so we should finalize the mill levy as soon as possible. He stated the fact that we did receive discretionary funding this year did make a difference in our ability to go forward with planned improvements, otherwise we would have had to look hard at the maximum levy. He asked Mr. Parmer if he was satisfied with two mills.

Mr. Parmer stated the Airport Authority always has the right to go up to a maximum of four mills. He added that we have a lot of work programed over the next several years.

Chairman Hentges stated we need to keep in mind that we will need starter funds for improvements in the new general aviation area. He stated he also recalls that last year at budget time the City Commission was in a crunch and needed one of the Airport Authority's mills and then six months later they find an extra \$1.5 million and handed it out in loans.

Mrs. Stanton stated that situation upset a lot of people.

Mr. Cichy moved the Airport Authority give preliminary approval to the 1994 Operations and Maintenance Budget and 1994 Capital Improvement Budget as submitted.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams

The motion was declared carried.

Certified to the Board of City Commissioners the Mill Levy for Airport Improvements for 1994:

Mr. Cichy moved to certify to the Board of City Commissioners a two mill levy for airport improvements for 1994, as per Section 2 06 14 of the North Dakota Century Code.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams

The motion was declared carried.

Adopted a Resolution of Sympathy to John D. Paulson Family:

Mr. Cichy offered the following resolution and moved its adoption:

WHEREAS, It is with profound sorrow that the Municipal Airport Authority of the City of Fargo, North Dakota, has learned of the death of Mrs. John D. (Zoe) Paulson, and

Adopted a Resolution of Sympathy to John D. Paulson Family:

WHEREAS, Mrs. Paulson will be greatly missed by her family and friends.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt condolences to Mr. John D. Paulson and the Paulson Family.

BE IT FURTHER RESOLVED, That this Resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority and a certified copy of the herein Resolution be forwarded to the Paulson Family.

Second by Mr. Gallagher.

All members present voted aye and the Resolution was declared duly passed and adopted.

Other Business:

Chairman Hentges stated the Airport Authority needs to set up a meeting with Weather Modification Incorporated to review the agreement between the two parties.

Mr. Parmer stated Attorney Stewart has been working on drafting the agreement.

Attorney Stewart stated he has a draft of the agreement and we need to arrange a meeting with WMI and the Airport Authority.

A meeting was set for Tuesday, August 24, 1993 at 9:00 a.m. (The meeting was later changed to 1:30 p.m. the same date).

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated that after going through his budget for the month of July he calculated that Northwest Airlines incurred direct costs of \$23,543 for additional expenses due to the runway construction and cancelled flights (hotel rooms, meals, etc.) He stated last year when Grand Forks closed their airport the city reimbursed Northwest Airlines for their expenses. He stated he is not asking for that, he is just pointing it out. He added that this is only a portion of the bills and this is for only one month. This does not take into consideration the passengers that wrote complaint letters and were reimbursed in some way.

Mr. Parmer stated there is a difference between our situation and Grand Forks's situation last year. He stated they closed their airport so the airlines were forced to operate from another airport. He stated we just changed operation from the runway to the taxiway and of course there is no question that it caused some problems for the airlines, as the instrument landing system was not operational. Mr. Parmer stated that with some of the east/west winds we had this summer the flights that were cancelled due to cross winds may have been cancelled even if the runway had been opened. Mr. Parmer stated he felt we had good cooperation from the airlines and the contractors and he is glad we got that portion of the project done.

Chairman Hentges stated the Airport Authority appreciates Mr. Balvitsch bringing this to our attention as they are not always able to be aware of those things.

Mr. Balvitsch clarified that these expenses were over and above the additional expenses that he included in his budget.

Mr. Balvitsch also stated he would like to point out to the Authority, if they are not already aware, Continental Airlines is pulling out of Bismarck and Minot. He stated he wanted to remind the Authority that we had two solid carriers in Fargo and everyone was so interested in bringing in a third to split up the pie. Now we have lost one solid carrier and the second carrier remaining, other than Northwest, is boarding a lot fewer passengers than Continental was boarding in Bismarck and Minot.

Mr. Cichy moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, September 7, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:45 a.m.

Regular Meeting

Tuesday

September 7, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, September 7, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Cichy and Hentges

Absent: None

Others: Stewart

Chairman Hentges presiding.

Received Bids on Paving Viewing Park Lot, Eastside Terminal Parking Lot, and 31st Street Extension:

Mr. Parmer stated this project consists of three items:

- 1) Paving of the viewing park area
- 2) Paving of the Eastside Terminal parking lot
- 3) Extension of 31st Street North

Mr. Parmer stated the National Guard requested the extension of 31st Street North to serve their new armory building prior to constructing their new facility. This extension was approved by the Airport Authority but we held off with the extension of 31st until all building construction was finished so that the road would not be damaged during construction.

The bids were opened and read as follows:

	Park	E. Terminal	31st St.	TOTAL
F M Asphalt, Inc.	\$46,435.00	\$43,840.00	\$31,747.50	\$122,022.50
Border States Paving	\$49,683.00	\$42,475.00	\$36,544.50	\$128,702.50

Mr. Gallagher moved the bids be received and referred to the Executive Director and Ulteig Engineers for review and recommendation.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 17, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 17, 1993.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$34,793.88:

Mr. Cichy moved to approve the airport vouchers totaling \$34,793.88.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$35,734.10 to Ulteig Engineers, Inc. for Partial Payment Request No. 3 for engineering services in connection with the Runway 8/26 Project No. 3 38 0017 13. Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$1,700.87 to Ulteig Engineers, Inc. for engineering services in connection with paving project for viewing park, Eastside Terminal parking lot, and 31st Street extension.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$86,350.00 to Northern Improvement Company for Partial Payment Request No. 9 for construction in connection with Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$60,789.90 to Northern Improvement Company for Partial Payment Request No. 5 for construction of Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$172,312.88 to Northern Improvement Company for Partial Payment Request No. 1 for construction of Runway 8/26 Project No. 3 38 0017 14.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Edling Electric:

Mrs. Stanton moved to approve the individual voucher in the amount of \$132,643.44 for Partial Payment Request No. 6 for construction in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$850.00 for concrete repair on the north barrier (to be reimbursed by North Dakota Air National Guard).

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received and Filed Statement of Operations for the Month of July 1993:

Mr. Williams moved to receive and file the Statement of Operations for the Month of July 1993.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Approved Change Order No. 2 to Electrical Contract for Runway 8/26 Project (\$3,080.00):

Mr. Parmer explained that there is a change order necessary to the electrical portion of the Runway 8/26 Project described as follows:

"Provide duct bank j boxes at each end of ducts from vault to Taxiway. Provide new sign #107."

Mr. Parmer stated the j boxes will allow for easier access to ducts and new sign #107 is required due to FAA final sign review. The change order results in an additional \$3,080.

Approved Change Order No. 2 to Electrical Contract for Runway 8/26 Project (\$3,080.00):
(Continued)

Mrs. Stanton moved to approve Change Order No. 2 to the electrical contract for Runway 8/26 Project in the amount of \$3,080.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Communication from Fargo Chamber of Commerce Discussing Air Service Task Force Research Project:

Mr. Parmer read a communication dated August 25, 1993 from Mr. Jim Buus, Public Affairs Manager for the Fargo Chamber of Commerce. The letter stated the Fargo Chamber of Commerce's Air Service Task Force continues to work toward air service between Fargo and Winnipeg. They currently have a Canadian based commuter airline identified which is interested in providing this service. The Chamber feels strongly that air service between the two largest markets within the Red River Valley is a key element in fostering increased business interaction in the region. They have been working through the NDSU College of Business to compile some market research on this issue, however, they feel that more professional research needs to be conducted. They have been in contact with Precision Marketing of Fargo about conducting a telephone survey to measure the business community's needs in this area. They are asking the Airport Authority to contribute \$200 toward the cost of this survey.

Mrs. Stanton asked the total cost of the survey.

Mr. Parmer stated he is not sure of the entire cost of the survey.

Mr. Gallagher moved the Airport Authority contribute \$200 toward the cost of this survey.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Communication from Ness Rent a Car Requesting Lease of Area for Maintenance Shop:

Mr. Parmer read a communication dated August 25, 1993, from Mr. Bernie Ness, Avis Rent a Car, Inc. Mr. Ness indicated that he and Mr. Morrie Lamb (National Car Rental) would like to lease the area North of the airport maintenance shop for their rental car maintenance shop. This area is close to their existing parking and has sewer and water available. They would like to build on the site this fall.

Mr. Parmer stated his only concern with this request is the location. In the past we have discussed the possibility of locating car rental maintenance facilities between the airport maintenance shop and the Northwest fuel farm. He stated any expansion of the terminal building in the future would be to the west. He added that we even considered locating a car rental facility on the west side of the drainage ditch but the problem there was with getting utilities to the site.

Mr. Bernie Ness was recognized and stated that the reason they asked for that corner is that it is a dead corner and is adjacent to their parking lot. There is also sewer and water right along that road. He stated they are looking for a five to ten year lease subject to cancellation and they realize that if

Received Communication from Ness Rent a Car Requesting Lease of Area for Maintenance Shop:
(Continued)

there is expansion of the terminal building in the future they would have to move the building. He stated they do not want to buy the property, only lease it. Mr. Ness stated that one of the benefits to that location is that it is within walking distance from the lot, another location would require shuttling. He stated right now they are shuttling cars six miles for service and they would like to keep the rental vehicles off the public roads as much as possible to prevent accidents.

Mr. Williams stated he feels this is a matter that requires some long range planning so if other car rental agencies are interested in building a service facility we would have a plan for their location as well. He suggested that Ulteig Engineers review the matter and come up with a proposed plan.

Chairman Hentges stated that Mr. Ness and Mr. Lamb would like to complete this project yet this fall.

Mr. Parmer stated there are a number of things that need to be done before construction can begin. First of all, we need to submit a form to the FAA for their approval on a location.

Mr. Ness stated what they really want to do this fall is get a gas tank installed at the site. They probably would not be building until spring. He stated that in their current facility they do not have a gas tank.

Mrs. Stanton stated she feels the Authority needs to be careful about how many gas tanks it allows on the airport.

Mr. Gallagher stated as long as the tanks meet the approval of the various regulatory agencies he doesn't see any problem.

Mr. Ness stated their plan for the fuel tank is to make it available to all of the car rental agencies and equip it with a card control.

In answer to questions from Chairman Hentges, Mr. Ness stated the building they propose is 30' x 36' and would have very limited parking area around the building.

Chairman Hentges stated that since there is no urgency in the request he suggested the Airport Authority acknowledge the request and refer it to the Executive Director and Ulteig Engineers.

Mrs. Stanton stated she feels the Authority needs to be careful about future expansion plans.

Mr. Gallagher stated he feels if the space is available it should be used. If we granted just short term leases and needed the space in the future it would be up to the tenant to vacate the premises and move the building.

Mrs. Stanton stated she is not crazy about putting up buildings and then moving them.

Mr. Ness stated it is not unusual in other airports to see a facility built for the short term.

Mrs. Stanton stated then it is also probably true at other airports that car rental agencies have to drive further distances for servicing vehicles.

Mr. Williams asked if any of the other car rental agencies are interested in building service facilities.

Mr. Parmer stated others have indicated an interest in the past but there have been no other official requests.

Mr. Williams suggested we canvass the other car rental agencies and get an idea of their interest in a service facility. He stated if there are others then we could plan accordingly.

Received Communication from Ness Rent a Car Requesting Lease of Area for Maintenance Shop:
(Continued)

Chairman Hentges stated another option would be for the Airport Authority to construct a facility and lease it to the car rental agencies.

Mr. Williams moved the Executive Director check with the FAA as far as the location for a rental car maintenance facility and contact the other car rental agencies to see if they are interested.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Communication from Vic's Aircraft Sales Requesting Permission to Install Fuel Tank at Hangar Site:

Mr. Parmer stated he received a communication from Mr. Gelking dated August 10, 1993, making formal request for the installation of a fuel tank near his hangar. Mr. Gelking indicated the use of this tank would be for aircraft in his hangar.

Mr. Parmer stated he does not have any specifics on where Mr. Gelking would like to place the tank. He stated that on the basis of the information provided the Airport Authority could not give approval of this request at this time.

Mrs. Stanton stated she does not want to see gas tanks all over the airport and she feels the Authority needs to come up with a plan and policy for gas tanks.

Chairman Hentges stated the law does require that self fueling be permitted on the airport but the Airport Authority is able to regulate it.

Mr. Cichy moved to receive and file the request from Mr. Gelking and that it be referred to the Executive Director to obtain further information.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Considered Agreement with Weather Modification Incorporated:

Chairman Hentges stated members of the Airport Authority met with Weather Modification Incorporated (WMI) on August 24 to review the agreement presented last February. This has been put on hold because of uncertainty of funding for the Runway 8/26 Project but since that funding has come through the Authority plans to move ahead with development in the new general aviation area. Chairman Hentges stated he did meet with the mayor in order to keep him abreast of what the Airport Authority has discussed as far as the concept of WMI in the new general aviation area. He stated he also met with Mark Thelen, Finance Director, and Pat Zavoral, Public Works Director, who has had many other responsibilities with the City, economic development included. Mr. Hentges stated his reason for consulting with the Director of Finance was for means of financing the construction of a building and the bonding possibilities, as we have used the City as a vehicle for it bonding projects.

Chairman Hentges invited any questions of the Airport Authority, Attorney Stewart and representatives of Weather Modification Incorporated.

Mr. Gallagher asked if the financial report on WMI had been reviewed by Mr. Thelen.

Chairman Hentges stated Mr. Thelen has been given the report which he will review and then make some contacts as far as bonding.

Attorney Stewart stated that at the meeting of August 24, the matter of the authority of WMI to become a fixed based operator was addressed. Although it is not their intention at this time to be a fixed base operator there is a clause in the lease that would allow them to do so with the authorization of the Airport Authority.

