

Regular Meeting

Tuesday

January 4, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, January 4, 1994, 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

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held December 21, 1993:

Mr. Cichy moved to approve the minutes of the regular meeting of the Municipal Airport Authority held December 21, 1993.

Second by Mrs. Stanton.

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

Approved the Airport Vouchers Totaling \$50,228.56:

Mr. Williams moved to approve the airport vouchers totaling \$50,228.56.

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.

Discussed Setting Landing Fees for Commercial Freight Carriers:

Mr. Parmer stated the Airport Authority has discussed the matter of landing fees for commercial freight carriers in the past but we have never enacted a policy. He stated there are a number of smaller freight carriers operating on a regularly scheduled basis. He stated it is his recommendation we come up with some type of landing fee, as we are the only airport in the state that is not presently doing so. Mr. Williams asked Mr. Parmer approximately how much revenue would result from such a landing fee.

Mr. Parmer stated he does not have exact figures but it would probably mean about \$10,000 annually. Mr. Parmer stated he could get some details on this type of activity at the airport.

Mrs. Stanton asked how we would go about advising the operators concerned.

Mr. Parmer stated we can advise the freight carriers by letter.

Mrs. Stanton stated she feels we should advise them so they have an opportunity to comment.

Discussed Setting Landing Fees for Commercial Freight Carriers: (Continued)

Chairman Hentges stated that when we gather information from other airports regarding landing fees we should also find out what other fees operators might be paying. He stated some of these operations might be pretty small and a landing fee might put them out of business.

Mr. Williams asked Mr. Parmer how much of a fee he is suggesting.

Mr. Parmer stated the fee would be a minimum of \$5.00 per landing.

Mr. Williams moved the Executive Director be authorized to proceed with preparation of a formal recommendation for landing fees and that he consult with Attorney Stewart.

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.

Dr. Clif Hamilton was recognized and stated the freight carriers are presently paying the two cent fuel flowage fee in Fargo. He stated the other major airports in North Dakota charge a landing fee but do not charge a flowage fee. He stated it is his understanding that the commercial carriers pay landing fees but do not pay a flowage fee.

Mr. Parmer stated when he conducts the survey of other airports he will check into whether or not both landing fees and fuel flowage fees are assessed at other airports.

Received Letter of Review and Recommendation on AAA Auto Rental Proposal:

Mr. Parmer distributed his written review and recommendation on the proposal presented by AAA Auto Rental to operate at the airport. Mr. Parmer stated he reviewed the leases the Airport Authority has with the existing car rental agencies. Mr. Parmer stated some of the items in the current leases he feels are applicable are:

"the lessor will provide to lessee counter space within the airport terminal building"

"parking space will be designated by the lessor"

"the lessee agrees to furnish good, prompt and efficient service adequate to meet all demands for auto rental service at the airport, on a fair and reasonable basis, and to charge prices for such service in accordance with its usual standards, on a basis similar to that charged by similar services at airports in this general area"

"the lessee agrees to make available for rent to the public only late model automobiles which shall at all times be maintained by the lessee in good mechanical condition and in a neat, clean and attractive condition inside and outside"

"lessee shall remain open for such periods during each day and such days during each week as may be necessary to meet reasonable demands for said services"

Received Letter of Review and Recommendation on AAA Auto Rental Proposal: (Cont)

Mr. Parmer pointed out the following items in AAA's proposal:

"AAA Auto Rental proposes to use a part of the Hector Airport passenger terminal building with counter space and assigned parking areas for the purpose of operating an automobile rental service at the airport"

"Space and facilities needed to operate at the airport would be similar to the space and facilities occupied by the rental companies currently operating at the airport"

In his recommendation, Mr. Parmer states that it is obvious, in reviewing the statements above, that the Airport Authority would be required to expend considerable funds to provide facilities, both inside and outside, for another car rental agency. It has been estimated to provide a 30 car parking lot in the new general aviation area to cost in excess of \$70,000. It is not unreasonable to expect the cost of providing parking for AAA Auto Rental to cost in excess of \$40,000. In the design and occupancy of the Westside Terminal it was determined to provide space for four car rental agencies. Counter space was designed and parking lot constructed to adequately serve these agencies. The Airport Authority in 1988 agreed to allow the fifth agency space to operate an additional car rental agency. I believe we have reached a point of over saturation in the auto rental area. The proposal offered by AAA Auto Rental indicated they would be providing used cars at reduced prices and I am wondering if the present operators would be forced into offering yet another class of service? I agree it is not a requirement of the Airport Authority, in approving leases to airport tenants, to guarantee a profit for persons engaged in commercial operation at the airport, but it is certainly beneficial to have healthy tenants. I think the service we have received from our existing tenants has been excellent and the public is being adequately served. Mr. Parmer stated it would be his recommendation that any request for additional car rental outlets at Hector Airport be denied until such time as the Airport Authority has agreed to expend the additional funds for terminal and parking lot improvements and further have determined that additional car rental outlets would be in the best interest of the travelling public.

Mr. Parmer stated that after 4:00 p.m. on Monday, January 3, 1994, after completing his written recommendation, Thrifty Car Rental provided him with a communication from Mr. David J. Selland, advising that it is the intent of Selland Rent a Car dba Thrifty Car Rental, to close the Thrifty Car Rental operations at Hector Airport effective February 1, 1994.

Mrs. Stanton stated we now have a vacancy.

Mr. Cichy stated we also have the benchmark that we may have too many car rental agencies for the amount of traffic at this airport.

Mrs. Stanton moved to receive and file the recommendation from Mr. Parmer and the letter dated January 3, 1994 from Mr. David J. Selland.

Second by Mr. Cichy.

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

Mr. Parmer stated he does not know if this could be classified as a vacancy, as we went from four car rental agencies to five and we are now back to four since the fifth could not make it.

Mrs. Stanton stated that is not our concern, it is up to a business to make sure they are operating profitably.

Received Letter of Review and Recommendation on AAA Auto Rental Proposal: (Cont)

Mr. Bernie Ness, Avis Rent a Car, was recognized and stated he did not know that Thrifty was leaving. He stated with Thrifty's volume he did not think they could make it, given the quality of service provided. He stated we are talking about a totally different type of rent a car. He stated this has the potential of putting a substantial liability on the Airport Authority. He stated that all of the car rental agencies the Authority has dealt with before have had national affiliations and have certain minimum requirements as far as liability standards, operation standards, types of vehicles, safety of vehicles, and a number of other minimum qualifications. He stated that the Minneapolis airport runs with five or six operators in a population area substantially larger than Fargo, and a fifth agency, which has a national affiliation, was not able to make it in Fargo. Mr. Ness stated in a less than desirable car rental situation the first things affected are safety and quality, and if the Airport Authority does choose to put that type of operation in, it needs to look at its leases and make sure there are certain minimum standards met. He stated if a customer gets less than standard or safe experience it is going to be the ones with the deep pockets that are going to get the lawsuit, and that would be the Airport Authority. He stated it is up to the Airport Authority whether or not it wants to put another operator in the terminal. He stated the present operators have told the Airport Authority before, and he feels it is evidenced by Selland's decision to leave, even though they were a good operator, that this airport is not large enough for five agencies. If the Airport Authority does choose to allow another operator he feels they must be very careful about the potential liability and make sure that there are minimum standards that must be met. Mr. Ness stated there should be standards not only from a safety standpoint but also from the service standpoint. He stated if there is a car rental agency operating from noon until 6:00 p.m., which is when they get most of their customers, they are simply taking the "cream of the crop", while the other agencies are open from 6:00 a.m. until 11:00 p.m. making sure that every customer coming off the flights are served. He stated he feels that standards for operating hours should apply to everyone, otherwise they will all be here from only noon to 6:00 p.m. and then we are not adequately serving the public. He stated that when you have a "rent a wreck" type operation without any affiliation, such as AAA Auto Rental, you have to be very careful about allowing them to operate without meeting minimum standards.

Mrs. Stanton asked Attorney Stewart about the Airport Authority's liability.

Attorney Stewart stated the Airport Authority requires the car rental agencies to meet liability insurance requirements. He stated that Mr. Ness was pointing out that if there were a law suit against one of the car rental agencies it is possible the other party may also look to the airport for damages.

Mrs. Stanton stated she does not think it should be presumed that since it is a used car it poses a hazard. She added that her personal car has 95,000 miles and is very reliable and dependable. She stated that accidents are caused mostly by people, not vehicles.

Attorney Stewart stated that the car rental leases come up for renewal at the end of 1994, and we could look at the minimum standards in the lease before that time. He added that there is a six month waiting period before another agency could operate anyway.

Chairman Hentges stated the revenue paid the Airport Authority by the car rental agencies is based on 10% of their gross sales, with a minimum of \$10,000 per year. He stated that is a favorable rate for someone doing a small volume of business, as they would be getting the same facilities another agency with larger volume and larger payments to the Airport Authority.