Considered Agreement with Weather Modification Incorporated: (Continued)

Mrs. Stanton stated she thought the Airport Authority was ready for a decision today on this agreement. She stated she feels we need to set a deadline for approval.

Attorney Stewart stated we should be able to finalize the agreement for action at the next meeting.

Chairman Hentges stated we want to move along on this project but at the same time if we are talking about spending \$1.5 million we want to be assured of a recap of our investment.

Mr. Gallagher moved the Airport Authority defer action on the agreement with Weather Modification Incorporated until the next meeting so that remaining details may be finalized.

Second by Mrs. Stanton.

Dr. Clif Hamilton, Valley Aviation, was recognized and asked the other terms of the agreement. He stated the last agreement he saw called for a monthly lease of \$4,000 but did not contain any provisions for city lease fee and fuel flowage fees to be paid to the Airport Authority.

Chairman Hentges stated he has not seen the latest revision but WMI had drafted the original agreement so that it would not include any provisions for a fixed base operation. Chairman Hentges stated the Airport Authority revised the agreement to include terms for a fixed base operation should WMI ever become an FBO. Chairman Hentges stated we will need an FBO in the new general aviation area. He asked Mr. Parmer to go over the requirements of an FBO.

Mr. Parmer stated that all FBO's are subject to the same requirements. Some operations are more specialized but they still must remit applicable fees to the Airport Authority. He added that any self fueling operation on the airport must also remit a fuel flowage fee to the Airport Authority.

Dr. Hamilton asked if WMI is still planning to apply for a real estate tax abatement for five years.

Mr. Parmer stated that WMI was going to ask for a tax exemption for the first years, but that is not a matter involving the Airport Authority.

Dr. Hamilton stated it is his understanding that the purpose of such a tax exemption is to bring in new companies/industries without competing businesses. He stated if WMI is going to be an FBO they should not be eligible for this tax exemption.

Mrs. Stanton stated WMI is not coming in as an FBO, and if in the future they do conduct business as an FBO their tax status would be re evaluated at that time.

Dr. Hamilton stated his question about the amount of the lease had not yet been answered.

Mr. Williams stated that has not yet been determined.

Chairman Hentges stated the amount of the lease would be determined by the actual facilities being leased. Mr. Hentges stated he talked with Dr. Hamilton since the last Airport Authority and asked why he was not present at the meeting with WMI on August 24. He stated that Dr. Hamilton felt the meeting was not open to the public. Chairman Hentges stated that any meeting the Airport Authority has is open to interested parties. He stated we need to get questions out in the open and answered as soon as possible so that these matters do not fester. Chairman Hentges stated that WMI has made it clear that they do not want to be an FBO. The Airport Authority wants an FBO in the new general aviation area and if no other FBO locates to the new area we want the doors open for WMI to operate since the Authority wants that area to grow, it is not exclusively for WMI. He added that it is not the intention of the Airport Authority to deliberately disadvantage any of our current tenants.

Considered Agreement with Weather Modification Incorporated: (Continued)

Dr. Hamilton stated he is for the concept of the Airport Authority moving ahead with this project but they should do it under the full realization that the tax payers of the city of Fargo should not be taxed through a mill levy to pay for this building. He stated this should be a self-sustaining type of operation with WMI paying what it costs to operate the building like the rest of us.

Chairman Hentges stated any property tax exemption would not be up to the Airport Authority. He stated the Authority may be asked its opinion but it is not their decision. He stated that WMI has relocated its industry here and if in the future they would want to become an FBO it would have to go through an approval process. Chairman Hentges stated these are very valid questions and he wants all of these questions to come out now. Chairman Hentges stated the Authority wants the current tenants to be successful in their businesses but at the same time we must move ahead with development. He stated that the Authority welcomes the input of the tenants and they will continue to be advised of upcoming meetings.

Dr. Hamilton commented that money is available at 4% and he doesn't want to see the Airport Authority "give away the farm."

Chairman Hentges stated the Airport Authority understands there are some risks and we are going to minimize them, but WMI will be assuming some risk as well and will have their financial wherewithal on the line.

Mr. Jim Sweeney, WMI, was recognized and stated the agreement being drafted is a development agreement and is not sure of the involvement of the City Finance Director.

Attorney Stewart stated the Authority wanted an opinion on bonding possibilities now so that we are not surprised in six months.

Chairman Hentges stated the Airport Authority is an autonomous body by state law but we have always cooperated with the City of Fargo.

Attorney Stewart stated that the Airport Authority has always issued its bonds through the City because of the advantages. He added that as far as Dr. Hamilton's concern, the agreement states that WMI will not operate as an FBO without prior consent of the Authority. Also, if they were to sublease space to an FBO they would lose their tax exemption.

Chairman Hentges stated the Airport Authority will also want to offer incentives to other FBO's to expand into the new general aviation area.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Reviewed Sublease Agreement between United Airlines and United Express (Great Lakes Aviation, Ltd.):

Mr. Parmer stated that United Airlines has reached an agreement with United Express to sublease their space. He stated that United Express will operate from Gate 2 as United Airlines has been. Mr. Parmer stated he does not yet have a copy of the agreement but will be receiving that soon. He added that we will bill United Express for the joint use space under their lease (security area, baggage claim area, and tug concourse) and will continue to bill United Airlines for their exclusive space (ticket counter, operations area, baggage makeup area and departure lounge.) Mr. Parmer stated that representatives of United Express were going to come to Fargo to work out final leasing arrangements but they have not yet done that.

Mr. Parmer stated United Express has provided us with a tentative flight schedule. He stated there are a lot of flights from Fargo to Denver with stops in Aberdeen and Pierre. He added that they have deleted some of our service to Jamestown and Bismarck and those flights were very convenient for people going to Bismarck for meetings. He also indicated the schedule may be subject to change.

Reviewed Sublease Agreement between United Airlines and United Express (Great Lakes Aviation, Ltd.): (Continued)

Mr. Williams suggested the Airport Authority put some pressure on United Express for more flights to Bismarck, as that is a very important flight.

Chairman Hentges stated he believes the remaining flights are part of a training program for China Airlines and those flights are subsidized. Chairman Hentges stated he and Mr. Parmer attended a good meeting in Bismarck hosted by the Aeronautics Commission for the ten largest airports in the state. He stated the reason the meeting was called was that Continental Airlines announced it is leaving Bismarck. He added that there did not seem to be the same urgency when United announced it was leaving Fargo. Chairman Hentges stated the point he made to the group was that he appreciated the fact that the meeting was called and that hopefully something can be done about the situation. He stated that he urged the representatives of these cities to go back and urge people in these cities to start using these airlines or we will lose them.

Mrs. Stanton moved to approve the sublease agreement between United Airlines and United Express, to be signed after final approval by the Attorney and Executive Director.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, September 21, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:29 a.m.

Regular Meeting

Tuesday

September 21, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 21, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Williams, Cichy, Hentges

Absent: Stanton

Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 7, 1993:

Mr. Gallagher moved to approve the minutes of the regular meeting of the Municipal Airport Authority held September 7, 1993.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$57,169.63:

Mr. Cichy moved to approve the airport vouchers totaling \$57,169.63.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to United Roofing Inc.:

Mr. Williams moved to approve the individual voucher in the amount of \$38,337.25 to United Roofing Inc. for Payment Request No. 1 for the partial reroofing of the Westside Terminal.

Second by Mr. Cichy.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Mr. Williams moved to approve the individual voucher in the amount of \$64.20 for advertisement for bids for paving of viewing park, Eastside Terminal parking lot, and 31st Street extension project.

Second by Mr. Cichy.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Williams moved to approve the individual voucher in the amount of \$113,600.05 to Northern Improvement Company for Partial Payment Request No. 10 for construction on Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Cichy.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mr. Williams moved to approve the individual voucher in the amount of \$317,727.15 to Northern Improvement Company for Partial Payment Request No. 6 for construction on Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Cichy.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Considered Change Order No. 1 to Partial Reroofing Project, Westside Terminal (United Roofing Inc.) for an Increase of \$1,500.00:

Mr. Parmer stated that during the reroofing project on the Westside Terminal it was discovered that the existing wall system adjacent to the roof and directly below the window wall system was found to be built without insulation. The recommended change order would remove insulation and sheathing and install new plywood, as well as extend NERVASTRAL and add insulation below existing expansion tube unit, especially at the ends of each roof unit.

Mr. Parmer stated he would recommend approving this change order.

Mr. Williams moved to approve Change Order No.1 in the amount of \$1,500.00 to the Westside Terminal reroofing project.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Williams, Cichy, and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Received Copy of Winnipeg Air Service Survey Forwarded Through Fargo Chamber of Commerce:

Mr. Parmer stated at the last meeting the Airport Authority approved the expenditure of \$200 toward a survey on air service to Winnipeg, sponsored by the Fargo Chamber of Commerce. Other organizations contributing were the Fargo Cass County Economic Development Corporation, the Fargo Chamber of Commerce, and Calm Air (Manitoba). Mr. Parmer stated we have received the results of the survey and distributed copies to the Authority members.

Mr. Williams moved to receive and file the Winnipeg Air Service Survey.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Chairman Hentges stated he was glad to see the Chamber of Commerce and Public Affairs Committee are in communication with the Airport Authority and the Executive Director so that these types of ventures are done in concert and are more effective than those done independently.

Awarded Contract and Authorized Execution of Contract Documents with F M Asphalt for Paving Project (Viewing Park, Eastside Terminal Parking Lot, 31st Street Extension):

Bids for the paving of the viewing park, eastside terminal parking lot, and 31st Street extension were received at the meeting of September 7, 1993. Bids were received from F M Asphalt, Inc. (\$122,022.50) and Border States Paving (\$128,702.50).

Mr. Gallagher moved to award the contract to F M Asphalt and that the contract documents be executed.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy, and Hentges voted aye.

Absent and not voting: Stanton.

The motion was declared carried.

Authorized Execution of Termination of Lease and Operating Agreement from United Airlines:

Mr. Parmer stated he received a letter of confirmation of the termination of United Airlines' lease effective July 23, 1994. He stated notice of their termination was July 24, 1993 and their lease requires a twelve month notice.

Mr. Cichy authorized execution of the Termination of Lease and Operating Agreement from United Airlines.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Considered Purchase of United Airlines Jetway and Baggage Belt:

Mr. Parmer stated he has had conversations with Sandra Widerborg, United Airlines, concerning the purchase of United's baggage belt and jetway. He stated the proposed prices are \$40,000 for the bag belt and \$20,000 for the jetway. If the Airport Authority does purchase this equipment United would need to retain the right to use the equipment until the termination of their lease, in order to preserve United's ability to sublease exclusive areas during the remainder of

Considered Purchase of United Airlines Jetway and Baggage Belt: (Continued)

their term. The baggage system was installed in 1986 and consists of approximately 18 feet of ticket counter conveyor, a 90 degree power turn and 41 feet of transport conveyor. They feel the system has a fair market value of \$40,000. The jetway is an approximate twenty year old refurbished bridge with a three tunnel apron drive which accommodates narrow body aircraft. The bridge has a fair market value of \$20,000. United proposes selling both items to the Authority "as is" for \$60,000.

Mr. Cichy moved to receive and file the communication from United Airlines.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Mr. Parmer stated when he was first contacted by United the prices for these pieces of equipment were the other way around, the jetway was \$40,000 and the bag belt was \$20,000. He stated he asked Ms. Widerborg about this but she confirmed that the jetway was \$20,000 and the bag belt \$40,000. Mr. Parmer stated he considers the proposal on the jetway reasonable but the price for the baggage belt is excessive.

Mr. Balvitsch, Northwest Airlines, was recognized and stated the United baggage belt is a piece of distressed merchandise and is not worth more than \$5,000. He added that the jetway for \$20,000 is a steal.

Mr. Williams asked if there is anyone in the area qualified to do an appraisal on the jetway.

Mr. Dave Dion, American Airlines, was recognized and stated that installation of new baggage belts runs about \$1,000 per foot. He indicated he feels the two figures were transposed.

Mr. Bromenschenkel stated he recalls that the installation of Republic's baggage belt in 1986 was \$45,000.

Chairman Hentges recommended the matter be referred to the Executive Director for further discussions with United Airlines.

Mr. Gallagher stated he feels the Authority should accept United's offer for the jetway but decline the offer for the baggage belt.

Chairman Hentges stated there seems to be a consensus that the price for the jetway is acceptable but the price for the bag belt is too high.

Mr. Parmer stated he will write to United advising that we will purchase the jetway for \$20,000 but would like to negotiate further on the baggage belt.

Mr. Balvitsch stated that if the Airport Authority wants to buy a baggage belt Northwest has one that is in better shape than United's. He added that United's baggage belt is a piece of distressed merchandise and that if baggage belts were worth removing and transporting Northwest would have done that with the belt installed by Republic.

Mr. Dion stated that American's jetway is older than the United jetway and it cost American \$150,000 plus \$50,000 for installation.

Chairman Hentges stated it seems that everyone is in agreement that we should accept the offer for the jetway and negotiate on the baggage belt.

Discussed Engineering Services for Upcoming Projects:

Mr. Parmer stated he is not certain what our current engineering services include as far as continuing service into the general aviation area. He stated that if the FAA decides that we need to initiate a new agreement we will be required to go through the interview process again. He stated that he is looking for authorization to contact the FAA and if they require we go through the interview process he would like authorization to initiate the process as soon as possible so there is no delay in proceeding. He added that Congress has not yet passed the continuation of the Airport Improvement Program.

Discussed Engineering Services for Upcoming Projects: (Continued)

Mr. Cichy moved that the Executive Director be authorized to contact the FAA regarding engineering services for the development into the new general aviation area and, if we are required to go through the interview process, to be authorized to initiate the process.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye. Absent and not voting: Stanton

The motion was declared carried.