Mr. Dave Dion, American Airlines, was recognized and stated that if the car rental volume swings from the current major agencies to a discount agency, the revenue to the Airport will go down. He stated there will be the same number of passengers going through and if they rent cars for half the rate the airport gets 50% less revenue.

Received Letter of Review and Recommendation on AAA Auto Rental Proposal: (Cont)

Chairman Hentges stated he has studied the car rental revenue figures from the past years and Thrifty has been consistently running eight to eleven percent of the volume. He stated even with a substantial car dealer behind them, Thrifty was not able to justify continuing. He stated it is going to take some wherewithal to have a full service operator here, regardless of whether they rent new or used vehicles. He stated it is nice to compare ourselves to Minneapolis once in a while, but they have 20 million passengers annually. He stated we are going to be down to one major carrier and we hope to expand our boardings on Northwest and our commuters. He stated we do not yet know what affect this will have on our car rental agencies.

Mr. Williams stated he hates to do anything to disrupt the good car rental operation we have right now, but by the same token he is for free enterprise and he does not like to say someone can do business out here and someone else cannot. He asked Mr. Parmer for a breakdown on revenues from the car rental agencies over the past years. He stated he would like to see the Airport Authority hold off on a decision until he can get a better idea of the situation and why Thrifty is closing their operation.

Mr. Cichy agreed we are in a state of flux with the transition of the airlines and there are a lot of considerations before a decision should be made.

Mr. Williams stated he would like to see what is going to happen to the car rental agencies when we get down to one major carrier.

Mr. Williams moved the matter of AAA Auto Rental be postponed until the first meeting in February.

Second by Mrs. Stanton.

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

Received Notice of Special Meeting Date for the Sale of the Airport Authority Revenue Refunding Bonds:

Mr. Parmer stated Mr. Byron Knutson, Evenson Dodge, is working on the refinancing of the existing airport debt. He stated the Airport Authority must have a meeting in concert with the Board of City Commissioners and they have set a date of February 14, 1994, at 4:50 p.m. He stated it will just be a matter of receiving the bids and referring them. The Board of City Commissioners also has to act on the refinancing.

Mr. Parmer stated he is looking for commitments from at least three Authority members that they will be here for that meeting.

After discussion on meeting dates and times, it was decided that the Airport Authority's special meeting for the opening of the bids would be Monday, February 14 at 4:50 p.m. at City Hall, and the Airport Authority's regular meeting would be held as scheduled on Tuesday, February 15 at 10:30 a.m.

Other Business:

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Mr. Gordon Person was recognized and stated the dates for the Upper Midwest Aviation Symposium in Bismarck will be February 27 March 2. He stated that Captain Haines, captain of the DC10 that crashed in Sioux City, will be speaking Friday, February 28 and airport crash fire rescue departments are invited to attend.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the Annual Meeting to be held Tuesday, January 18, 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 11:07 a.m.

Annual Meeting

Tuesday

January 18, 1994

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, January 18, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Cichy, Hentges

Absent: Stanton, Williams

Others: Stewart

Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 4, 1994:

Mr. Cichy moved to approve the minutes of the regular meeting of the Municipal Airport Authority held January 4, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$63,990.82:

Mr. Gallagher moved to approve the airport vouchers totaling \$63,990.82.

Second by Mr. Cichy.

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

Absent and not voting: Stanton, Williams

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 \$10,447.82 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton, Williams

The motion was declared carried.

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

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

Second by Mr. Cichy.

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

Continued Discussion of the Establishment of Landing Fees for Scheduled Freight and Passenger Operations:

Mr. Parmer stated at the last meeting the Airport Authority discussed his recommendation of establishing a landing fee for scheduled freight and passenger carriers. He stated he was directed by the Airport Authority to gather further information regarding the policies at other airports in the region. Mr. Parmer distributed a summary of landing fees charged at airports in Bismarck, Grand Forks, Minot, Sioux Falls, Aberdeen and Rapid City. Mr. Parmer stated he also wrote letters to the freight/passenger haulers and asked for their comments in writing or orally at this meeting. He stated he has received no response from them so he does not anticipate any strenuous objection from them.

Mr. Parmer stated at the last meeting there was some discussion on the fuel flowage fee. Mr. Parmer stated the Airport Authority does not directly assess a fuel flowage fee to aircraft owners. The fee is assessed to the fixed base operators as part of the lease requirements. He stated in the survey of the other airport we found that the assessment of a fuel flowage fee varies because some airports handle the fuel sales themselves and at other airports it is handled by FBOs.

Mr. Parmer stated he has not gotten together with Attorney Stewart on the final proposed resolution, which should be adopted by the Airport Authority if it wishes to assess a landing fee. He stated the resolution would include more than setting a fee but would also include reporting requirements, etc.

Mr. Parmer stated he would like to see the Airport Authority adopt a resolution setting landing fees for scheduled freight/passenger carriers, and that the fee be set at a minimum of \$5.00 per landing. He added that he would like the Authority to set a date for the inauguration of this charge. He stated this matter will be on the agenda for the next meeting at which time final action, for or against, can be taken.

In answer to a question from Chairman Hentges, Mr. Parmer explained that our landing fee for scheduled carriers is 31 cents per 1,000 lbs. approved certified maximum gross landing weight and we would have a minimum of \$5.00 per operation. He stated that landing fees at the airports surveyed varied (\$4.75, \$8.50, \$4.88, \$5.00, \$5.00, \$10.00).

Dr. Clif Hamilton, Aviation Resources, was recognized and asked if the freight operators will also have to pay the two cents per gallon flowage fee.

Chairman Hentges stated that is correct.

Dr. Hamilton stated that Northwest and American are not paying a flowage fee.

Mr. Parmer stated the lease with FBOs contains a clause excluding a fuel flowage fee on fuel sold to the scheduled air carriers, as well as fuel used in an FBOs own aircraft. This was not included for the benefit of the airlines, but rather for the benefit of the FBOs in an attempt to persuade air carriers to contract with FBOs for fueling.

Dr. Hamilton asked if commuters and freight carriers are considered scheduled carriers.

Mr. Parmer stated if there is any legal clarification needed Attorney Stewart can address it in the resolution.

Dr. Hamilton stated it was his understanding that they were not to charge American Airlines the two cents per gallon but they have been charging United Express.

Mr. Parmer stated the Airport Authority does not charge the fuel consumer the two cent flowage fee. The fee is part of the FBOs lease with the Airport Authority. If the FBO decides to add a line item to their billing with the two cent flowage fee as an airport charge that is up to them.

Dr. Hamilton stated he does not feel United Express should pay a flowage fee since they pay landing fees. He added that it was his understanding that if an operator paid landing fees they were not charged the two cents per gallon flowage fee.

Continued Discussion of the Establishment of Landing Fees for Scheduled Freight and Passenger Operations: (Continued)

Chairman Hentges stated these matters need to be clarified and will be covered in a resolution.

Mr. Parmer suggested this matter be referred to Attorney Stewart for clarification of all concerns.

Mr. Cichy moved the matter of landing fees and fuel flowage fee assessment be referred to Attorney Stewart for clarification and for drafting of resolution.

Second by Mr. Gallagher.

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

Reviewed American Airlines Station Closing and Restoration of Leased Premises:

Mr. Parmer stated Mr. Dave Dion, American Airlines station manager, was not able to attend today's meeting. Mr. Parmer stated that removal of American's signage from the departure lounge area will cause some damage to the wall covering. He stated American feels it is their obligation to replace the wall covering. Mr. Parmer stated in checking with the supplier of the wall covering they have advised us that it is no longer available. They have advised us that if they run a special order of the fabric they require a minimum order of 750 square yards, which is far in excess of what we need. Mr. Parmer stated maybe the Airport Authority should consider having some of the wall covering on hand for future use. The cost of the fabric would be over \$8,000, a portion of which American would pay.

Mr. Parmer stated another possible solution would be to go with a different type of wall covering that would be the same color but not necessarily the same texture.

Chairman Hentges stated we have been in the terminal eight years now and maybe it is time to start thinking about refurbishing the decorating. He suggested contacting the interior designer from Foss Associates so that we get a professional opinion and not just a band aid approach. He stated he feels it would be well worth the cost of the expertise.

Mr. Gallagher stated he agrees we should get a decorator's opinion.

Mr. Cichy asked how much of the 750 yards we need at this time.

Mr. Parmer stated he is not sure how much we need but it is a far cry from 750 square yards. He stated we can get a sample of the other material. He added that American Airlines has indicated they will do everything possible to restore the premises to the condition before their arrival.

Mr. Parmer stated he also received an offer from American's corporate office to purchase their jetway for \$125,000. Mr. Parmer indicated to them he did not feel the Airport Authority would be interested but they asked that the Airport Authority take official action on the proposal and advise them of their action in writing.

Mr. Cichy moved to decline the offer of \$125,000 made by American Airlines for the purchase of their jetway.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton, Williams

The motion was declared carried.

Mr. Parmer stated after American leaves all air carrier activity in the departure lounge will be at the east end. He stated he would like the Airport Authority to consider closing off the west end with some type of barrier until such time it would again be needed.

Chairman Hentges stated maybe we should consider making the west half of the departure lounge the commuter section.

Reviewed American Airlines Station Closing and Restoration of Leased Premises: (Cont)

Mr. Steve Dahl, United Express station manager, was recognized and stated he and Mr. Parmer have discussed the possibility of making the west half of the departure lounge an unsecured area for the commuter flights. He stated this would require just a slight adjustment of the location of the security checkpoint. He added that this would also address some of the safety concerns on the ramp.

Mr. Parmer stated the departure lounge consists of four gate areas of 1,976 square feet each. He asked Mr. Dahl if United Express is interested in renting the entire west half of the departure lounge.

Mr. Dahl indicated they could rent one gate.

Mr. Parmer stated if the Airport Authority leases space to one airline on each half of the departure lounge the airlines would have access to both gate areas but each airline would be paying for only one. He added that any changes in security procedures would have to be approved by the FAA.

Chairman Hentges stated he feels we need to address this matter. He stated he would like to do some evaluation on passenger boardings and the change in number of passengers on United Express this year over last year.

Mr. Parmer stated he will be meeting with representatives of Great Lakes Aviation this week and will discuss these matters with them. He added that FAA regulations do not require crash fire rescue services be provided for aircraft with passenger capacity under 30 so when American leaves Northwest will be responsible for the entire cost of crash fire rescue services each month. He stated he is going to do some further checking on this matter as he feels since the service is provided United Express should pay something for it.

Reviewed Airport Improvement Program:

Mr. Parmer stated at the last meeting there was a request for a breakdown of activity in the improvement fund in the past year as well as a projection for this year or two. Mr. Parmer distributed a summary of all expenses and receipts in the airport improvement program in 1993 and the major project was Runway 8/26. Mr. Parmer stated expenditures totalled \$5.5 million and we received \$5.1 million. He stated this summary shows the sources of income other than the FAA Airport Improvement Program.

Mr. Parmer stated in looking at the commitments we have for 1994, which include the ramp and connecting taxiway into the general aviation area, the Airport Authority's share of that is approximately \$165,000. Another major project will be the water and sewer into the area. He stated preliminary planning has been done and we plan to begin the project as soon as possible in the spring. He added another portion of the project is the parking lot, which also is not eligible for FAA funding.

Mr. Parmer stated the FAA requires that we have a five year plan for improvements on file with them. He stated some of the items included in our five year plan beyond 1994 are connecting taxiways into the new general aviation area, as well as the acquisition of snow and ice removal equipment. He added that we are still planning for the first stage development in the Airport Industrial Park. Even though we have been unsuccessful in attracting the first client we still periodically get inquiries of interested parties. He stated this project is eligible for FAA funding and will require participation in the area of \$500,000. Mr. Parmer stated Attorney Stewart will give us a report today on the financing for the Weather Modification Incorporated project.

Mr. Parmer stated that congress has not yet passed the Airport Improvement Program bill this year but we are assured that it will be passed. He stated the airports are lobbying for programs of three to five years rather than an annual basis as it allows for better planning on behalf of the airports. He added that we are still hopeful that the pre application for \$1.4 million we have on file with the FAA will be approved for discretionary funding of approximately \$500,000.

Reviewed Schedule and Timing of Construction in the Northeast General Aviation Area:

Mr. Parmer stated he and Attorney Stewart had been instructed by the Airport Authority to meet with representatives of Weather Modification Incorporated, bonding consultants, and City Finance Director to discuss financing of the proposed facility.

Mr. Parmer asked Attorney Stewart to give an update.

Mr. Stewart stated he and Mr. Parmer met with the finance people from the City regarding financing of the proposed facility for WMI and after review of the situation apparently bonding is not a viable option. It has been suggested that the Airport Authority work toward building a facility and leasing it to the tenant. He stated we will have to continue trying to identify any funds the Airport Authority might have available for this type of project.

Chairman Hentges stated at some point the Airport Authority will need to adopt a resolution to move forward in a preliminary manner to develop plans, specifications and costs for a hangar, which would be offered to WMI for lease.

Mr. Parmer stated this somewhat ties the hands of the Airport Authority as to what we can do with other similar requests we may receive, if our bond capabilities are limited.

Attorney Stewart stated that is why we need to look at other funding options. Mr. Stewart stated WMI may be able to get some funding assistance from the Lake Agassiz Regional Council for water and sewer into the general aviation area. He added that any funding received through economic development assistance would be less money out of the Airport Authority's improvement fund and more available for other projects.

Elected Chairman of the Municipal Airport Authority for Calendar Year 1994, As Per Bylaws:

Mr. Gallagher moved to elect Mr. Cichy as Chairman of the Municipal Airport Authority for calendar year 1994.

Chairman Hentges relinquished the chair to Mr. Cichy to second the motion.

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

Mr. Cichy passed his vote.

Absent and not voting: Stanton, Williams

The motion was declared carried.

Chair was returned to Mr. Hentges.

Elected Vice Chairman of the Municipal Airport Authority for Calendar Year 1994, As Per Bylaws:

Mr. Cichy moved to elect Mr. Gallagher Vice Chairman of the Municipal Airport Authority for calendar year 1994.

Chairman Hentges relinquished the chair to Mr. Gallagher to second the motion.

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

Mr. Gallagher passed his vote.

Absent and not voting: Stanton and Williams

The motion was declared carried.

Chair was returned to Mr. Hentges.

Chairman Hentges thanked the members of the Airport Authority, staff, Attorney Stewart and those individuals regularly attending the meetings for their support this past year. He reviewed the Authority's achievements over the past year, the monumental accomplishment being the construction of Runway 8/26 and Taxiway C, which amounted to over \$5 million. He stated we were good scouts on the project, politically astute and morally right and we received discretionary funding to complete the project. Mr. Hentges attributed this accomplishment to the leadership of Mr. Parmer. He stated he does not know of anyone who has mastered the understanding of FAA funding like Mr. Parmer. Mr. Hentges stated he appreciates Mr. Parmer's direction and handling of matters in which the board does not need to be involved. Mr. Hentges stated Mr. Parmer's knowledge and experience in dealing with the FAA and elected officials is a great asset to the Airport Authority and at some time in the future when Mr. Parmer decides to retire it will be a great gap to fill. He stated he would like assurance from Mr. Parmer that he would give the Airport Authority at least six months to a year notice in order to make such a major transition. Mr. Hentges stated it was a pleasure to serve as chairman of the Airport Authority in 1993.

Adopted Resolution of Appreciation to Outgoing Chairman, Richard Hentges:

Mr. Gallagher offered the following resolution of appreciation and moved its adoption:

WHEREAS, Mr. Richard Hentges 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 Mr. Hentges's chairmanship the Municipal Airport Authority moved steadily and successfully forward in improving the aviation facilities at Hector International Airport, and

WHEREAS, Mr. Hentges has labored diligently and given unsparingly of his 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 Mr. Richard Hentges for his 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 Mr. Hentges.

Second by Mr. Cichy.

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

Mr. Hentges passed his vote.

Absent and not voting: Stanton, Williams

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

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Monday, January 31, 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 11:27 a.m.

Regular Meeting

Monday

January 31, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Monday, January 31, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Hentges, Cichy

Absent: Williams

Others: Stewart

Chairman Cichy presiding.

Approved the Minutes of the Annual Meeting of the Municipal Airport Authority Held January 18, 1994:

Mr. Gallagher moved to approve the minutes of the Annual Meeting of the Municipal Airport Authority held January 18, 1994.

Second by Mrs. Stanton.

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

Approved the Airport Vouchers Totaling \$4,285.73:

Mr. Hentges moved to approve the airport vouchers totaling \$4,285.73.

Second by Mrs. Stanton.

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

Absent and not voting: Williams

The motion was declared carried.

Reviewed United Express Ground Operations:

Mr. Parmer stated that Mr. George Rasmussen, Executive Vice President of Customer Service and Administration, Great Lakes Airlines, had planned to be at today's meeting but was unable to attend. He asked Mr. Steve Dahl, Fargo Station Manager for United Express, to address the board on their plans for ground operations.

Mr. Steve Dahl was recognized and stated he, Mr. Rasmussen and Mr. Parmer discussed the possibility of moving their ground operations to the main level. He stated they have looked at the Thrifty Car Rental area as a possibility of gaining ground level access for their commuter flights. He stated there is a gate at that end of the building with access to the ramp.

Mr. Parmer stated that when we moved into this terminal we had plans for a commuter gate area for air carriers that were not required to screen their passengers. Mr. Parmer stated he does not know what United Express will require as far as space and equipment at that site.