Authorized Extension of Sublease Agreement Between Victor Gelking and Weather Modification Incorporated:

Chairman Hentges stated that an additional agenda item involves the extension of a short term lease with Victor Gelking.

Mr. Parmer stated that WMI is requesting the sublease be extended through September 1, 1994.

Mr. Cichy moved this item be added to the agenda and that the Authority approve the extension of the sublease between Victor Gelking and Weather Modification Incorporated.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Received Update on Runway 8/26 Project and Other Paving Projects:

Mr. Wes Schon, Ulteig Engineers, stated they expect to complete the runway portion of the paving next week. He stated the test results on the concrete have been excellent and some of the pavement has reached design strength in seven days. He stated it will probably be at least another week before we can reopen the northern portion of Taxiway A. He added that Northern Improvement is back to working Saturdays and Sundays so they are putting the right amount of effort into the project. Mr. Schon stated the electrical contractor has installed the signs and lights that they are able to at this point.

Mr. Schon stated the paving in the viewing park has been completed and they are now working on the eastside parking lot.

Other Business:

Mr. Parmer introduced the Fargo station manager for United Express, Mr. Steve Dahl. Mr. Parmer stated that once we get a copy of the sublease agreement between United Airlines and United Express, the Airport Authority will have to issue an operating agreement with United Express. Chairman Hentges stated we would like to see United Express reinstate some of its flights to Bismarck.

Mr. Dahl stated their next schedule change is October 4 and there will be more flights to Bismarck added.

Mr. Williams moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, October 5, 1993 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:00 a.m.

Regular Meeting

Tuesday

October 5, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, October 5, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Cichy, Hentges

Absent: Williams

Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 21, 1993:

Mr. Cichy moved to approve the minutes of the regular meeting of the Municipal Airport Authority held September 21, 1993.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$25,321.69:

Mr. Gallagher moved to approve the airport vouchers totaling \$25,321.69.

Second by Mr. Cichy.

On the call of the roll, members Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Stanton and Williams

The motion was declared carried.

Mrs. Stanton now present.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Gallagher moved to approve the individual voucher in the amount of \$26,007.70 to Ulteig Engineers, Inc. for engineering services in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Gallagher moved to approve the individual voucher in the amount of \$1,322.99 to Ulteig Engineers, Inc. for engineering services in connection with the paving of the viewing park, Eastside Terminal parking lot and 31st Street North extension.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Approved Individual Voucher to FM Asphalt, Inc.:

Mr. Gallagher moved to approve the individual voucher in the amount of \$97,722.63 to FM Asphalt, Inc. for Partial Payment Request No. 1 for paving of viewing park, Eastside Terminal parking lot, and 31st Street North extension.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$90,204.45 to Northern Improvement Company for Partial Payment Request No. 11 or construction of Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$73,886.35 to Northern Improvement Company for Partial Payment Request No. 7 for construction of Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$554,312.07 to Northern Improvement Company for Partial Payment Request No. 2 for construction of Runway 8/26 Project No. 3 38 0017 14.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Approved the Individual Voucher to Edling Electric:

Mr. Gallagher moved to approve the individual voucher in the amount of \$43,486.65 to Edling Electric for Partial Payment Request No. 7 for electrical construction of Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Approved Change Order No. 3 for Changes to Electrical Portion of Runway 8/26 Project No. 3 38 0017 13 (Edling Electric, Net Increase of \$8,890):

Mr. Parmer stated a change order has been proposed for the electrical portion of the Runway 8/26 Project No. 3 38 0017 13. This change order would include the following changes:

"Provide three in pavement lights around taxiway fillets at Taxiway C and 17/35 in lieu of elevated lights. Provide two in pavement lights for Runway 17/35 in lieu of elevated lights. Provide two internally lighted L 806 wind cones. Connect power into runway circuit."

The purpose of this change order is that the edge light fixtures are within the sweep of the NDANG arresting cable. Changing these fixtures to in pavement type will eliminate any possible damage by the cable. The wind cones are at the request of FAA. This change order will result in a net increase of \$8,890.00. Mr. Parmer added that the wind cones are an FAA requirement and account for over \$7,000 of the cost.

Mrs. Stanton moved to approve Change Order No. 3 to the Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The motion was declared carried.

Received and Filed Statement of Operations for the Month of August 1993:

Mr. Cichy moved to receive and file the Statement of Operations for the Month of August 1993.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Reviewed Site Location for Maintenance Shop for Car Rental Agencies:

Mr. Parmer stated that the owners of the Avis and National car rental agencies requested to lease a site for a maintenance facility. The site they chose was the area directly west of the car rental parking lot. Mr. Parmer stated he feels that is a poor location for the facility and he would recommend placing such a facility between our maintenance shop and Northwest's fuel farm, which follows our Master Plan. Mr. Parmer stated he met with Mr. Ness and Mr. Lamb and they have no objection to this site. They are asking the Airport Authority to extend the sewer line to that location.

Mr. Cichy asked the estimated cost of extending the sewer line.

Mr. Wes Schon, Ulteig Engineers, stated he would estimate somewhere between \$16,000 to \$20,000, which would include two manholes and 425 feet.

Reviewed Site Location for Maintenance Shop for Car Rental Agencies: (Continued)

Mr. Parmer stated he has contacted the other car rental agencies to gain an idea as to their interest in such a facility. He added they all indicated an interest but were not ready to commit themselves.

Chairman Hentges stated he feels the Airport Authority should consider constructing a building, retain ownership and lease it to the car rental agencies. He added that he would like to see the Authority spend some time considering this matter before we take action.

Mr. Parmer stated the site he recommends has been reserved for a car rental agency maintenance facility since day one. He added that the agencies in Sioux Falls have a cooperative agreement and the Airport Authority does not have much to do with it. Each agency has its own service bay and there is a joint use wash rack.

Mr. Parmer stated right now Mr. Ness and Mr. Lamb are looking for an answer from the Airport Authority regarding extending the sewer.

Chairman Hentges stated he supports the concept of a maintenance facility on the west side for the car rental agencies as the shuttling must be inconvenient. However, he feels the Airport Authority should work on the matter over the winter months. He added that he feels the appearance of the building should tie in with our maintenance shop. Chairman Hentges thanked Mr. Parmer for the good report and asked him to continue working on the matter.

Mr. Parmer stated he did not get an answer on the matter of extending the sewer line.

Mrs. Stanton stated she does not feel she could approve the request at this point and feels we should put the matter on hold.

Mr. Gallagher asked Mrs. Stanton why she feels the matter should be put on hold.

Mrs. Stanton stated there are a lot of decisions that go along with this and she does not want to see the Authority rush into it.

Chairman Hentges stated it is a small building for all of the considerations that have to be put into it. He added there is a consensus on the location now and that the Authority is willing to do something but there are still specifics to be decided. He stated we can move ahead and get some preliminary building plans.

Mr. Gallagher asked why we don't let them handle the building plans.

Chairman Hentges stated the proposal from Mr. Ness and Mr. Lamb was for a small building for Avis and National, but if the other agencies are also interested the building would need to be larger. He added that the building is not very expensive, the greater costs will be in the site work, etc.

Mr. Cichy asked Chairman Hentges if he is directing Mr. Parmer to meet with the interested car rental agencies, get specifics on the building, etc., and bring the information back to the Airport Authority for a decision. He stated we should move on this with some expedience.

Chairman Hentges stated he would support contracting with an architect and engineer to draw up some preliminary plans, but not for a 1200 square foot building to be built by someone else.

Reviewed Runway 8/26 Project:

Mr. Parmer stated that with over \$800,000 in vouchers submitted for approval today it is obvious the contractors are making progress on the project. He stated the weather has cooperated and enabled us to move along.

Mr. Wes Schon, Ulteig Engineers, stated they plan to open Taxiway A on Wednesday morning. He stated all of the paving on the runway has been completed

Reviewed Runway 8/26 Project: (Continued)

and they are working on taxiway pavement. He added that weather permitting we may complete the taxiway paving yet this year. He stated there will be some miscellaneous work carried over until next year such as some lighting, painting, seeding/sodding. Mr. Schon stated they will continue to work until the weather stops us.

Chairman Hentges commended the contractors on their performance on this project.

Mr. Gallagher stated they should also be commended for their cooperation in holding their bid prices for us until we were able to begin the project.

OTHER BUSINESS:

Chairman Hentges stated at the next meeting he would like to have some discussion on general aviation development. He stated he has had discussions with the Economic Development Administration regarding grant assistance for the water and sewer into the new general aviation area.

Adopted Resolution of Appreciation to Mr. Harold "Steve" Nistler, Retiring Northwest Airlines Employee:

Mrs. Stanton offered the following resolution of appreciation and moved its adoption:

WHEREAS, the Municipal Airport Authority has learned of the recent retirement of longtime Northwest Airlines employee, Mr. Harold "Steve" Nistler, and

WHEREAS, Mr. Nistler, through his unselfish devotion and dedication to duty, has served not only Northwest Airlines but Hector Airport as well, and

WHEREAS, Mr. Nistler, in retiring from Northwest Airlines, will leave many friends at Hector Airport and the surrounding aviation community.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt thanks to Mr. Nistler for his many years of dedicated service and wishes him well in his retirement.

BE IT FURTHER RESOLVED, that this resolution be inscribed upon the permanent minutes of the Municipal Airport Authority and a certified copy of the herein resolution be forwarded to Mr. Harold "Steve" Nistler.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The resolution was declared to have been duly passed and adopted.

Adopted Resolution of Appreciation to Mr. M.C. "Andy" Anderson, Retiring Northwest Airlines Employee:

Mrs. Stanton offered the following resolution of appreciation and moved its adoption:

WHEREAS, the Municipal Airport Authority has learned of the recent retirement of longtime Northwest Airlines employee, Mr. M.C. "Andy" Anderson, and

WHEREAS, Mr. Anderson, through his unselfish devotion and dedication to duty, has served not only Northwest Airlines but Hector Airport as well, and

WHEREAS, Mr. Anderson, in retiring from Northwest Airlines, will leave many friends at Hector Airport and the surrounding aviation community.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt thanks to Mr. Anderson for his many years of dedicated service and wishes him well in his retirement.

BE IT FURTHER RESOLVED, that this resolution be inscribed upon the permanent minutes of the Municipal Airport Authority and a certified copy of the herein resolution be forwarded to Mr. M.C. "Andy" Anderson.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Cichy and Hentges voted aye.

Absent and not voting: Williams.

The resolution was declared to have been duly passed and adopted.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, October 19, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:00 a.m.

Regular Meeting

Tuesday

October 19, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, October 19, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Hentges

Absent: Cichy

Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 5, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held October 5, 1993.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$44,652.13:

Mr. Gallagher moved to approve the airport vouchers totalling \$44,652.13.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$121,873.25 to Northern Improvement Company for Partial Payment Request No. 12 for construction of Runway 8/26 Project No. 3 38 0017 12.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$771.40 to Northern Improvement Company for Partial Payment Request No. 8 for construction of Runway 8/26 Project No. 3 38 0017 13.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$313,784.77 to Northern Improvement Company for construction of Runway 8/26 Project No. 3 38 0017 14.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Representatives of AAA Auto Rental Appeared:

Mr. J.B. Huntington, AAA Auto Rental, was recognized and stated that the cost of doing business for car rental agencies has gone up dramatically in the past few years and the agencies have had to pass those costs on to the consumer. He stated consumers have tried to cut their costs by changing their rental choices such as going from luxury cars to mid size or go from renting new cars to used cars. He stated AAA Auto Rental would like to make used rental cars available to rental customers at the airport. Mr. Huntington showed photos of car rental advertisements at the airports in Minneapolis and Newark and pointed out that used cars are available for rent in these airports as well as many others across the country. Mr. Huntington stated that the process to rent a car at the airport in Fargo is much more convenient than in other cities. In some locations you have to ride a shuttle bus from the terminal to the car holding area.

Mr. Huntington stated AAA Auto Rental would like to offer this service to customers at Hector Airport.

Mr. Gallagher asked Mr. Huntington if they intend to run a shuttle from the airport to another location.

Mr. Huntington stated they would like to either operate as the other car rental agencies do or be allowed to advertise in the terminal building. He stated their agency is located in Glyndon right now and 18% of their business is from Hector Airport.

When asked if he was looking for counter space in the terminal building, Mr. Huntington stated that when renting used vehicles it is beneficial to have the cars at the rental location so the customer is able to see what he will be renting.

Mr. Williams asked Mr. Huntington the difference between his rental rates and those of our current tenants.

Mr. Huntington stated that due to the many different programs available through the other agencies it would vary, but he indicated on the average their rates were about 25% less than agencies renting new cars.

Mr. Williams asked the age of the cars they would be renting.

Representatives of AAA Auto Rental Appeared: (continued)

Mr. Huntington stated most of their models are 1990 and newer, depending upon the market and what the customers are most interested in, but most of their cars still have the factory warranties.

Mr. Parmer asked the Airport Authority when we would get to the point where there are too many car rental agencies. He stated we now have five agencies that are doing a good job for the airport. He indicated some of the problems he could see would be counter space and parking area. As far as parking we would need to either increase the size of the rental lot or take spaces away from the current tenants.

Mrs. Stanton stated she feels the Airport Authority should take a look at their proposal.

Chairman Hentges stated we are in changing times and before giving an opinion on the matter the Airport Authority would need to have more specifics in the form of a formal request. He suggested the representatives of AAA Auto Rental meet with the Executive Director. He stated there are a number of things to be considered, one being the recent request of the car rental agencies for a maintenance facility near the terminal building.

Mrs. Stanton stated the Authority can certainly take a look at their proposal as this is not a closed corporation.