Reviewed United Express Ground Operations: (Continued)

Mr. Dahl stated basically all they need is a podium and somewhere to put a computer and a telephone. He stated they would like to eliminate the passenger screening obligation. This would also eliminate the stairs in transporting handicapped passengers.

In response to a question from Mr. Parmer, Mr. Dahl stated that all of their flights coming from other cities in North Dakota are unsecured, including Bismarck. He stated they do reverse screen passengers both in Minneapolis and Denver, but they want to get away from having to reverse screen, just doubling the cost of screening the passengers into Fargo. He stated Great Lakes is looking at getting away from screening passengers in Fargo, at least at this point. He stated requirements may be different when they move to 30 passenger aircraft.

Mr. Parmer stated United Express subleases space from United Airlines on a month to month basis so it would be at least 30 days until United Express would be able to get out of their agreement with United Airlines for the space in the departure lounge. He added that this space is 1,986 square feet and is leased to United Airlines for \$17 a square foot or \$2,813.50 per month.

Mrs. Stanton asked if United Express is requesting use of the Thrifty Car Rental Space.

Mr. Dahl stated that is the most convenient location because of accessibility to the ramp area.

Mrs. Stanton stated we have a request for the Thrifty space.

Mr. Parmer stated the Thrifty space does not have anything to do with the use of the door to the ramp.

Mrs. Stanton stated she does not have any problem with the request from United Express except that there has been a request for the Thrifty space.

Mr. Hentges brought up the matter of some additional seating in the lower level to accommodate United Express passengers.

Chairman Cichy asked Mr. Parmer if he had any problem with their request.

Mr. Parmer stated United Express has every right to modify their current operations to what they have proposed, as they are not required to screen their passengers under the regulations that are in effect. Mr. Parmer stated he has no problem with United Express existing their passengers through the door on the west end of the building. His only concern is the maintaining of security at the gate to the ramp.

Mr. Hentges stated he feels we need to put some additional seating for at least 8 10 people near the boarding area.

Mr. Dahl stated some seating in the area would be nice.

Mr. Parmer stated he questioned Mr. Rasmussen about the acquisition of other aircraft and he indicated Great Lakes would be making those decisions in the next few weeks. He indicated they expected the delivery of two aircraft per month for six months.

Mr. Dahl stated Great Lakes wants to have twelve 30 passenger aircraft by the end of the year.

Mr. Parmer stated Mr. Rasmussen did not indicate which routes these aircraft would be serving but the Fargo Denver route would receive consideration.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and asked whether or not all air carriers serving the airport should participate in the cost of crash fire rescue services that are provided. He stated Northwest and Mesaba pay for the service but United Express does not. He asked if that means that if United Express has a crash in Fargo that the CFR unit would not respond. He stated he feels if they are enjoying the privilege they should pay their share.

Mr. Parmer stated the FAA does not require an airport to provide crash fire rescue services for aircraft with a capacity of less than 30 passengers. He stated he would agree with Mr. Balvitsch that there should be some method to assess the smaller carriers as well, since we are providing that protection. Mr. Parmer stated he discussed this matter with Mr. Rasmussen and it is not a dead issue.

Reviewed United Express Ground Operations: (Continued)

Mr. Parmer stated the FAA regulations on crash fire rescue services pertain to the airport, not the air carrier. He stated he feels we will reach some agreement for the smaller carriers to participate in costs.

Mrs. Stanton stated she finds it strange that even though all of the carriers benefit from the service only some have to pay. She added she also cannot understand why passenger screening is not required on the smaller planes.

Mr. Hentges stated part of it is the economic practicality of smaller airports to provide crash fire rescue services. If an airport such as Jamestown, Williston or Dickinson were required to have crash fire rescue services as we do, there would be no airlines serving those cities unless it were government subsidized.

Chairman Cichy thanked Mr. Balvitsch for his attention on the matter and assured him that Mr. Parmer is monitoring the situation.

Mr. Hentges moved that United Express be authorized to proceed with the non secured loading and unloading of their passengers.

Second by Mrs. Stanton.

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

Absent and not voting: Williams

The motion was declared carried.

Received Communication from FAA District Office Reviewing Airport Capital Improvement Plan:

Mr. Parmer stated he received a letter dated January 25, 1994, from Irene Porter, Manager of the Bismarck Airports District Office, which is the first official communication he has received since submitting our preapplication for our next project. Our proposed project for 1994 is the construction of apron and connecting taxiways, construct drainage improvements, and construct access road. Mr. Parmer stated that in her letter Mrs. Porter indicates they have developed an Airport Capital Improvement Plan (ACIP) which included projects that they expect to fund with the FY 94 AIP Program. She was pleased to inform us that our project is included in their FY 94 ACIP.

Mr. Parmer stated Congress has not yet enacted legislation for the AIP funding but the information we get from AAE is that action should be taken in the next couple of weeks. He added that there is still some conversation as to whether it will be a multi year bill or just for 1994. He stated AAE is adamant in wanting a three year bill but the latest information he has received is that AAE would agree to a one year extension if further debate on a multi year bill would cause any delay.

Mr. Parmer stated one concern the FAA has with this project is tying into the county road with our access road to the general aviation area. Mr. Parmer stated he and Mr. Wes Schon, Ulteig Engineers, met with both the City Engineer and County Engineer and neither of them found any problem with our proposed plan. He stated he has received written correspondence from the City Engineer but nothing from the County Engineer yet.

Mr. Parmer stated basically the FAA has approved this project knowing we will not have enough money in our enplanement funds for 1994 so we will also require \$500,000 of discretionary funding. He stated we do not know what the situation for discretionary funding will be until Congress has passed the legislation.

Mrs. Stanton moved to receive and file the communication from the FAA Airports District Office.

Second by Mr. Gallagher.

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

Adopted Resolution Establishing Fees for Scheduled Commercial Freight/Passenger Carriers and Set Effective Date for Fees:

Mr. Parmer stated the Attorney Stewart has drafted a resolution setting landing fees for scheduled commercial freight and passenger carriers which would be effective March 1, 1994, if the Airport Authority so adopts. Mr. Parmer stated he has notified all carriers of this proposed fee and invited comments but he has received no response.

Mrs. Stanton asked Mr. Parmer if he had received any objections.

Mr. Parmer stated he has not received any objections. He added this type of landing fee is common practice, we had just chosen not to charge this fee in the past.

Mr. Gallagher moved adoption of the resolution setting landing fees for scheduled commercial freight/passenger carriers, effective March 1, 1994.

Second by Mr. Hentges.

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

Absent and not voting: Williams

The motion was declared carried.

Approved Engineering Services Agreement for Water and Sewer, Parking, Drainage, and Lighting in the General Aviation Area:

Mr. Parmer stated the Airport Authority needs to enter into an Engineering Services Agreement for the water and sewer, parking, drainage, and lighting in the new general aviation area. He stated there is an Engineering Services Agreement with Ulteig Engineers for the rest of the project. He added the estimated cost of engineering services for these items is \$46,000.

Mrs. Stanton moved to approve the Engineering Services Agreement with Ulteig Engineers for the water and sewer, parking, drainage and lighting in the new general aviation area.

Second by Mr. Gallagher.

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

Absent and not voting: Williams

The motion was declared carried.

Continued Discussion on AAA Auto Rental Proposal:

Mr. Parmer stated at the January 4, 1994 meeting the Airport Authority had a long discussion on the proposal from AAA Auto Rental to operate at the airport. He stated Mr. Williams asked the matter be delayed until this meeting but Mr. Williams is absent today. Mr. Parmer stated Mr. Williams requested a breakdown of car rental revenue from 1986 to 1993 and Mr. Parmer distributed that information.

Mrs. Stanton asked why Mr. Williams requested this information. She stated one car rental's business history would not mean another agency's business would be the same.

Mr. Parmer stated the car rental leases contain a clause that any additional agencies be subject to a six month waiting period after approval by the Airport Authority before operating, in order to give the other agencies time to adjust their inventory, etc. He stated Thrifty has now ceased operations and since then we have received requests other than AAA's request to operate at the airport. Mr. Parmer stated he would like to see the Airport Authority move slowly on this matter until we can get a clear picture of the situation. He stated the Airport Authority must reach some sort of agreement as to when we have enough car rental agencies. He stated when Thrifty first approached the Airport Authority about operating at the airport they did not necessarily want to operate in the terminal but from a location at Valley Aviation.

Continued Discussion on AAA Auto Rental Proposal: (Continued)

Mrs. Stanton stated she does not know why we are holding off on the matter. She stated she hopes we have a "first come, first serve" attitude here. She stated this request to fill vacant space is certainly different than Thrifty's request to operate when we had to find space for them. She stated whatever the Authority decides to do she wants it to be fair.

Mr. Parmer stated sometimes doing nothing is fair.

Mr. Gallagher asked if we want another agency come in to go broke.

Mrs. Stanton asked who we are to judge who will go broke. She stated American Airlines did not come in here with the intention of losing money but when they did they got out. She stated she would assume if a car rental agency at the airport were losing money they would do the same. She added that protecting other car rental agencies is not fair either.

Mr. Hentges stated he supports the Director in moving slowly on this as we are in a transition period. He stated we have four very capable operators here right now and we do not know how vulnerable they are going to be if boardings drop. He stated he does not feel there is a lack of vehicles available in all price ranges available to the public. He stated he is not prepared to support an additional agency at this time and he would vote accordingly.

Mrs. Stanton stated she is not pushing for a vote, she just wants to know in which direction we are going.

Mr. Hentges stated it is the job of the Executive Director to come to the Airport Authority with his recommendations on day to day operational matters on which the Airport Authority must take action. He stated he supports the direction Mr. Parmer is taking and that is to move slowly and take some time to evaluate the situation.

Mrs. Stanton asked what the situation would be if Thrifty had not left. Would the Airport Authority be trying to get one of the agencies to leave? She stated we did not have a problem when there were five operators.

Mr. Hentges stated Thrifty proposed to operate at the same level as the other agencies. AAA is proposing to operate on a different level. Mr. Hentges stated we are also considering a maintenance facility for the car rental agencies which would increase their rent. He stated until we resolve all of the issues he feels we should continue as the Director has recommended.

Mr. Parmer stated another reason for the delay is that if the Airport Authority is going to be inundated with requests from other operators one option may be to wait until the end of this year when the leases expire, draw up specifications and take bids for four operators. We would take the highest guarantee and require the other three highest to match that bid.

Mr. Hentges stated he has watched the car rental agencies' revenue reports for years and the ranking usually fluctuates. He stated he feels to add another agency would not be in the best interest of the public.

Mrs. Stanton asked why it would affect our bottom line to have five agencies doing the business that four agencies did previously.

Mr. Hentges stated if for some reason a car rental agency would go below a level that is profitable they may not be able to maintain the number and quality of vehicles and personnel to serve the public.

Mrs. Stanton stated other airports have many car rental agencies.

Mr. Hentges stated larger airports also have millions of passengers where Fargo has about 200,000. He stated he feels we are fortunate to have what appears to be four healthy car rental agencies and he would like to see that continue.

Mrs. Stanton stated her point is that she wants the Airport Authority to be fair to whoever wants to do business here.

Continued Discussion on AAA Auto Rental Proposal: (Continued)

Mrs. Stanton moved the matter be postponed until the next meeting Mr. Williams is present.

Second by Mr. Hentges.

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

Absent and not voting: Williams

The motion was declared carried.

Received Communication from Graphic Exhibits on Leasing Direct Line Telephone for Car Rental Agency:

Mr. Parmer stated that since we have occupied the Westside Terminal we have received a number of requests from car rental agencies for direct telephone lines in the terminal. He stated the Airport Authority has taken the position that it does not want off airport rentals to use telephone advertising to divert traffic from the established car rental agencies at the airport. He stated there have been a number of court cases between car rentals and airports over the legality of an airport access fee charged to off airport operators. He stated the courts have found in favor of the airports.

Mr. Parmer stated the request he received from Graphic Exhibits is from a car rental in Grand Forks who wish to rent one of the direct telephone lines available in the airport. He stated they presently have a direct line in the terminal at the Grand Forks airport and pay the airport 8% of all revenues generated from that line. Mr. Parmer stated he would request the Airport Authority delay any action on this request as well. He stated he is not sure how we would monitor an operation like this.

Mrs. Stanton suggested calling the airport in Grand Forks and ask them how they handle this.

Mr. Gallagher moved the request from Graphic Exhibits for a direct line unit for an off airport car rental company be deferred at this time.

Second by Mr. Hentges.

Mr. Hentges stated the Airport Authority has no control over passengers renting from off airport rental companies but it certainly does have the authority to deny a request for advertisement and a direct phone line in the terminal.

Mr. Bernie Ware, AAA Auto Rental, was recognized and stated when they first checked into operating at the airport they contacted Graphic Exhibits with a similar request and they were told the airport would absolutely not approve such a request.

In answer to a question from Mr. Hentges, Mr. Parmer stated Graphic Exhibits must get approval from the Airport Authority before any advertising is placed in the terminal.

Chairman Cichy called for a vote on the motion.

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

Adopted Resolution of Appreciation to Mr. Irvin Schmitke, Retiring Northwest Airlines Employee:

Mr. Hentges 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. Irvin Schmitke, and

WHEREAS, Mr. Schmitke, through his unselfish devotion and dedication to duty, has served not only Northwest Airlines but Hector Airport as well, and

Adopted Resolution of Appreciation to Mr. Irvin Schmitke, Retiring Northwest Airlines Employee:
(Continued)

WHEREAS, Mr. Schmitke, 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. Schmitke 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. Irvin Schmitke.

Second by Mrs. Stanton.

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

Absent and not voting: Williams.

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

Adopted Resolution of Appreciation to Mr. Richard Score, Retiring Northwest Airlines Employee:

Mr. Hentges 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. Richard Score, and

WHEREAS, Mr. Score, through his unselfish devotion and dedication to duty, has served not only Northwest Airlines but Hector Airport as well, and

WHEREAS, Mr. Score, 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. Score 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. Richard Score.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Hentges and Cichy 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, February 15, 1994 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Hentges.

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

Mr. Parmer reminded the Airport Authority members of the special meeting on Monday, February 14, 1994 at 4:50 p.m. City Hall to receive bids on the refinancing of the bonds.

Time at adjournment was 11:23 a.m.

Special Meeting

Tuesday

February 14, 1994

A Special Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Monday, February 14, 1994, at 4:50 p.m. in the City Commission Chambers, City Hall.

The members present or absent were as follows:

Present: Hentges, Stanton, Williams and Gallagher

Absent: Cichy

Others: None

Vice Chairman Gallagher presiding.

Adopted Resolution Authorizing Issuance of \$1,400,000 Airport Refunding Bonds of 1994:

Mr. Myron Knutson, Evenson Dodge Inc., was recognized and reviewed the results of sale of the \$1,400,000 Airport Refunding Bonds of 1994. He stated bids were received in their office until noon today. He stated they had a total of eight bids and bidders were tabulated in order, lowest bid first. He stated the low bidder was John G. Kinnard & Company with an interest rate of 4.0388%. Mr. Knutson also distributed a Savings Report showing a savings of over \$60,000 per year for the next seven years for a total savings of \$284,742.59. Mr. Knutson added that their initial projected savings were almost exactly the same as the actual savings.

Member Richard Hentges introduced the following Resolution and moved its adoption:

RESOLUTION PROVIDING FOR THE ISSUANCE OF \$1,400,000 AIRPORT REFUNDING BONDS OF 1994 MUNICIPAL AIRPORT AUTHORITY OF THE CITY OF FARGO, NORTH DAKOTA

WHEREAS, the Municipal Airport Authority of the City of Fargo, North Dakota (the "Issuer") by resolution has heretofore authorized the issuance of \$2,500,000 Airport Refunding Bonds of 1985, which Bonds are outstanding at the date of this Resolution providing for the issuance of \$1,400,000 Airport Refunding Bonds of 1994, (the "Resolution"); and

WHEREAS, the Issuer, through the issuance of new Refunding Bonds for the purpose of refunding the Bonds can reduce the debt service thereon; and

WHEREAS, it is desired to provide for the retirement of the Bonds from the proceeds of the Refunding Bonds; and

WHEREAS, a bid has been received as follows:

<u>BIDDER</u>	<u>NET EFFECTIVE RATE</u>
John G. Kinnard & Company	4.0388%

for the purchase price of \$1,390,200.

NOW, THEREFORE, be it resolved by the governing body of the Issuer as follows:

Section 1. Authorization and Sale. There is hereby authorized to be issued a series of bonds designated the Issuer's Airport Refunding Bonds of 1994 in the total amount of \$1,400,000 (the "Refunding Bonds") for the purpose of refunding the outstanding Bonds. The sale of the Refunding Bonds is hereby awarded to John G. Kinnard & Company by this Resolution.

Section 2. Terms. The Refunding Bonds shall initially be dated March 1, 1994. Refunding Bonds issued upon exchange or transfer after December 1, 1994, shall be dated as of the interest payment date next preceding their issuance, or if the date of such issuance shall be on an interest payment date as of the date of such issue; provided, however, that if interest on the Refunding Bonds shall be in default, the Refunding Bonds shall be dated as of the date to which interest has been paid in full on the Refunding Bonds being transferred. The Refunding Bonds shall be issued in fully registered form in denominations of \$5,000 or any multiple thereof, of single maturities. The Refunding Bonds shall be numbered in consecutive numerical order from R—1 upwards as issued

and shall mature on June 1 in the years and in the amounts and shall bear interest at the rates set forth in the Schedule of Maturities and Interest Rates attached hereto as Attachment 1.