Mr. Gallagher stated he is not sure there is space in the terminal building for another car rental agency. He added that he feels we are adequately served by the present tenants.

Received Amended Offer from United Airlines for Purchase of Jetway and Outbound Baggage System:

Mr. Parmer stated United Airlines had made an offer to the Airport Authority for the sale of their jetway for \$20,000 and outbound baggage system for \$40,000. The Airport Authority felt the price for the jetway was fair but that \$40,000 for the baggage system was excessive. He stated after further conversation with Sandra Widerborg, United Airlines, he offered United \$10,000 for the outbound baggage system and they accepted the offer. If the Airport Authority wishes it can purchase both items for \$30,000.

Mr. Williams moved to accept the offer from United Airlines for the purchase of their jetway and outbound baggage system for a combined price of \$30,000.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Received Recently Approved Classification Study/Pay Plan for Employees:

Mr. Parmer stated the City of Fargo recently completed and approved a classification study/pay plan conducted by Ernst & Young. The study began last spring and each employee completed a Position Description Questionnaire outlining the duties and responsibilities of his/her position. After review of all of the questionnaires, Ernst & Young assigned each position a classification title and specification or DBM rating. Mr. Parmer stated some of the employees felt that Ernst & Young did not adequately cover all of the duties and requirements of their position and consequently lowered their pay rate. The job description for the Airport Building Engineer position in particular left out major responsibilities such as the building mechanical systems, etc., which are significant functions of this position.

Received Recently Approved Classification Study/Pay Plan for Employees: (Continued)

Mr. Parmer stated another position which was inadequately described and rated in this study was the Airport Mechanic. Mr. Parmer stated our mechanic does not just sit and wait for a piece of equipment to break down. He added that we also require our mechanic to operate equipment, especially during the winter months for snow removal. This position was classified the same as an Equipment Operator and the person in this position feels since this position has dual responsibilities it should be slightly higher than that of Equipment Operator. There are other positions in the City system which are similar and those were classified higher.

Mr. Parmer stated the Board of City Commissioners has approved this plan but there is an appeal process for those who do not agree with their classification and rating. The appeal is made first to the Personnel Office and if results are not satisfactory then appeal is made to the Civil Service Commission and finally the City Commission. Mr. Parmer stated the appeals in these cases can be filed by either the individual or the Airport Authority. Mr. Parmer requested the support of the Airport Authority in filing these appeals with the Personnel Office.

Mrs. Stanton asked if it is necessary to have the approval of the Airport Authority. She stated any individual should be able to make an appeal. She asked how many employees are requesting appeals.

Mr. Parmer stated to his knowledge two employees are requesting appeals, the Building Engineer and the Airport Mechanic.

Mrs. Stanton asked if the rest of the positions are satisfactory.

Mr. Parmer stated the Building Attendant positions were also lowered so they might also appeal.

Mrs. Stanton stated it was her understanding that this study would not result in anyone's salary being lowered.

Mr. Parmer stated the salaries were not actually lowered but the classifications were lowered and salaries frozen until some point in the future when the employee's salary reaches the designated amount on the pay scale.

Chairman Hentges stated the Executive Director needs to know that the Airport Authority supports his recommendations.

Mrs. Stanton stated she needs some specifics before she could support an appeal. She added that it is her understanding that this new pay plan was going to cost \$1 million over five years.

Mr. Bromenschenkel stated it will cost \$1 million over a five year period but that includes regular increases so it will be closer to \$600,000 more over five years. Chairman Hentges stated this is an operational matter to be handled by the Director and he is asking for the Authority's support. He added that if the Director were opposed to an individual appealing their classification he would advise the board accordingly.

Mr. Parmer stated one of the purposes of this study was to reduce the number of classifications throughout the City system. He stated that is fine in certain cases but there are certain positions that have not been adequately described in the job descriptions written by Ernst & Young. He stated he does not want to get into a situation where employees are not willing to do things unless they are included in their job description.

Mr. Bromenschenkel stated one finding from the study was that there are some positions within the City that pay considerably more than a similar position in the private sector. The study used pay scales from other governmental agencies and the local market and they tried to arrive at a balance.

Mrs. Stanton stated she does not have a problem with these appeals but she feels it is an individual effort. She added that if Mr. Parmer is looking for support from the Authority she would go along with it.

Chairman Hentges stated Mr. Parmer is asking for the support of the Airport Authority and he would request the Authority approve this request.

Received Recently Approved Classification Study/Pay Plan for Employees: (Continued)

Mr. Williams moved the Airport Authority support Mr. Parmer in the process to appeal the classifications of airport employees which he feels are not satisfactory.

Second by Mrs. Stanton.

Mrs. Stanton stated her main objection is voting for something about which she does not know the specifics.

Chairman Hentges stated the building attendants at the airport have different requirements than janitorial positions in the City and that should be considered. Mrs. Stanton stated she feels an employee should be paid according to their job responsibility.

On the call of the roll, members Stanton, Gallagher, Williams, and Hentges voted aye.

Absent and not voting: Cichy

The motion was declared carried.

Discussed Future General Aviation Development:

Chairman Hentges stated that development in the new general aviation area will include items that are not eligible for federal funding such as water and sewer, parking lot, gas, power. He stated that he has been in contact with the State Economic Development Administration regarding funding for some of the infrastructure improvements and was put in touch with Ms. Tracy Anderson, who is the grant writer for the local Lake Agassiz Regional Council. He stated Ms. Anderson met with he, Mr. Williams, and Mr. Parmer this morning. Chairman Hentges stated we are eligible for funding for these items and the amount of funding is based on the realistic number of jobs created in a two year period. He stated we would like to keep this project on course and in order to do so we will need to complete a pre application for funding. He stated on a fast track it takes about six months to complete the process so we need to get started so that when WMI is ready to sign a lease everything will be in place.

Mr. Williams stated this could result in a substantial amount of funding and would be worthwhile for the Authority to apply. Mr. Williams stated that Ms. Anderson will be checking into whether or not we can handle some of the engineering on our own so that we can get some of that done this winter so we would be ready to begin construction in the spring.

Chairman Hentges stated the water and sewer into the area is estimated to cost \$400,000 and a 12,000 square foot hangar approximately \$540,000. He stated that the facility (hangar/office complex) that WMI is proposing has been estimated to cost \$1.2 million, which is about \$700,000 more than our estimate for the hangar. Chairman Hentges stated we estimate realistically that 30 new jobs would be created and the EDA bases funding on \$10,000 per job (up to 50% of the project) which would make us eligible for \$300,000 of funding. He stated that buildings are eligible for funding but it is a more involved process than items such as water/sewer, parking lot, gas, power, etc., which we need to get done as soon as possible.

Chairman Hentges explained that there is a two year window for funding which means that any jobs created during a two year period as a result of this project would be included in the formula for funding. For example if the number of jobs created increased from 30 to 50 our funding would be increased to \$500,000. He added that Ms. Anderson has indicated the EDA looks favorably on infrastructure projects such as this.

Mr. Williams moved the Airport Authority submit a preapplication to the North Dakota Economic Development Administration for funding for the development project in the new general aviation area.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams and Hentges voted aye.

Discussed Future General Aviation Development: (Continued)

Absent and not voting: Cichy

The motion was declared carried.

Chairman Hentges added that Ms. Anderson will take care of completing the application. He added that she will be in Denver at an EDA meeting next week.

Received Update on Runway 8/26 Project:

Mr. Wes Schon, Ulteig Engineers, stated they have had good weather the past two weeks and have made excellent progress. He stated the pavement on the runway and taxiway is entirely done and the only paving left is on the crossovers. He stated the electrician has started installing lights on the runway and some painting would be done this afternoon.

Mrs. Stanton asked what percentage of the project is completed.

Mr. Schon stated the average percentage completed for the three projects is 92%. The remaining work is lighting, seeding/sodding, and painting. He stated the seeding/sodding may have to be carried over until next year.

Mr. Williams asked when the runway will be operational.

Mr. Schon stated the runway could be operational yet this year if the weather allows the electrical contractor to complete all of their work.

Chairman Hentges stated we need to talk to NSP about power to the general aviation area.

Mr. Schon stated he has had initial conversations with both the gas and power people from NSP.

Mr. Williams moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, November 2, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:12 a.m.

Regular Meeting

Tuesday

November 2, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, November 2, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Cichy, Hentges

Absent: None

Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 19, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held October 19, 1993.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Approved Airport Vouchers Totaling \$31,817.40:

Mr. Cichy moved to approve the airport vouchers totaling \$31,817.40.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$4,808.37 to Northern Improvement Company for Partial Payment Request No. 13 for construction of Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$3,645.29 to Northern Improvement Company for Partial Payment Request No. 9 for construction of Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$221,614.26 to Northern Improvement Company for Partial Payment Request No. 4 for construction of Runway 8/26 Project No. 3 38 0017 14.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Edling Electric:

Mrs. Stanton moved to approve the individual voucher in the amount of \$78,795.52 to Edling Electric for Partial Payment Request No. 8 for construction of Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to FM Asphalt, Inc.

Mrs. Stanton moved to approve the individual voucher in the amount of \$3,344.00 to FM Asphalt, Inc. for Partial Payment Request No. 2 for the paving project in the Viewing Park, Eastside Terminal parking lot and 31st Street extension.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received and Filed Statement of Operations for the Month of September 1993:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of September 1993.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Reviewed ATM Location Agreement:

Mr. Parmer stated the Airport Authority has been discussing the Automatic Teller Machine (ATM) for some months now. First Bank has made an offer as well as a counter offer for keeping the machine at the airport. The Airport Authority has not accepted any of the offers made and the bank is now asking the Airport Authority how much it would be willing to spend in order to keep the machine at the airport. Mr. Parmer stated he asked the bank representative how hard it would be to get out of an agreement should the Airport Authority enter into one and they indicated they would need a three month notice for cancellation.

Mr. Parmer stated he talked with finance director Mark Thelen and he indicated the City just entered into a three year agreement with Community First for its banking services. He indicated it would be possible to add to that agreement the requirement of an ATM at the airport and the cost of the machine would come out of the interest earned by each City account. This means that even though the machine is located at the airport it would be funded partially by the City general fund as well as airport funds.

Reviewed ATM Location Agreement: (Continued)

Mr. Parmer stated the last offer we had from First Bank they reduced the monthly fee from \$950 to \$800, less credits for usage. He stated he would assume all of the banks have similar operating agreements.

Mr. Ron Balvitsch, Northwest Airlines, stated there are three ATMs in the area of 19th Avenue North and University Drive. He stated he feels it is a waste to have three that close together and one of those should be moved to the airport.

Mr. Williams stated the use of an ATM dictates whether or not one is placed at a given location.

Mrs. Stanton asked if the City Commission would agree with funds from other accounts going toward an ATM at the airport.

Mr. Bromenschenkel stated the City Commission looks at it as a service to the community and would have no objection.

Mr. Williams stated it comes down to how much we want to pay for the service.

Mrs. Stanton stated it is a nice service.

Mr. Dave Dion, American Airlines, commented that the three ATMs located near the corner of 19th Avenue and University Drive belong to three different banks and they are a revenue source for the banks.

Mr. Parmer stated the Airport Authority needs to decide if it want to make an offer to First Bank or look further into an arrangement through the City with Community First.

Mr. Bromenschenkel stated the bottom line would be price and suggested comparing the cost of the two banks then going with the lowest cost.

Mr. Williams moved the matter be deferred and that Mr. Parmer again contact both banks and compare costs.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Discussed Possibility of Refinancing 1985 Airport Authority Bonds:

Mr. Parmer stated he received a communication dated October 15, 1993, from Mr. Myron Knutson, Evensen Dodge, Inc., regarding refinancing of the 1985 airport bonds. Interest rates are currently at a 16 year low in the bond market and Evensen Dodge recommends the Airport Authority authorize them to proceed with the refinancing of these bonds and schedule a bond sale for January 1994. Using a conservative interest rate, total savings are projected at \$275,123, the present value of which is \$234,669.

Actual interest rates and savings would be determined on the day of the bond sale by competitive bid. The bond issue is callable on 6 1 94 and can be refunded up to 90 days prior to the call date (3 1 94). This means new bonds can be sold in January or February with a bond closing date after 3 1 94. Mr. Parmer stated Mr. Knutson is present today to answer any questions.

Mr. Myron Knutson was recognized and stated the current interest rates on the bonds are 7.9% to 8.6%. The rates if refinanced would be 3.0% to 4.3%. He reviewed a Savings Report and Debt Service Schedule which he prepared. He stated the new payment schedule would be exactly the same.

In answer to a question from Mr. Williams, the estimated cost of this transaction is approximately \$25,000.

Mr. Williams moved to proceed with the refinancing of the 1985 Airport Revenue Refunding Bonds.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Authorized Execution of Change Order No. 4 for Runway 8/26 and Taxiway C Project for Extension of Time for Total Completion:

Mr. Parmer stated there are some minor items in the Runway 8/26 Project that will be carried over until spring (seeding, sodding, etc.). He stated there is no change in cost with this change order, it is simply an extension of time.

Mrs. Stanton asked the proposed date of completion.

Mr. Parmer stated the proposed final completion date is June 30, 1994.

Mrs. Stanton moved to authorize execution of Change Order No. 4 to the Runway 8/26 Project extending the final completion date to June 30, 1994.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Update of Runway 8/26 Project:

Mr. Parmer stated all of the paving has been completed and the dirt work should be done in a day or so. He stated the electrician is basically the last contractor on the job as they had to wait for the dirt to be completed before they could proceed. He stated Edling Electric expects to be done with installation of lights within the next two weeks.

Mr. Parmer stated the total costs incurred on the project to date is \$5,518,000, with \$488,000 remaining, much of which is retainage and will not be paid until next year. He stated that we have received \$4.6 million of the grant amount from the FAA.