Interest on the Refunding Bonds and, upon presentation and surrender thereof, the principal thereof shall be payable in lawful money of the United States of America by check or draft by Norwest Bank, N.A., Minneapolis, Minnesota, as Paying Agent, or its successor. Interest shall be payable on June 1 and December 1 in each year, commencing December 1, 1994, to the holder of record on the close of the 15th day (whether or not a business day) of the immediately preceding month. Interest on the Refunding Bonds shall cease at maturity or on a date prior thereto on which they have been duly called for redemption unless the holder thereof shall present the same for payment and payment is refused.

The Refunding Bonds shall be payable from the Issuer's 1994 Refunding Bond Fund (the "Refunding Fund") into which will be deposited the "net revenues" of the Issuer from the operation of the Municipal Airport Authority, as more fully set forth in Section 8 of this Resolution.

Section 3. Redemption. The Refunding Bonds are not subject to redemption prior to maturity.

Section 4. Transfer. The Refunding Bonds are transferable upon the books of the Issuer at the principal office of the Bond Registrar, Norwest Bank, N.A., Minneapolis, Minnesota, by the registered owner thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his attorney; and may also be surrendered in exchange for Refunding Bonds of other authorized denominations. Upon such transfer or exchange the Issuer will cause a new Refunding Bond or Refunding Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange. No transfer of Refunding Bonds shall be required to be made during the 15 days next preceding an interest payment date, nor during the 45 days next preceding the date fixed for redemption of such Refunding Bonds.

The Issuer and the Bond Registrar may deem and treat the person in whose name any Refunding Bond is registered as the absolute owner thereof, whether the Refunding Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary.

Section 5. Execution. The Refunding Bonds shall be printed under the supervision and at the direction of the Secretary of the

Municipal Airport Authority of the City of Fargo, executed by the facsimile signature of the Chairman of the Municipal Airport Authority, and attested to by the facsimile signature of the Secretary of the Municipal Airport Authority and delivered to the holder at closing upon receipt of the purchase price plus any accrued interest. The Refunding Bonds shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under this Resolution until the Certificate of Authentication thereon shall have been executed by the Bond Registrar by manual signature of one of its authorized representatives.

The Refunding Bonds shall be reproduced in substantially the form attached to this Resolution as Attachment 2.

Section 6. Establishment of Refunding Fund. There is hereby created the Issuer's 1994 Refunding Airport Bond Fund which shall be maintained by the Secretary as a separate and special fund for the sole purpose of payment of principal and interest on any outstanding Refunding Bonds and shall be maintained until all balances of principal and interest on the Refunding Bonds are fully paid. There is hereby appropriated to the Refunding Fund all of the funds heretofore appropriated for the payment of the Bonds.

Section 7. Retirement of Refunded Bonds. The proceeds of the Refunding Bonds and certain other funds now on hand and available will be used to purchase federal securities or certificates of deposit which will mature on such a date and in such an amount sufficient to pay the principal and accrued interest on all of the Refunded Bonds on June 1, 1994, at which date all the Refunded Bonds are subject to redemption.

Section 8. Airport Fund. The Issuer will maintain an Airport Fund, which will be maintained as long as any of the Refunding Bonds are outstanding and into which will be placed the entire gross revenues derived from the operation of Hector International Airport and its appurtenant air navigation facilities, and any other property owned by the Issuer, and from any future additions thereto and betterments thereof, including all income and receipts derived from charges, rents, fees and tolls, for the services, facilities, products and by-products of Hector International Airport or appurtenant air navigation facilities, and from the sale of any of the properties of the Issuer not necessary to be retained, and from the investments of any of the money so collected. In addition, the Issuer shall place into the Airport Fund the proceeds of taxes which the Issuer has certified to the City of Fargo to levy to collect pursuant to Section 2-06-14 of the North Dakota Century Code. On the books and records of the Airport Fund there shall be established and maintained the following accounts. Revenues on hand in the Airport Fund from time to time shall be apportioned among the said accounts at least once in each calendar month and thereafter shall be held and administered and disbursed from the several accounts as follows:

- (a) Operation and Maintenance Account. There shall be credited upon each such monthly apportionment, as a first lien and charge on the gross revenue, such sum as shall be needed, over and above any credit balance held therein, to pay all claims then due and allowed which by accepted accounting practices constitute normal, reasonable and current expenses of operation and maintenance of Hector International Airport by the Issuer, and to pay such expenses estimated to accrue for a period of one month, and to maintain a reasonable reserve for contingencies. Monies in said account shall be used only to pay expenses of the foregoing type and not for major repairs, replacements, or capital improvements which are properly chargeable to replacement and depreciation reserves or surplus funds.
- (b) Refunding Bond Account. To the Refunding Bond Account there shall be credited, out of the net revenues on hand at the time of each such distribution, an amount equal to not less than one-twelfth (1/12) of the sum of principal payments to become due upon all outstanding Bonds which are payable from said account within the next succeeding period of twelve (12) months, and an amount equal to not less than one-sixth (1/6) of the sum of interest payments to become due upon all outstanding Bonds which are payable from said account within the next succeeding six (6) months. If net revenues on hand at any time are insufficient to permit the transfer to said account of the full amount so required, such deficiencies shall be restored out of the next net revenues thereafter received. There shall also be credited to said account the premium and accrued interest, if any, paid on each such issue of Refunding Bonds payable from said account. The money in said account shall be solely for the purpose of paying principal and interest, as such principal and interest respectfully come due, on Refunding Bonds which are issued and made payable therefrom, and is a first lien and charge on the net revenues.
- (c) 1994 Reserve Account. The Issuer will transfer \$140,000 from the 1985 Airport Revenue Bond Reserve Account into the 1994 Airport Reserve Account (the "Reserve Account"). The remaining balance of the 1985 Reserve Account will be used to redeem the Bonds and to pay expenses relating to the issuance of the Refunding Bonds. The monies in the 1994 Reserve Account shall be used only for the payment of maturing principal and interest on the Refunding Bonds primarily payable from the Refunding Bond Account, when and as the monies in the Refunding Bond Account are insufficient therefor, and whenever so used shall be restored out of the next net revenues thereafter received. Should there at any time be an amount of funds greater than the maximum amount set out above in the

Reserve Account, the excess shall be transferred to the Bond Account on a semi—annual basis.

- (d) Surplus Account. All surplus net revenues from time to time received in excess of the current requirements of the Refunding Bond Account, and the Reserve Account, shall be credited on the books of the Airport Fund to the Surplus Account; provided, that the Issuer reserves the right to create additional accounts within said fund for the purpose of segregating any of such surplus net revenues which may be pledged and appropriated to the payment of any obligations hereinafter issued to finance improvements, replacements, or repairs of the said Issuer, other than bonds made payable from the Refunding Bond Account, subject to the prior lien of the net revenues of the bond payable from that account. Surplus net revenues on hand from time to time shall be available and shall be used to the full extent necessary to restore a deficiency in the Operation and Maintenance Account and the Refunding Bond Account, and Reserve Account, but when not so needed may be used to pay for capital improvements, replacements, or repairs of Hector International Airport, or to pay principal and interest on obligations hereafter issued for such purposes, other than bonds payable from the Refunding Bond Account, or they may be used to redeem and pay prior to maturity bonds payable from the Refunding Bond Account, when and as such bonds become redeemable according to their terms. The Issuer shall maintain in said account such a balance of cash investments as it shall from time to time determine to constitute an adequate reserve for operation and maintenance emergencies and for depreciation and contemplated improvements or replacements, but monies in excess of such reserve may be expended by the Issuer in accordance with state law.

Section 9. Levy of Taxes. The Issuer estimates that the net revenues of Hector International Airport, including taxes levied and collected pursuant to Section 2-06-14 of the North Dakota Century Code, will be sufficient to pay the interest on the Refunding Bonds as it falls due and also to pay and discharge the principal thereof at maturity, and, therefore, no additional taxes are anticipated to be levied nor need to be levied at this time. On September 1 in each year, commencing in 1994 and continuing until all the Refunding Bonds have been paid, the Issuer, if a deficiency exists in the Reserve Account on September 1 of any year, shall request the City to levy a general tax upon all taxable property in the municipality for the payment of the deficiency in the Reserve Account. Further, on or before September 1 in each year, commencing in 1994, and continuing until all the Refunding Bonds have been paid, the Issuer shall determine the amounts then on hand in the Refunding Bond Account, Reserve Account, the amount of money available from the Surplus Account, and the amount of net

revenues conservatively estimated to be received from Hector International Airport and its appurtenant air navigation facilities in the following twelve (12) months, and shall further determine the sufficiency of such amount to pay the principal of and interest on the Refunding Bonds to become due to the end of the following year and to maintain the Reserve Account as set out above. If such amounts are not sufficient for such payment, or to maintain the Reserve Account, the Issuer shall request the City by September 1 of each year to levy a general tax upon all taxable property in the municipality for the payment of the deficiency. Pursuant to Section 2—06-10 of the North Dakota Century Code, and the covenant of the City Commission of Fargo, the City Commission of the municipality shall levy a general tax upon all taxable property in the municipality for payment of the deficiency in the Reserve Account, and for the payment of any estimated deficiency by the Issuer as set out above. Such taxes shall not be subject to any limitation of rate or amount applicable to other municipal taxes.

Section 10. Covenants and Agreements of the Issuer. The Issuer hereby covenants and agrees with the holders from time to time of the Refunding Bonds:

- (a) Rate Covenant. The Issuer will establish, impose and collect reasonable charges, rents, fees, and tolls for the services, products and by—products of the airport and air navigation facilities, and any other property owned by the Issuer and will certify annually to the governing bodies the amount of tax to be levied pursuant to Section 2-06-14 of the North Dakota Century Code, according to a schedule sufficient to pay all principal and interest when due on the Refunding Bonds payable from the Refunding Bond Account.
- (b) Continued Operation of Airport. The Issuer agrees to take all steps necessary to continue the operation of Hector International Airport during the period of time any of the Refunding Bonds are outstanding, and the Issuer will not authorize, or enfranchise the establishment of any other airport.
- (c) Insurance. The Issuer covenants that it will provide for insurance against loss by causes customarily insured against for like properties in amounts equal to or greater than the value of the Issuer properties. The Issuer covenants that insurance proceeds will be used to finance the construction or reconstruction of airport facilities, and if not so used, will be used to redeem Airport Refunding Bonds issued pursuant to this Resolution.
- (d) That it will, to the extent the Net Revenues are sufficient, promptly cause the principal and interest on the Bonds, and after redemption of the Bonds, the

principal and interest on the Refunding Bonds to be paid as they become due.

- (e) That it will maintain complete books and records relating to the operation of the airport, the 1994 Refunding Account, the Reserve Account, the Operation and Maintenance Account, and Surplus Account, in accordance with generally accepted accounting principals, and will cause such books and records to be audited annually at the end of each fiscal year, and an audit report prepared and made available for inspection of Refunding Bond owners.
- (f) That it will not issue Bonds or other obligations having a claim superior to the claim of the Refunding Bonds upon the Net Revenues of the airport.
- (g) That it will promptly deposit into the 1994 Refunding Bond Account, all sums required to be so deposited.
- (h) That it will operate the airport in a sound, efficient and economic manner.

Section 11. Additional Bonds. The Issuer reserves the right to issue one or more series of bonds on a parity of lien on the Net Revenue as to both principal and interest with the Refunding Bonds. In the event the Issuer shall at any time determine it to be necessary and expedient to issue additional bonds to finance capital improvements of the airport, such additional bonds may be made payable from the Refunding Bond Account and Reserve Account on a parity as to both principal and interest with the then outstanding Bonds payable from said fund, if the annual Net Revenues received during the fiscal year next preceding such issuance shall have equalled or exceeded 125% of the average of all principal and interest to become due and payable from said fund in each subsequent complete fiscal year of the then remaining term of said outstanding Refunding Bonds, and on the additional bonds to be issued.

If any of the rates and charges for airport service shall have been increased or reduced at any time subsequent to the commencement of the fiscal year immediately preceding the issuance of additional bonds as contemplated above, the Net Revenues for the period prior to such change shall be deemed, for the purpose of the computation required above, to be those which would have been received by applying the revised rates and charges to the services actually used, less the estimated amount of decrease in consumption due to an increase in said rates and charges, and by deducting from the gross revenues so determined the actual operating expenses of the airport for said period.

In the event additional bonds are so issued, the balance in the Reserve Account shall be increased to an amount equal to the

lesser of (i) 10% of the proceeds of all Bonds payable from the Refunding Bond Account (including the additional bonds), or (ii) the maximum annual debt service on all Bonds (including the additional bonds) payable from the Refunding Bond Account during the remaining term of the then outstanding Bonds, or (iii) 125% of the average annual debt service on all Bonds (including the additional bonds) payable from the Refunding Bond Account during the remaining term of the then outstanding Refunding Bonds.

Section 12. Subordinate Lien Bonds. Except as authorized in Section 11, the Issuer will issue no additional bonds or other obligations of any kind payable from or constituting a lien upon said net revenues of the airport, unless the lien thereof is expressly made junior and subordinate to the lien on the then outstanding Refunding. Bonds issued hereunder, and such additional bonds or obligations shall not be payable from the Refunding Bond Account herein created.

Section 13. Defeasance. When all of the Refunding Bonds, and the interest thereon have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this Resolution shall cease. The Issuer may discharge all Refunding Bonds and interest due on any date by depositing with the paying agent on or before that date a sum sufficient for the payment thereof in full; or if any Refunding Bond or interest thereon should not be paid when due, the same may nevertheless be discharged by depositing with the paying agent a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also discharge all prepayable Refunding Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the paying agent on or before that date a sum sufficient for the payment thereof in full, provided that notice of the redemption thereof has been duly given as provided herein. The Issuer may also discharge all Refunding Bonds at any time by irrevocably depositing in escrow with the paying agent, for the purpose of paying all principal and interest due on such Refunding Bonds prior to a date upon which all of the same will be prepayable according to their terms, and paying all remaining Refunding Bonds on that date, a sum of cash and securities of the types permitted to be so used by the North Dakota Century Code in such aggregate amount, bearing interest at such rates and maturing or callable at the holder's option on such dates as shall be required to provide funds sufficient for this purpose provided that notice of the redemption of all prepayable Refunding Bonds on or before such date has been duly given as required herein.

Section 14. Arbitrage. The Issuer covenants and agrees with the holders from time to time of the Refunding Bonds that it will not take or permit to be taken by any of its officers, employees or agents, any action which would cause the interest on the Refunding Bonds to become subject to taxation under the Internal Revenue Code of 1986 (the "Code"), and Regulations, Amended Regulations and

Proposed Regulations issued thereunder, as now existing or as hereinafter amended or proposed and in effect at the time of such action.

Section 15. Other Proceedings. The officers of the Issuer and the City Auditor are authorized and directed to prepare and furnish to the attorneys passing on the legality of the Refunding Bonds, certified copies of all proceedings, ordinances, resolutions and records and all such certificates and affidavits and other instruments as may be required to evidence the legality and marketability of the Refunding Bonds, and all certified copies, certificates, affidavits and other instruments so furnished shall constitute representations of the Issuer as to the correctness of all facts stated or recited therein.

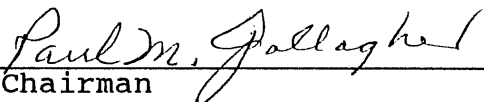
Section 16. Repealer. All prior Resolutions and other acts or proceedings of this governing body which are in any way inconsistent with the terms of this Resolution are hereby amended to the extent necessary to give full force and effect to this Resolution.

Nothing herein contained shall be deemed to modify, amend, violate, repudiate or repeal any provision or covenant contained in any Bond, or any resolution pursuant to which any Bond has been issued and is outstanding, to the extent that a modification, amendment, violation, repudiation or repealer would impair the obligation or contract owed to any holders of such Bonds or would otherwise be invalid or ineffective.

ATTEST:

MUNICIPAL AIRPORT AUTHORITY OF
THE CITY OF FARGO, NORTH DAKOTA


Secretary

Vice 
Chairman

The motion for the adoption of the foregoing Resolution was duly seconded by Member M.T. Williams . On roll call vote, the following Members voted aye: Hentges, Stanton Williams and Gallagher. The following Members voted nay: None
The following were absent and not voting: Cichy ,
so the motion carried and the Resolution was duly adopted.

ATTACHMENT 1

FARGO MUNICIPAL AIRPORT AUTHORITY
STATE OF NORTH DAKOTA

\$1,400,000

AIRPORT REFUNDING BONDS OF 1994

SCHEDULE OF MATURITIES AND INTEREST RATES

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
1995	\$175,000	3.25%	1999	\$200,000	3.90%
1996	180,000	3.30	2000	215,000	4.10
1997	195,000	3.40	2001	225,000	4.20
1998	210,000	3.70			

Due June 1 in each year.

Resolution until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by manual signature of one of its authorized representatives.

Additional provisions of this Bond are contained on the reverse hereof and have the same effect as if they had been contained herein.

IN WITNESS WHEREOF, the Municipal Airport Authority of the City of Fargo, North Dakota, by its governing body, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chairman and Secretary, and has caused the Certificate appearing on the reverse side hereof to be executed by the facsimile signatures of said officers.

Dated:

CERTIFICATE OF AUTHENTICATION

MUNICIPAL AIRPORT AUTHORITY
OF THE CITY OF FARGO, NORTH DAKOTA

This is one of the Bonds
delivered pursuant to the
Resolution mentioned within.