Mr. Parmer stated we will be opening Runway 8/26 to traffic possibly by mid November.

Reviewed Future General Aviation/Air Park Development:

Chairman Hentges stated a meeting regarding electrical service to the new general aviation area in the northeast quadrant of the airport was held on October 26, 1993, and was attended by he and Mr. Parmer, the City Engineer, Director of Public Works, Ulteig Engineers, and both the electrical and gas divisions of Northern States Power. He stated the meeting ended with the technical people being directed to begin preliminary work for plans and specifications.

Mr. Parmer stated we needed commitments from the utilities to serve the area. He added we are not just talking about the first client in the area but the many people to locate there in the future.

Chairman Hentges stated that in order to get building permits for that area, the area must be zoned and in order for it to be zoned it must be platted. He stated this is about an 80 90 day process so we will need to have that moving along.

Chairman Hentges stated the next step for Weather Modification Incorporated is to submit their projections for job creation for the next two years to the Lake Agassiz Regional Counsel for the application process.

Mr. Parmer asked if funding from the Economic Development Corporation would apply to other clients as well.

Chairman Hentges stated this grant program would not be limited to WMI and money would be available to other clients going through the application process and funding is based on jobs created. He stated there must be a commitment from a tenant to go forward with a project at the airport. He added that the Airport Authority is optimistic that there will be other tenants interested but right now we are moving ahead with WMI as our tenant in hand. He stated that WMI has created nine new jobs since relocating to Fargo and they project as many as 30 during the eligibility period.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, November 16, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Gallagher.

All members present voted aye and the motion was declared carried.

Time at adjournment was 10:57 a.m.

Regular Meeting

Tuesday

November 16, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, November 16, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Williams, Cichy, Hentges

Absent: Stanton

Others: Stewart, Bromenschenkel, MacLeod

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 2, 1993:

Mr. Cichy moved to approve the minutes of the regular meeting of the Municipal Airport Authority held November 2, 1993.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totaling \$36,416.08:

Mr. Williams moved to approve the airport vouchers totaling \$36,416.08.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Cichy moved to approve the individual voucher in the amount of \$39,011.99 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with Runway 8/26 Project.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Cichy moved to approve the individual voucher in the amount of \$2,157.97 for Partial Payment Request (Final) for engineering services in connection with paving of viewing park, Eastside Terminal parking lot and 31st Street North extension.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved Individual Voucher to United Roofing:

Mr. Cichy moved to approve the individual voucher in the amount of \$3,517.95 to United Roofing for Partial Payment Request No. 2 (Final) for Westside Terminal Partial Reroofing Project.

Second by Mr. Williams.

On the call of the roll, members Gallagher, Williams, Cichy and Hentges voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Received Communication from Foss Associates Concerning the Security Grill Repair:

Mr. Parmer stated the gate at the security check point is in need of repair. He stated that Foss Associates has investigated the gate and has provided us with a report of their findings. In his communication dated November 11, 1993, Mr. Patrick DeLaPointe, Foss Associates, indicates that in his judgement the door is near the end of its life expectancy with 35,000 to 50,000 cycles. The door currently operates and with some nursing could possibly last another year or two before repairs are done. He indicates that the repair of this unit is going to be difficult and at this point the exact method of removal is not clear. Mr. DeLaPointe also recommended that the current curtain be replaced with a high cycle curtain which would assure many years of dependable service. He also noted that bidding the exact cost for repair is nearly impossible and he suggested working with a reputable door contractor such as Twin City Garage Door on a time and material basis with an approved percentage for profit and overhead.

Mr. Parmer stated that action is not necessary at this time, he just wanted the Authority to be aware of the problem so that when it is replaced it is no surprise. Mr. Parmer added that we are not having any problems with the gates in the restaurant and the giftshop since those open and close only once a day and the gate at security is open and closed several times during the day for employee breaks when there are no flights.

Discussion on Northeast General Aviation Area/Air Park Construction:

Dr. Clif Hamilton, Aviation Resources, Ltd. (Valley Aviation), was recognized and distributed copies of their proposal for construction of an FBO and office building in the new general aviation area.

Dr. Hamilton stated they would like to construct an FBO office building and hangar in the new general aviation area. They would also like a site for future construction of a hangar, size to be determined later. He stated this would be a 24 hour, 365 day a year operation and would create a minimum of 12 new full time jobs.

Discussion on Northeast General Aviation Area/Air Park Construction: (Continued)

Dr. Hamilton stated one area of concern which has caused some problems in planning is that WMI has requested the area as far west as possible in the new general aviation area which was designated on the master plan as the area for an FBO. Dr. Hamilton stated his initial request is for 640' in the center of the ramp, which would move WMI further west which would be what they have requested. Dr. Hamilton added the depth of the space they will need is 175'. The other items they are requesting from the Airport Authority are services to the location including roads, natural gas, electricity, communications, water and sewer. Dr. Hamilton stated they would also request assistance from the Airport Authority with a lease purchase financing of the initial hangar but not the office building. He stated they would also like a card controlled security fence and gate placed at the northwest corner of the proposed area as well as remote control and a visual control system for the gate tied into their office. He stated their proposed completion date of this project is November 1, 1994.

In answer to a question from Chairman Hentges regarding hangar size, Dr. Hamilton stated that at the present time they are out of hangar space. The new proposed hangar has approximately 150% of their current space.

Chairman Hentges asked about the size of the proposed office building.

Dr. Hamilton stated the office building will require 175' of frontage, part of which will go the full 140' depth and the rest only half. It will be a two level building and cost is estimated to be \$400,000 to \$500,000.

Mr. Cichy asked for clarification on how this will not interfere with the proposal of WMI.

Dr. Hamilton stated it is his understanding that it has been WMI's intention to be in the area furthest west. He added that Aviation Resources is requesting the center section of the ramp with area remaining to the east for a third tenant.

Mr. Parmer stated that after being advised of this request from Dr. Hamilton he asked Mr. Wes Schon, Ulteig Engineers, to draft some ideas to redesign the area to accommodate both requests.

Mr. Schon was recognized and stated that after hearing the intentions of the two proposed tenants it was obvious there was a need for more ramp area in the new general aviation area. He stated it is important to understand that these changes are only on paper and there are a lot of other hurdles to cross before changes would be approved. He stated initially the plan proposed by Coffman Associates contained 1390' of ramp frontage to allow for two fixed base operators but with the change in plans it is apparent there should be room for three. He stated we can increase the size of the ramp an additional 300 feet to the west which would put us right at the edge of the building restriction line. He stated these changes are physically possible but we must get approval from the FAA. He added that these changes will require additional funds. He stated because of the cost of the project it will have to be done in pieces and the question then is what is done first in order to accommodate everyone. He stated another question he has is the amount of tiedown area needed. He stated right now the plan shows parking for itinerant aircraft in front of the buildings with permanent tiedowns off to the sides.

Mr. Cliff Hamilton III was recognized and stated they would like the ramp stressed for airline aircraft since a good portion of their business comes from charters.

Mr. Schon stated the system leading to the new general aviation area was built for 60,000 lbs. Mr. Schon stated on less than routine occasions the pavement will handle aircraft larger than for which it was designed but if there is that type of traffic on a regular basis there would be a problem. Mr. Schon stated that what we are able to do will depend on funds available. He stated estimated enplanement funds for next year will be around \$1 million and that will not buy all of the apron needed, much less the roads and other items that go into the project.

Discussion on Northeast General Aviation Area/Air Park Construction: (Continued)

Mr. Parmer stated the Airport Authority has already submitted a pre application to the FAA for this project and that request was just under \$1 million. He stated it appears now that we are going to have to expand the ramp area and will have to amend the application. Mr. Parmer stated the problem the FAA will have is with discretionary funding. Our enplanement funds for 1994 will be approximately \$960,000 which will allow us to have a \$1.1 million project. He stated that we will be visiting with the FAA on their plans for discretionary funding and if we are not successful in securing discretionary funds we will have to come up with a design to accommodate both tenants with less ramp space.

Mr. Williams stated the Airport Authority can receive Dr. Hamilton's proposal but he feels we need to do some serious planning before finalizing anything as we are talking about a \$5 million project. He stated we need to determine what can be done with the funds we have available.

Mr. Parmer asked Mr. Schon if \$1.1 million would be adequate to build enough footage on the ramp to accommodate both tenants.

Mr. Schon stated if money is limited and we are talking about cutting back some areas in order to proceed with others then some sacrifices will have to be made.

Dr. Hamilton commented on the lack of space between buildings in the present general aviation area. He stated the new building they are proposing has glass exposure on three sides and he wants to be sure there is adequate space between buildings.

Mr. Schon stated it is a matter of acknowledging a concept and then agreeing on the fact that it is going to have go in pieces as needed. He stated that we could possibly get one taxiway entrance and a ramp with enough front footage for two tenants with the \$1.1 million.

Mr. Parmer stated the Airport Authority will certainly try to convince the FAA of the need for discretionary funding but in the event we are limited to the \$1.1 million we need to know the scope of the work that can be done for that amount.

Chairman Hentges asked if the roadways are included in the \$1.1 million.

Mr. Parmer stated the original preapplication to the FAA did include roadways.

Chairman Hentges stated the Airport Authority will have to fund the water and sanitary sewer but asked if the storm sewer is eligible for federal funding.

Mr. Schon stated the FAA will fund the storm sewer. He stated the Runway 8/26 project included quite a bit of storm sewer in anticipation of the general aviation area so he is not sure how much will be required in the area. He stated most of the storm water will be handled by the county drain. Mr. Schon stated he feels most of the \$1.1 million would be spent on pavement.

Mr. Pat Sweeney, Weather Modification Incorporated, stated he is glad to see interest now on the part of Valley Aviation. As he has said from the beginning of the planning process once the first tenant shows interest in locating in the new general aviation area the interest would grow. Mr. Sweeney stated that WMI has been working with the Airport Authority for over a year and their request has always been that they be located in the southwest corner of the new general aviation ramp. He stated Valley Aviation is now talking about taking the whole front ramp and that is not acceptable to him. He stated he is certainly willing to split it down the middle. Mr. Sweeney stated it has been his understanding that the plan was to have two operators initially and expand from there. He stated their proposed building calls for 350' of frontage with their second hangar included in that. Mr. Sweeney stated that the first phase of their project includes a hangar and office building starting at the west end of the ramp with their second hangar toward the center of the ramp. He suggested drawing a line down the center of the ramp with WMI occupying the west half and Valley Aviation the east half.

Discussion on Northeast General Aviation Area/Air Park Construction: (Continued)

Mr. Parmer stated that after being advised of Valley's proposal he asked Mr. Schon to sketch some possible plans for the new ramp area accommodating WMI's request to be on the west end of the ramp, with room for Valley as well as another operator.

Mr. Sweeney stated they have indicated their interest in the west half of the ramp since they began negotiating with the Airport Authority. Mr. Sweeney stated they need ramp space in addition to their hangar and office facilities and after seeing Valley's plan he does not feel 1390 feet of ramp will accommodate more than two tenants.

Mr. Schon stated the layout presented today maximizes tie down space on either sides of buildings and can be altered depending upon amount of tie down spaced needed.

Mr. Clif Hamilton III stated if there is more hangar space available in the new general aviation area there will be less need for tie down spaces.

Mr. Sweeney stated there is always transient traffic and some people will not want to pay for overnight storage. He added that their plan has always been to be located on the west half of the main ramp.

Dr. Hamilton stated it was his understanding that WMI wanted to be located as far west on the ramp as possible.

Mr. Sweeney stated WMI wants to be located on the main ramp and since they were the first to indicate their interest in locating in the new general aviation area they chose the west half of the ramp. He stated the master plan shows two operators on the main ramp and it was his understanding that the Authority did not want to re engineer the ramp. He stated he wants to see as many people locate in the park as possible but he would have a problem with one operator being located in the center of the ramp. He suggested drawing a line down the center of the ramp with WMI located on the west half. He stated apparently Dr. Hamilton misunderstood their intentions but he stated he wished to make their intentions clear today and that is to occupy the west half of the ramp.

Chairman Hentges stated it is obvious the technical aspects of this subject will require more than we can handle at a meeting such as this.

Mr. Cichy stated that out of deference to both parties involved he feels that we should move along as expeditiously as possible. They are both looking at construction seasons coming up next year and they cannot wait until April 1 to get on that. He stated the Authority has been working on this development agreement with WMI and he feels the board should act on that as far as giving them the opportunity to engage the necessary services such as architects and he is sure Aviation Resources is looking at the same type of thing. Mr. Cichy stated he would like to move quickly on this.

Chairman Hentges stated he feels the whole board wants this to move as quickly as it can and he can understand the feelings of exasperation on the part of WMI, but a lot of work has gone into this planning process. He stated he feels we are now at the point where we need to involve professional assistance so we can get the specifics and act on them. He stated we have all kinds of input coming in and that now needs to be refined so that it can work in the system. Chairman Hentges stated a tremendous amount of time has been spent on this project in the last year and we have seen accomplishments. He stated we now have a new runway in that area and that is a long way from where we were six months ago. He stated some new elements have entered the picture and the Airport Authority will certainly honor its commitments to WMI and now Valley Aviation. He stated the emphasis now comes down to firm planning and specifics.

Mr. Williams asked where the Airport Authority is going to get the money for this project.

Mr. Parmer stated we have not decided on the method of financing of the hangars. He stated our main concern is getting the ramp and connecting taxiway built. He added that as far as planning, a lot of planning has already gone into the development

Discussion on Northeast General Aviation Area/Air Park Construction: (Continued)

of the new general aviation area with the update of the master plan. Mr. Parmer stated the FAA is holding up final approval of the master plan awaiting results of a line of site study from the tower to the end of proposed 17/35. He stated we are looking at some adjustments for example moving the ramp to the west giving us more room to expand. Mr. Parmer stated we checked with the FAA last week as to the status of the line of site study and apparently they have not yet had a chance to review the study.

Mr. Williams indicated he feels while tenants may request particular locations the decision of who is located where is up to the Airport Authority based on our master plan. He added that the Airport Authority should indicate what it has in mind for FBO and general aviation development and allocate the available space.

Chairman Hentges stated the Airport Authority wants to accommodate the maximum amount of FBO frontage on the ramp as possible, whether that is two or three operators, to best utilize the investment.

Mr. Parmer stated our initial goal is to get enough pavement to accommodate the first two tenants who plan to locate in the new area as we know we do not have funding at this time to do much more.

Chairman Hentges stated we were able to obtain discretionary funding on the Runway 8/26 Project because we had our engineering and planning completed and we should be doing the same thing with this project.

Mr. Gallagher stated he feels the Airport Authority should determine how much ramp there will be and place the buildings accordingly. Mr. Gallagher asked if we have funding for water and sewer.

Chairman Hentges stated we have applied for funding from the Economic Development Administration which would include funding for the water and sewer to the area but regardless of whether or not we receive that funding we will be moving ahead with the water and sewer. If we are successful in obtaining EDA funding that would be applied toward the entire project, not necessarily line items such as water and sewer.

Mr. Parmer stated his concern about the EDA funding is that no work can be done on a project, including engineering, until it has received approval. With FAA funding you are able to proceed with engineering services prior to receiving funding and you will be eligible for reimbursement.

Chairman Hentges stated we will attempt to structure the project so that items will be eligible when funds are available. He added that we will continue to proceed and do not intend on waiting until spring to begin the engineering work. He stated he is in favor of moving ahead on any portion of the project which we are able. He asked Mr. Parmer if Ulteig Engineers needs anything further from the Airport Authority in order for them to move ahead with the planning process.

Mr. Parmer stated we do not yet have a contract with Ulteig on this new project yet as we have not fully determined the scope of the project. He stated he is going to meet with the FAA to get their feelings on discretionary funding. Mr. Parmer stated the Airport Authority can include everything we need in one project even if its \$3 million but the FAA will want to handle it with multi year funding, which holds up other development plans.

Mr. Williams asked if the Authority has the financial capability of funding both of the proposed building projects through bonds.

Mr. Parmer stated a bond issue would have to be approved by the Board of City Commissioners since the law requires the City Commission guarantee the bonds should the Airport Authority ever default.

Mr. Cichy moved to receive and file the proposal from Aviation Resources, Ltd.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Chairman Hentges Reported on Airline Meeting:

Chairman Hentges stated Senator Dorgan arranged a meeting in Minneapolis with Northwest Airlines and representatives of Fargo, Grand Forks, Bismarck and Minot. The meeting was held Monday, November 15, and related to Northwest's future plans for service to North Dakota. He stated that Northwest Airlines was well represented at the meeting and the meeting lasted about three hours and included a brief tour of their aerospace facility. He stated their chief financial officer was at the meeting as well as some of their marketing people and those in marketing indicated they intend to keep in touch with people in North Dakota as far as programs and promotions so that North Dakota gets its share of the seats. He stated Northwest has not in the past nor in the future do they contemplate any reduction in service to North Dakota. Chairman Hentges stated he was pleased the President of Northwest was there for a good part of the meeting. Chairman Hentges stated Northwest did bring up the historic connection between Fargo and Northwest Airlines so they are aware of that.

Mr. Parmer stated he and Mr. Hentges attended a meeting in Bismarck a few weeks ago with Senator Dorgan and at that time he indicated he was attempting to set up meetings with the other airlines presently serving the state to find out what the future. With United, Continental and Delta leaving North Dakota the only carrier other than Northwest using jet aircraft is American Airlines. Mr. Parmer stated the Senator has contacted Robert Crandall, American Airlines, but a date could not be solidified. Mr. Parmer stated that he also felt it was a good meeting with Northwest.

He added that one matter he disagreed with Northwest on is that they did not feel the airports in the state should be soliciting service from other airlines. He stated that an airport manager would look foolish telling an airline inquiring about serving a city that they were not interested. He stated Northwest has been serving North Dakota for more than 60 years and will continue to do so with our without the presence of other carriers.

Chairman Hentges stated when dealing with public funds and public interest we need to be open to the needs of the public yet recognize the business aspect. He stated it is not like two businesses sitting down and negotiating a contract.

Received Report on Runway 8/26 Project:

Mr. Parmer stated that the only contractor still working on the project is the electrician. He asked Mr. Wes Schon to update the board on the project.

Mr. Wes Schon, Ulteig Engineers, stated that Edling Electric has all of their underground work done and they are in the process of installing lights and signs. He stated he anticipates opening the runway sometime the week of Thanksgiving.

Mr. Schon stated that also being installed is the Runway Sensor System which includes four sensors on Runway 17/35 and two on Runway 8/26. He added that this sensor system will monitor the temperature of the pavement and is also able to determine if there is moisture on the sensors. The sensors are tied into a remote power unit which contains a wind measuring device. Mr. Schon stated this system is tied into the State's system. This will give airport operators a more technical reading on the effect of weather on pavement. The airports and highways are on the same system.

Mr. Cichy moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, December 7, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:35 a.m.

Regular Meeting

Tuesday

December 7, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, December 7, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Cichy, Hentges

Absent: None

Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 16, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held November 16, 1993.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Approved Airport Vouchers Totaling:

Mr. Cichy moved to approve the airport vouchers totaling \$33,652.88.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Stanton voted aye.

No members being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$11,763.93 to Northern Improvement Company for Partial Payment Request No. 14 for construction of Runway 8/26 Project No. 3 38 0017 12.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$88,787.96 to Northern Improvement Company for Partial Payment Request No. 10 for construction of Runway 8/26 Project No. 3 38 0017 13.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$42,366.68 to Northern Improvement Company for Partial Payment Request No. 5 for construction of Runway 8/26 Project No. 3 38 0017 14.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received and Filed Statement of Operations for the Month of October 1993:

Mr. Williams moved to receive and file the Statement of Operations for the Month of October 1993.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Representatives of AAA Auto Rental Wish To Appear:

Mr. Parmer stated the representatives of AAA Auto Rental were unable to attend today's meeting.

Received Lease Termination Correspondence from American Airlines:

Mr. Parmer stated he received a communication from American Airlines officially notifying the Airport Authority that they will not exercise any option to renew the Lease and Operating Agreement at Fargo. He stated their last day of service will be January 30, 1994. He added that he has not received any further information.

Mr. Cichy moved to receive and file the communication from American Airlines.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Reviewed Meeting with Federal Aviation Administration Officials on Upcoming AIP Projects:

Mr. Parmer stated that he and Mr. Wes Schon, Ulteig Engineers, had a meeting scheduled with the FAA Airports District Office in Bismarck on November 23. He stated he was not able to make it because of snow but Mr. Schon did attend. He added that they will be going to Bismarck tomorrow to meet with them regarding closeout of another project.

Mr. Parmer stated that Mr. Schon reviewed our next project for the taxiway and ramp into the new general aviation area with the manager of the FAA District Office, Irene Porter. Mr. Parmer stated that even though we are not assured of total funding for the project we should design it as such and then make necessary adjustments to fit the grant. He stated that Congress adjourned before extending the authorization for AIP funding so there is nothing the FAA can do until the bill has been passed. Mr. Parmer stated we do not yet have the amount of our enplanement funding for 1994. He stated he estimates it to be \$960,000, which would allow us to go to bid for a project in the amount of \$1.075 million. He stated Mr. Schon has developed some figures on the ramp, roadways, etc., estimated at \$1.6 million. Mr. Parmer stated this is much more ramp than we had first talked about and we can reduce it and still have a useable ramp. He stated there is also the possibility of a temporary roadway to start with in order to save some money.

Mr. Cichy stated he feels a temporary roadway is a viable consideration.

Mr. Parmer stated the road is the one used by the contractor this year.

Reviewed Meeting with Federal Aviation Administration Officials on Upcoming AIP Projects:
(Continued)

Mr. Schon stated everything we do now as far as setting up the next project is geared around enplanement funds with the prospect of receiving some discretionary funding. The FAA wants us to plan the project in such a way that if we do not receive any discretionary funding we can still move forward with some portion of the project. We can plan the project in sections so that we can add or delete as funds allow.

Mr. Parmer stated if we do not receive the full amount of funding requested we will move ahead with the project in some form rather than waiting a year.

Mr. Cichy asked if the block grant funds received from the State would go toward this project.

Mr. Parmer stated the block grant funds received from the State are not necessarily applied to any certain project but put into the improvement fund. Mr. Parmer stated this year we received \$33,665.80.

In answer to a question from Mr. Cichy, Mr. Parmer stated that in the past the total amount to be distributed to air carrier airports in the state through the block grant was \$1 million. He stated that included in the legislation for this grant was a minimum guarantee of \$25,000 to each airport boarding less than 20,000 passengers annually. He stated when the appropriation was in excess of \$1 million this minimum was not a problem but now the grant has been reduced drastically and the minimum has not been adjusted. He stated that this year the only airport receiving more than those with the guaranteed minimum of \$25,000 was Fargo. Grand Forks, Bismarck and Minot all received less than Devils Lake, Jamestown and Williston.

Mr. Cichy stated that guarantee should be amended.

Mr. Schon stated the FAA still has some problems with the Airport Layout Plan with regard to the location of proposed Runway 17L/35R. He stated we are going to leave the runway where it is on the plan for now but at the same time he wants to make sure whatever we plan for in the new general aviation area does not interfere with the proposed runway if the location should have to be changed in the future.

Mr. Schon stated that Irene has a strong desire for the Airport Authority to close Runway 3/21. He stated closing the runway will require approximately \$150,000 \$180,000 as it has to be converted to a taxiway. He stated we may have enough money left in the Runway 8/26 Project grants and this may be applied to the closure of Runway 3/21 as it is a safety related item. He stated normally the FAA wants the money back but we may be able to use it for this purpose.

Mr. Parmer stated when the Guard was involved in their master plan update they proposed some ideas to the Airport Authority for the use of the land off the end of Runway 21 and the Airport Authority made a commitment to them that once the crosswind runway was completed we would be closing Runway 3/21.

Chairman Hentges emphasized that the Airport Authority was able to get the Runway 8/26 project along as far as we did by virtue of the discretionary funding that we received. He stated that we received all of discretionary funding for North Dakota for two years and the FAA office in Bismarck knows that. He stated that the Runway 8/26 project was determined a priority for the operation of this airport and we were ready to move ahead with the project. He stated he feels we need to do the same with our upcoming project so that we have everything in order and make our case for discretionary funding.

Mr. Parmer stated the other airports in the state certainly have projects they are planning but he does not feel bad that Fargo received all of the state's discretionary funding.

Approved Adjustment of Cost of the Baggage Belt from United Airlines:

Mr. Parmer stated that after United Airlines left Fargo he negotiated with Sandra Widerborg on the purchase of their jetway and outbound baggage belt. He stated that on October 19, 1993, the Airport Authority approved the purchase price of \$20,000 for the jetway and \$10,000 for the baggage belt. He added that their original price was \$20,000 for the jetway and \$40,000 for the baggage belt. He stated that after advising Ms. Widerborg of the Authority's action she advised him that there was a misunderstanding on the price of the baggage belt and she had agreed on \$15,000, not \$10,000. Mr. Cichy asked if the baggage belt is of use to us.

Mr. Parmer stated that United Express is currently using the baggage belt. He added that in the future should another carrier lease the space it would have to be installed anyway.

Mrs. Stanton moved to approve the additional request of \$5,000 for the baggage belt for a total purchase price of \$15,000.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Received Communication from Dakota Aero Tech Regarding Leased Space in Eastside Terminal:

Mr. Parmer stated he received a communication from Mr. Gordon Person, Dakota Aero Tech, advising that they wish to relinquish a portion of the space they lease in the Eastside Terminal, effective January 1, 1994, as they no longer have a need for it. He stated the area in question is the former Frontier office space consisting of 560 square feet.

Mrs. Stanton moved to approve the request from Dakota Aero Tech to relinquish leased space in the Eastside Terminal.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Reviewed Agreement Document With Weather Modification Incorporated:

Mr. Parmer stated the agreement between the Municipal Airport Authority and Weather Modification Incorporated has been amended and modified since its original draft and the latest draft is dated September 7, 1993. He stated that Weather Modification is looking for a firm commitment from the Airport Authority so that they may proceed with their project.

Mr. Cichy stated from his point of view Weather Modification made a proposal to the Airport Authority fourteen months ago. The Authority reviewed the proposal and discussed it for a while, then formally welcomed Weather Modification to Fargo. He stated he feels since that time the Authority has procrastinated and out of deference and common courtesy we should let Weather Modification know where they stand.

Mrs. Stanton stated she agrees it has been a long time and it is time the Authority took some action to show its good faith because the buzz word is economic development.

Reviewed Agreement Document With Weather Modification Incorporated: (Continued)

Mr. Cichy stated that if there are problems then we should discuss what those problems are and with input from Weather Modification decide which route we want to go. Mr. Cichy asked Attorney Stewart if there are any problems with the agreement itself that would stagnate further movement at this time.

Attorney Stewart stated he is not aware of any problems with the agreement but it is his understanding the problems come under the matter of financing.

Mr. Parmer stated that any time the Airport Authority would bond for improvements we would have to get the approval of the Board of City Commissioners as well, as the law requires that if the Airport Authority should default the City Commission must levy additional taxes to pay the bonds. Mr. Parmer stated that Mr. Mark Thelen, Director of Finance, is present to answer any questions on bonding.

Mr. Williams stated he feels it is the consensus of the Airport Authority that they would be in favor of constructing a hangar building. He stated his problem is with the office building. He stated he feels the Authority should narrow down the problem and move ahead. Mr. Williams stated Mr. Thelen has pointed out some troublesome matters with the bonding.

Chairman Hentges stated that an essential part of any financing arrangement would be bonds issued through the City and he asked Mr. Thelen to comment on the situation.

Mr. Thelen was recognized and stated he does see some problems with a bond issue for this project. The first problem is that you cannot issue a 30 year bond for six percent. He stated the office building would have to come under a private activity bond and the interest rate for that would be seven to nine percent. He stated he is not even sure we could do a 30 year bond as the City has not done one since the sixties and we have never really looked seriously at doing one for that length of time. He stated that at \$7,000 a month you cannot amortize the debt at eight percent even over 30 years and you sure can't do it over 20 years. He stated it also seems that property taxes have been ignored and those could range from \$25,000 \$30,000. He stated in reviewing the analysis done by Mr. Thibideau the numbers just don't add up. He stated that the property taxes could be anywhere from half to a third of the lease amount so if you lower the monthly lease to nullify the property tax you can't finance much. He stated there is also some question, with private activity, whether or not you can even sell a bond at 10%. Mr. Thelen stated that due to the Tax Reform Act of 1986 you cannot sell tax exempt bonds for activities traditionally carried on by private enterprise. He stated there are some exceptions and hangars could be one of them but he knows for a fact that office buildings are not. The reason for this is to keep government from stepping in and undercutting developers.

Mr. Cichy stated it is his impression that we are using a bit of a misnomer when we refer to this strictly as an office building. He stated part of the office building will house a lot of other activities such as repair, radar work, etc. He asked Mr. Thelen if that would cause any difference in interpretation of the use of the building.

Mr. Thelen stated if the activity conducted in the office building/repair shop is traditionally carried on by private enterprise rather than public sector then it would be considered private activity.

Mr. Cichy stated that regardless of what you call it, it still falls under the category of private enterprise.

Mr. Thelen stated that one exemption is manufacturing but repair would not be considered manufacturing. He stated that one common test is generally who buys such a facility.

Mr. Cichy stated whatever the Airport Authority gets involved with should certainly be a viable operation. He stated the Airport Authority was criticized recently for not building a hangar earlier. He stated the fact remains that in the

Reviewed Agreement Document With Weather Modification Incorporated: (Continued)

early stages we were not able to show that building a hangar was a financially viable situation and that we were encumbering the citizens of Fargo. He stated that is something we don't want to do, yet we don't want to set aside private enterprise or industrial development.

Mr. Thelen stated that if the Authority was able to sell bonds at 7%, which he doesn't think it could, the first year's interest payment would be \$70,000 and that is the top end of the lease payment and that is ignoring property taxes. He stated you could have a real hard time making the numbers work at the low end of the construction cost and the high end of the lease. He added that is not a good combination to start with. Mr. Thelen stated the most exemption they could get on property taxes would be five years.

Mr. Cichy asked if there was a Plan B for financing if Plan A did not work.

Mr. Charles Feste, attorney representing WMI, was recognized and stated he has been working with Attorney Stewart in putting together the agreement. He stated some of the questions raised by Mr. Thelen have been discussed previously with the Airport Authority. Mr. Feste stated the agreement does not discuss financing in detail but what it does include is a commitment on the part of the Airport Authority to work with WMI to achieve the construction of a hangar and administration building. He stated that, as Mr. Cichy pointed out, only 3,000 square feet of the administration building would be used for office space for WMI. The remaining 6,000 square feet of the building would be for space in conjunction with the use of the hangar, some of it being facilities for an FBO, which was included in the agreement at the request of the Airport Authority. Mr. Feste stated there may be some hurdles that will have to be overcome with regard to the financing, but there are other places on the airport where hangars and office space within the hangars he would judge probably have been financed through tax exempt bonds in the past. He added he does now know that for sure but should be explored. He stated real property taxes would have to be built into the lease payments. He stated there is a provision in the agreement for WMI to apply for a five year postponement of real estate taxes which is authorized under the statutes for new construction.

Mr. Feste stated that, as Mr. Cichy mentioned, in December 1992 WMI approached the Airport Authority about moving its operation to Fargo. He stated that move has largely been completed but they want to get on with the project of making it a competent facility located in the northeast corner of the airport. He stated all they are asking for now is a commitment that the Authority use its best efforts to help WMI get into that location and get the project constructed.

Mr. Williams stated he totally agrees with Mr. Thelen on the financing. He stated he sat down and worked out some numbers and if we were able to sell the bonds over ten years we would be lucky. He stated adding everything up will cost \$13,000 \$14,000 a month. Mr. Williams stated maybe they are making that but their financial statement says it won't float. He stated he feels Plan B is that the Airport Authority should build the hangar and WMI should go to the private sector for funding.

Mrs. Stanton asked if we are at the point where we can make that determination. She stated this agreement is pretty much a letter of intent. She stated as far as she is concerned this agreement is an intention to work with WMI but Mr. Williams feels the last page of the agreement does not say that.

Attorney Stewart stated that Mr. Williams is saying we should look at the economic feasibility before we sign the agreement.

Chairman Hentges stated Mr. Williams is referring to the last paragraph of Page 5, continuing on Page 6, as follows:

"While this Agreement is intended to provide only a general outline of terms of WMI's commitment to lease, the Authority's commitment to construct the facility and for the consummation of other subsequent necessary agreements, it shall be deemed a commitment by WMI to enter into a lease of the facility and for the Authority to construct the facility and lease it to WMI, both set forth in this agreement."

Reviewed Agreement Document With Weather Modification Incorporated: (Continued)

Chairman Hentges stated he reads this as more than an intent, it is a commitment to go forward.

Mr. Feste suggested the Airport Authority have its counsel read and advise the Airport Authority as to the extent it commits the Authority in the full blown picture. Mr. Feste stated the idea was that the Authority would use its best efforts to cooperate with WMI. They have outlined the facility and given the Authority estimated cost of construction (\$1.2 million). Mr. Feste stated they have talked about the fact that it would be necessary to bring sewer and water to the site, the need for a roadway and parking. He stated the Airport Authority has now received other requests to locate in the new general aviation area. Mr. Feste stated there has been discussions about bonding limits being 18 years. Mr. Feste stated it was also discussed that this might mean a commitment on the Airport Authority to supplement the rental payments WMI would make during that period. He stated we also talked about the fact that there would be a balloon payment at the end of that 18 years. He added that 18 years is a fair amount of time down the line and WMI may be in a much better position at that time after some of the initial debt is accomplished to make that balloon payment. Mr. Feste stated there is also an option every five years for WMI to exercise in terms of purchasing the facility from the Airport Authority and that is one of WMI's intentions. Mr. Feste stated there may be some hurdles with regard to the financing but he doesn't think it is something beyond the realm of possibility. He stated he feels it is a viable project and there have been other projects like this on the airport that the Airport Authority has gotten accomplished.

Chairman Hentges stated those are all good points but if there is some language Mr. Stewart and Mr. Feste can come up with in this agreement satisfactory to WMI indicating that the Airport Authority will put forth its best effort to cooperate subject, of course, to financial feasibility, practicality, etc. He stated the real meat of the issue is the financing.

In reply to Mr. Feste's comments, Attorney Stewart stated he thought we would probably get through the economic feasibility issue first so that when we entered into the agreement. He stated if both parties would rather enter into an agreement subject to economic feasibility of the project we could do that also. He stated he was hopefully we could get through the economic end of it first before entering into an agreement.

Chairman Hentges stated he agrees and that is the way we have proceeded. We have tried to get all of these other matters out of the way before we dealt with the agreement because it did have some meat to it. He stated as far as he is concerned the agreement has some commitments to move forward and until we get the other things done we can't commit to these. He stated he would not have a problem with an agreement contingent upon financial feasibility. He stated he also understands the exasperation of WMI, even with everything that has gone on with this project over the past year. He stated somewhere if we could inch ahead a little bit so WMI could feel more secure that we are moving ahead to get this project done for them.

Mr. Bromenschenkel stated he is not sure of the Airport Authority's intentions as far as bonding but he suggested meeting with the City's bond consultant and possibly move ahead with hearings.

Mr. Feste stated we could toss figures around all morning but one of the things that has always been discussed is that there was going to be a commitment on the part of the Airport Authority to help WMI in locating in the new general aviation area. He stated it is his understanding that the Authority does have some funds available for expansion of the airport.

Reviewed Agreement Document With Weather Modification Incorporated: (Continued)

Mr. Cichy stated that after listening to the conversation it appears that we would be completely in line if we passed a motion or resolution to proceed, contingent upon working out the financial considerations that are necessary to make this thing fly.

Mr. Thelen stated Mr. Feste talked about the lessee not making the debt payment, which is a lot different than the lessee making the debt payment. He stated he can get some general feasibility numbers within a week.

Chairman Hentges stated what we need to try to do today is give WMI something more official to rely on that the Airport Authority is going ahead and intend to do something about facilities for them in the new general aviation area.

Mr. Feste stated that is essentially what has been conceded that the Airport Authority intends to do and that was the reason for the agreement.

Chairman Hentges stated if WMI has no problem with the agreement containing a contingency upon financial feasibility he would see no problem with going ahead with the agreement, unless Attorney Stewart sees a problem.

Mr. Thelen stated he can get some numbers for the Airport Authority before December 15 so the Airport Authority can review them before the next meeting on December 21.

Mrs. Stanton asked if we have explored all avenues of funding for economic development. She stated there is a lot of money for economic development in Cass County as well as the State of North Dakota. She asked if the tax exemptions under PACE program are different than other economic development programs.

Mr. Thelen stated the PACE Program is one the Bank of North Dakota has entered into in conjunction with local lending institutions and a city where the interest rate on a loan is brought down to five percent less than prime. The local banks are responsible for the principle but the Bank of North Dakota and the City buy the interest rates down so actually you would get cheaper debt service that way than through bonding.

Mr. Feste stated the Airport Authority has been involved in discussions with John Kramer but it never really seemed to be that kind of a viable situation. He stated that WMI has borne its soul to you in regard to its finances and it is a good, viable corporation although it has some debt. He stated they are asking the Airport Authority to build a hangar and an administration building and WMI will pay rent for it over the next 30 years.

Chairman Hentges stated the terms and options in the agreement were put in at the request of WMI and were not negotiated.

Mrs. Stanton stated she would like to find out what Cass County is doing with the four mills levied for economic development.

Mr. Thelen stated one item in the agreement that will make it tough on the bond payments is the five year options.

Mr. Feste stated the agreement is not carved in stone with regard to those types of decisions and those matters would be governed by a lease. He stated this agreement is basically a letter of intent.

Mr. Cichy moved to approve the agreement between WMI and the Airport Authority, contingent upon a satisfactory program being resolved, which would be included in the satisfactory lease. He added that may be a clumsy motion but the Airport Authority is approving an agreement which is no great incrimination on the part of the Airport Authority but rather a strong movement of intent on our part and the details will be covered in a lease, which he assumes would be developed in short order.

Chairman Hentges asked about changing the word "shall" in the lease to "may".

Attorney Stewart stated the agreement can be worded so that it is subject to showing economic feasibility and a project satisfactory to the Airport Authority.

Mrs. Stanton seconded the motion.

Reviewed Agreement Document With Weather Modification Incorporated: (Continued)

Chairman Hentges stated he can understand WMI wanting some type of an agreement. He stated this agreement will not have a lot of weight but the intent will be in writing.

Mr. Thelen stated he will have some numbers for the Airport Authority by December 15.

Attorney Stewart stated the agreement will contain wording along the lines that it will be subject to the economic viability of the project or portion of the project demonstrated to the satisfactory of the Airport Authority. If bonding is involved it will also be subject to the satisfaction of the Board of City Commissioners.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

Chairman Hentges stated he would like the Airport Authority and WMI to know that he has spent more time than he should have on this project trying to move it ahead. He stated he has spent many hours over the past year even though it is not his role. He stated we need the experts to come in and give us some specifics to which we can respond. He stated this is a major project and he wants it known that he does not feel we have been dragging our feet on this.

Approved Architect for Weather Modification Incorporated Project:

Mr. Feste stated in order that this project can move along, WMI has used Foss Associates as their architect and they would appreciate a motion from the Authority that Foss Associates becomes the architect for the Airport Authority.

Mr. Gallagher stated apparently the bylaws require that the architect must be approved by the Airport Authority.

Chairman Hentges stated there is no cost to the Airport Authority at this time but the Airport Authority would use Foss Associates if the project is approved.

Mr. Williams asked why we would not have to interview architects as we have done in the past.

Mr. Gallagher stated when we have interviewed architect/engineers it has been for projects funded with federal participation.

Mr. Gallagher moved to approve Foss Associates as the architect for the Weather Modification Incorporated project.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Cichy and Hentges voted aye.

No member being absent and none voting nay the motion was declared carried.

OTHER BUSINESS:

Mr. Ron Balvitsch, Northwest Airlines, was recognized and asked the Authority if they had ever given consideration to implementing the \$3 Passenger Facility Charge that is being charged by almost every city in the country. He stated now that we are getting down to one or two airlines here the rent is going to be tough and the PFC would certainly help with some things so the rent will not be increased. He stated he strongly urges the Authority consider this.

Mr. Balvitsch stated we also have a problem with wheelchairs at the airport. HE stated in the past three years he has purchased at least a dozen wheelchairs which seem to disappear. He stated we are at the point where we are down to four or five wheelchairs and that number just does not do it for this airport. He is wondering if the Airport Authority would like to consider making an investment in some wheelchairs

OTHER BUSINESS: (Continued)

to assist the airlines. He stated the only other alternative is tying the wheelchairs down but they don't have the staff available to release the wheelchairs when needed. He added that if airline personnel are not right there to assist a passenger they are on us like flies on a manure pile. He stated his company will not allow him to continue to buy wheelchairs. He stated when he can he buys wheelchairs at rummage sales but a new one is \$800.

Mr. Cichy asked where the chairs are stored.

Mr. Balvitsch stated they are stored under the stairways. He added that they weld bars on the chairs to make them harder to fold up and take. He stated we have a problem and need to do something.

Mr. Williams asked if a deposit could be required on the wheelchairs when used.

Mr. Balvitsch stated not only do people want the chairs brought to them but they want you to push them.

Mr. Steve Dahl, United Express, stated with the Americans with Disabilities Act the air carriers are required to have their facility handicapped accessible. He stated if we are losing wheelchairs we need to address the problem so we can move the passengers in a comfortable manner.

Chairman Hentges stated we should be able to come up with some method to control the wheelchairs.

Mr. Cichy moved the Executive Director research the matter with Mr. Balvitsch and come up with a recommendation for the board.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Mr. Cichy moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, December 21, 1993, at 10:30 a.m. in the Airport Boardroom.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:45 a.m.

Regular Meeting

Tuesday

December 21, 1993

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, December 21, 1993, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Williams, Cichy, Hentges

Absent: Gallagher

Others: Stewart, Bromenschenkel

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held December 7, 1993:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held December 7, 1993, with one correction. (During discussion on wheelchairs, Mr. Balvitsch stated his company will "not" allow him to continue to buy wheelchairs. Minutes read "now.")

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Approved the Airport Vouchers Totalling \$99,316.16:

Mr. Cichy moved to approve the airport vouchers totaling \$99,316.16.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Approved Individual Voucher to Cass County Treasurer:

Mr. Williams moved to approve the individual voucher in the amount \$5,770.90 to the Cass County Treasurer for special assessments for 1993, Airport First Addition.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Williams moved to approve the individual voucher in the amount of \$17,393.57 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with Runway 8/26 Project.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to Edling Electric:

Mr. Williams moved to approve the individual voucher in the amount of \$76,118.67 to Edling Electric for Partial Payment Request No. 9 for construction of Runway 8/26 Project No. 38 0017 13.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to FM Asphalt, Inc.:

Mr. Williams moved to approve the individual voucher in the amount of \$5,513.57 to FM Asphalt, Inc. for Partial Payment Request No. 3 for paving of Viewing Park, Eastside Terminal Parking Lot, and 31st Street North Project.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Mr. Tom Kotnour Will Appear to Discuss Long Term Parking Procedures:

Mr. Parmer stated Mr. Kotnour stopped in the office a few weeks ago to register a complaint on the long term parking procedures and wanted to appear at a meeting. Mr. Parmer stated he gave him the meeting dates for December but he is not present today. The item was passed.

AAA Auto Rental Presented Auto Rental Proposal:

Mr. Bernie Ware, AAA Auto Rental, was recognized and stated that copies of their proposal had been distributed to all members of the Airport Authority.

Mr. Parmer stated this was the first time he has seen the proposal so he has not had an opportunity to review it.

Chairman Hentges asked Mr. Ware to basically present their proposal.

Mr. Ware stated they are proposing to be located in the lower portion of the lobby near Thrifty and to have parking spaces in the rental lot. Mr. Ware stated he feels there is room in the parking lot for them or else there is room to expand the lot without too much trouble. He stated AAA does not intend to run the present tenants out of business but rather to offer a new concept in car rental to the airport.

AAA Auto Rental Presented Auto Rental Proposal: (Continued)

Mr. Williams asked what is so different about AAA's concept.

Mr. Ware stated AAA Auto Rental would be offering cars such as the Mercury Sable or Ford Taurus at a rate of \$17.95 a day.

Mr. Williams stated that is not really a new concept they are just offering lower prices.

Mrs. Stanton asked if any of the other car rental agencies at the airport rent used cars.

Mr. Ware stated none of the agencies at the airport offer used cars.

Chairman Hentges asked Mr. Ware to explain the difference between the cars AAA would rent and the cars the other agencies rent.

Mr. Ware indicated the other agencies offer new cars and AAA's cars are 1990 to 1993 models. Mr. Ware stated he has spent a fair amount of time paying attention to what is going on downstairs. He stated with airline prices going up travelers will be looking for other areas in which to cut costs. Mr. Ware referred to a recent article in USA Today where corporate CEOs are requiring travelling employees to cut costs and one of the areas is in car rental.

Chairman Hentges asked if AAA is prepared to pay the standard rate for terminal rent.

Mr. Ware indicated they were prepared.

Chairman Hentges stated the rent for the current tenants is based on gross amount and if AAA's rates are half of what the other agencies charge then AAA would be getting equal space for half the cost. He stated maybe we should consider a different rental agreement.

Mr. Williams stated he does not feel AAA should be penalized for that.

Mr. Parmer stated that AAA indicates that currently 18% of their business comes from the airport. He asked Mr. Ware what that amounts to in dollars.

Mr. Ware stated since they have not been in business a full year yet he could not give a figure. He added they have had a location in Glyndon since March 1993.

Mrs. Stanton stated she would not have a problem with adding another car rental agency.

Mr. Williams moved the matter be referred to the Executive Director for his review and recommendation for final approval.

Mrs. Stanton stated she does not feel we should have a closed market.

Mr. Maury Lamb, National Car Rental, was recognized and asked where the Airport Authority will draw the line, after there are 20 car rental agencies at the airport.

Mrs. Stanton stated we would draw the line when we run out of space. She stated other airports have any number of car rental agencies.

Mr. Lamb stated other airports also have a bigger market. All that would happen here is the market would be split another way, making it tougher and tougher to operate.

Mr. Ware stated we could open the current leases up for bids but that would open a can of worms with which he does not think the other agencies will want to contend.

Mr. Parmer asked Attorney Stewart if there is any requirement for the Airport Authority to provide space to anyone wanting to operate on the airport, regardless of space available. He also asked if we do not have some obligation to protect present tenants.

Attorney Stewart stated we discussed this previously when Thrifty requested space. He stated there is a clause in the lease requiring the current agencies be given six months notice before allowing additional agencies to operate.

Mr. Bernie Ness, Avis Rent a Car, was recognized and stated the Airport Authority has to decide whether or not it wants to allow a "rent a wreck" operation on the airport. He stated they could all run used cars and if the Airport Authority wants the quality of car rental service to deteriorate this is what they should do. He

AAA Auto Rental Presented Auto Rental Proposal: (Continued)

stated the market right now really can support only three car rental agencies and we have five and are proposing six. He stated that Thrifty is the smallest agency and is not a full service operation as often times they are closed. He stated the other four are open all of the time. Mr. Ness stated the other four agencies could do the same thing, run used cars, be open only at peak times, and basically just take the cream of the crop, leaving the passengers coming off the 11:00 p.m. flights without service. Mr. Ness stated if that is what the Airport Authority wants for the customers then he feels we should open it up. He stated we are going down to one major airline in February, the volume is down and yet we are looking at another operator. He stated he feels there is going to be a point where the Airport Authority is going to have to ask how many car rental agencies this market can support. He stated it cannot support another car rental agency without some major changes. He stated he is all for competition but the Airport Authority must understand the other agencies will also run used cars and they will not be able to give the quality service they do currently because they will have to be here just for the peak periods because they will not be able to afford to pay people to be on the fringes. Mr. Ness stated the market at the airport is strictly airline oriented and with fewer travelers so something has to give. Mr. Ness stated they are not a non profit organization. Mr. Ness stated the Airport Authority will have to make a decision on how many car rental agencies this airport can support. He added that maybe we will have to go to a bid situation because this airport cannot support that many car rental agencies.

Mr. Dave Dion, American Airlines, was recognized and stated that while the Airport Authority cannot restrict businesses from coming into the airport it can approach the issue from the standpoint of the level of service.

Mrs. Stanton asked if this is not market driven. If a business is not able to provide service its customers require it will go out of business.

Mr. Dion stated if there are space constraints the Authority must decide what it wants as far as level of service.

Mrs. Stanton stated this is market driven and she is not going to shut off the free market.

Chairman Hentges stated these are all good points and the Airport Authority is open to discussion, yet at the same time the Authority has a judicious business responsibility for the economics of this airport.

Mrs. Stanton stated she does not blame the people currently in business for opposing this.

Mr. Williams stated we had the same argument when Thrifty wanted to come in but they are in now and everything is fine.

Mr. Lamb stated Thrifty is running 60 new cars yet captures only nine percent of the business. He stated there is no way they can be making a profit.

Mrs. Stanton asked if the Airport Authority should worry about whether or not Thrifty is making it. She stated that is Thrifty's concern.

Mr. Parmer stated the original lease the airport had with the car rental agencies years ago contained a clause that the airport would not lease any space to additional car rental agencies as long as the existing car rental agencies were providing satisfactory service.

Mrs. Stanton stated government used to be able to get by with a lot but that has changed.

Mr. Williams moved the matter be referred to the Executive Director for his review and recommendation for final approval.

Second by Mrs. Stanton.

All members present voted aye and the motion was declared carried.

Authorized Execution of Contract Amendment to Engineering Services Agreement, Runway 8/26 Project:

Mr. Parmer stated he has a number of items related to engineering services for Runway 8/26. Mr. Parmer stated when we first started designing Runway 8/26 there was a lot of discussion on the width and length of the runway. He stated we ended up with a shorter runway so there were engineering costs associated with the original project that were not accomplished so we are reducing the engineering fee by \$174,992.00. He stated we are able to use this money in another area. He asked that execution of this amendment be authorized and he will then explain where he proposes to use the funds.

Mr. Cichy moved to authorize execution of the contract amendment to the Engineering Services Agreement for the Runway 8/26 Project, for a net reduction of \$174,992.00. Second by Mr. Williams.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Mr. Parmer stated the FAA has been pressuring us to close Runway 3/21 now that 8/26 is open. He explained that the FAA wanted us to include in the preapplication for our 1994 project the costs to close Runway 3/21. He stated that we have had discussions with the FAA to see if they would amend the existing grant (14) to allow for the closure of 3/21. He stated that in our preliminary discussions they have indicated it is a possibility. Mr. Parmer stated the estimated cost to close Runway 3/21 is \$151,000, of which \$136,000 would be federal dollars and there is money in the grant to cover that. Mr. Parmer requested authorization to file a request for an amendment to the grant.

Mrs. Stanton moved to authorize the Executive Director to file a request with the FAA to amend the grant for project 3 38 0017 14 to include closure costs for Runway 3/21.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Considered Engineering Services Agreement for General Aviation Development Area:

Mr. Parmer stated we have submitted a preapplication to the FAA for funding for further development in the general aviation area but we have not executed an engineering agreement for that portion of it. He stated the total cost of proposed construction is \$1,650,868. That consists of construction of the apron (200' x 940'), connecting 50' taxiways, construction of drainage improvements and 2,000' access road (2 lanes, 15' wide).

He stated since the preapplication was submitted to the FAA there has been some expansion to the project and the FAA has asked us to amend the preapplication. He stated this request is for \$1,485,000 federal funds. He stated we do not yet have the amount of our enplanement funds but he estimates it to be \$960,000 so we would need about a half million of discretionary dollars. Mr. Parmer stated if we are not able to secure discretionary funds and we have to settle for a \$1.1 million project, the project has been designed in such a way that we can delay some items, but we do not want to do that.

Mr. Cichy asked how much of the project is designated for the access road, as we have discussed delaying that portion of the project for a year.

Considered Engineering Services Agreement for General Aviation Development Area: (Continued)

Mr. Parmer stated the two lane access road makes up approximately \$367,000. Mr. Parmer stated delaying the road is one of our options. Mr. Parmer stated another option is reducing the size of the ramp but he does not want to do that.

Mr. Parmer requested authorization to submit the preapplication to the FAA. He stated the total estimate for engineering services on this project is \$159,084. He added that when we advertised for engineering services in 1991 projects would not be initiated beyond three years from date of selection.

Mr. Cichy moved to authorize execution of the Engineering Services Agreement with Uteig Engineers, Inc. for engineering services in the general aviation development area.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Mr. Williams moved the Executive Director be authorized to submit a preapplication to the Federal Aviation Administration for funding of apron, connecting taxiways, drainage improvements and access roads in the new general aviation area.

Second by Mr. Cichy.

On the call of the roll, members Stanton, Williams, Cichy and Hentges voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Chairman Hentges stated that having our applications current and on file with the FAA puts us in a strong position to receive discretionary funds.

Received Items of Correspondence Concerning Financing Developments in General Aviation Area:

Mr. Parmer stated the Authority members have received copies of communications provided by Attorney Stewart. Included are: memo from Brian Neugebauer (the City's bond attorney), letters from Gary Stewart, Charles Feste, memorandum from Evensen Dodge, Inc. showing estimated debt schedules for taxable airport bonds.

Mr. Cichy moved to receive and file the communications concerning financing developments in the general aviation area.

Second by Mr. Williams.

All members present voted aye and the motion was declared carried.

Mr. Parmer stated it does appear we may have to be looking at a much lesser project than proposed by Weather Modification Incorporated. He stated he has not had an opportunity to review this with WMI and see what we can do based on these recent findings. He asked Attorney Stewart to comment on the communications.

Attorney Stewart stated that after the extensive review done by all of the parties involved it would appear the project as proposed is not economically feasible at this time. He stated we are looking at a taxable bond upwards of \$11,000 a month.

Chairman Hentges stated he would like to see a meeting organized with WMI principals and their attorney, Attorney Stewart, Mr. Parmer, Mr. Thelen, Mr. Cichy and Mr. Williams, before the next Airport Authority meeting. Chairman Hentges stated the Airport Authority is committed to building a facility, as we want WMI and others to locate in the new general aviation area.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, January 4, 1994, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Cichy.

All members present voted aye and the motion was declared carried.

Time at adjournment was 11:10 a.m.