(FACSIMILE)
Chairman

NORWEST BANK, N.A.
Minneapolis, Minnesota

BY: _____
Authorized Representative

(FACSIMILE)
Secretary

FORM OF PROVISIONS TO BE CONTAINED ON THE REVERSE SIDE OF THE BOND

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Issuer at the principal office of the Bond Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the Issuer will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange. The Issuer and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED! COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of North Dakota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of this Bond have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the Issuer has duly created the 1994 Airport Refunding Bond Fund as a separate and special fund and has appropriated thereto all of the funds heretofore appropriated for the payment of the Refunded Bonds, subject to the prior lien of those Bonds upon such funds until they have been fully paid and redeemed; that the Issuer has appropriated the proceeds of the Bonds of this issue, together with other funds now on hand and available for the purpose, and has invested such funds in federal securities or certificates of deposit in such an amount, maturing on such a date, and earning interest at such a rate as required to provide funds sufficient to pay when due the principal and interest on all of the Refunded Bonds on June 1, 1994, the date when all of the outstanding Refunded Bonds are subject to redemption; that the Issuer will establish, impose and collect reasonable charges, rents, fees and tolls for the services, products and by—products of the airport and air navigation facilities which will be sufficient to produce net revenues in an amount sufficient to (i) pay all principal and interest when due on the Bonds payable from the Refunding Fund; (ii) to maintain the Reserve Account in an amount and at all times as required; and (iii) to comply with the covenants and provisions contained in the “Resolution;” that if there is a deficiency in the Reserve Account, or if the Issuer determines that the amount then on hand in the Refunding Bond Account, Reserve Account, the amount of money available from the Surplus Account, and the amount of net

revenues conservatively estimated to be received from Hector International Airport and its appurtenant air navigation facilities in the following twelve (12) months would be insufficient to pay principal and interest due on the Bonds,. and to maintain the Reserve Account, the City of Fargo shall levy a general tax upon all taxable property in the City for the payment of such deficiency, which tax shall not be, subject to any limitation as to rate or amount applicable to other' municipal taxes; that in and by the Resolution, the Issuer has made further covenants and agreements with the holders from time to time of each and all of the Bonds, which covenants and agreements will be fully and properly complied with by the authority and each and all of its officers and agents; and that the issuance of this Bond has not caused the indebtedness of the Issuer to exceed any constitutional or statutory limitation of indebtedness.

FORM OF CERTIFICATE AS TO BOND COUNSEL OPINION

We certify that the above is a full and correct copy of the text of the legal opinion of Bond Counsel on the issue of Bonds which includes the within Bond, rendered as of the date of delivery of and payment for the Bonds.

(FACSIMILE)

(FACSIMILE)

Secretary

Chairman

The following abbreviations when used in the inscription on the face of this Bond, shall be construed as though they were written in full according to applicable laws or regulations:

TEN COM — as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - ACT _____ Custodian _____
(Cust) (Minor)

under Uniform Transfer to Minors Act _____
(State)

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____

_____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Please insert social security or other identifying number of Assignee:

NOTICE: The signature to this Assignment must correspond to the name as it appears upon the face of the within Bond in every particular, without alteration, enlargement or any change whatsoever.

Signature Guaranteed: NOTICE: Signature(s) must be guaranteed by a member of a major stock exchange or a commercial bank or trust company.

Mrs. Stanton moved to adjourn the special meeting until the next regular meeting of the Municipal Airport Authority held Tuesday, February 15, 1994, at 10:30 a.m. in the Airport Boardroom

Second by Mr. Hentges.

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

Time at adjournment was 4:53 p.m.

Regular Meeting

Tuesday

February 15, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, February 15, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Williams, Hentges, Gallagher

Absent: Cichy

Others: Stewart, Bromenschenkel

Vice Chairman Gallagher presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 31, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held January 31, 1994.

Second by Mr. Williams.

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

Approved the Airport Vouchers Totaling \$41,484.80:

Mr. Hentges moved to approve the airport vouchers totaling \$41,484.80.

Second by Mrs. Stanton.

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

Absent and not voting: Cichy

The motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc:

Mrs. Stanton moved to approve the individual voucher in the amount of \$1,909.49 to Ulteig Engineers, Inc. for engineering services in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Hentges.

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

Absent and not voting: Cichy

The motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$12,017.31 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with General Aviation Apron, Connecting Taxiway and Access Road, Project No. 3 38 0017 15.

Second by Mr. Hentges.

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

Absent and not voting: Cichy

The motion was declared carried.

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

Mr. Williams moved to receive and file the Statement of Operations for the Month of December 1993.

Second by Mr. Hentges.

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

Received Communication from First Bank Terminating Agreement for Automatic Teller Machine:

Mr. Parmer read a communication received from First Bank Fargo dated January 28, 1994, notifying the Airport Authority that First Bank is exercising its option per Attachment A of the Agreement for Use of Electronic Fund Transfer Equipment dated November 5, 1990, and will be removing the FastBank ATM located at Hector International Airport on or about March 1, 1994. Given the length of time First Bank has operated this ATM at a loss they hope the Airport Authority will understand their decision to move the ATM.

Mr. Parmer stated this machine will be replaced by a machine provided through the Community First Bank, which is where the City of Fargo has its accounts. He stated if there is any cost associated with the ATM it will be assumed by the City of Fargo as well as the Airport Authority. He added there might be a brief interruption in service but the machine will be replaced.

Mrs. Stanton moved to receive and file the communication from First Bank Fargo.

Second by Mr. Williams.

Mr. Hentges stated Mr. Balvitsch has indicated that the absence of an ATM causes considerable inconvenience for passengers and asked if an interruption in service would be a problem.

Mr. Balvitsch, Northwest Airlines, was recognized and indicated that a short period without an ATM should not cause too much inconvenience as long as there will be a machine in place soon.

Mr. Hentges stated the Director could make arrangements to avoid any gap in service. He added he was sure First Bank would be willing to leave their machine until the new one was installed.

Vice Chairman Gallagher called for a vote on the motion.

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

Received Communication from Graphic Exhibits, Inc. Requesting Advertising Display:

Mr. Parmer stated Graphic Exhibits, Inc. has received a request from Palliser Furniture to display in the terminal building models of chairs they manufacture. He stated the location they have in mind is the small seating area between the two vehicles on display in front of the car rental counters. He stated there is enough room in the center of the seating area to accommodate a platform on which the chairs would be placed. The display would not take up additional floor space.

Received Communication from Graphic Exhibits, Inc. Requesting Advertising Display: (Continued)

Mr. Hentges asked if the chairs would be available for demonstration.

Mr. Parmer stated the chairs would be on a platform so people would not be able to sit in them.

Mr. Williams asked if this was going to open up a Pandora's box.

Mrs. Stanton asked how many displays the Airport Authority is going to allow and how many would be enough.

Mr. Parmer stated it is up to the Airport Authority how much advertising it allows in the building. He added that Graphic Exhibits gets prior approval on all advertising before it is installed.

Mr. Williams asked Mr. Parmer his opinion.

Mr. Parmer stated he met with Graphic Exhibits and a representative from Palliser Furniture and he has no problem with the request.

Mrs. Stanton asked how long the lease would be for such a display.

Mr. Parmer stated the Airport Authority has advised Graphic Exhibits not to enter into long term leases especially in the case of the automobile displays in order to give every dealer a fair chance at advertising. He stated he has not received any complaints in this area.

Mr. Hentges stated Palliser is a major industry in the community and because of that he would be in favor of it. He stated he likes the idea of cars or equipment on display better.

Mrs. Stanton moved to approve the request from Graphic Exhibits to display the Palliser chairs in the terminal building, as outlined by the Director.

Second by Mr. Hentges.

Mr. Williams indicated he would have no problem with approving this request as long as the Airport Authority leaves itself an "out" if there are any problems.

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

Reviewed Car Rental Agency Requests:

Mr. Parmer stated the Airport Authority has discussed this matter extensively since October 1993. Mr. Parmer stated the Airport Authority asked him to review the request from AAA Auto Rental and make a recommendation to the Authority, which he did and presented to the Authority on January 4, 1994. Mr. Parmer stated the matter was again on the agenda at the last meeting but was delayed until Mr. Williams had returned, as he requested a breakdown of revenue figures from the car rental agencies for the past years.

Mr. Parmer distributed copies of requests he has received from other car rental agencies requesting to lease space at the airport. Those requests were from Wallwork, Alamo Rent a Car, and a request from Price King Rent a Car in Grand Forks for a direct line telephone.

Mr. Parmer stated he checked with the airport in Grand Forks and Price King operates as an off airport rental company paying the airport 8% instead of the 10% charged to on airport rentals. He stated they also have a direct line phone but that is something separate.

Mr. Parmer stated his recommendation to the Airport Authority presented on January 4, 1994 still stands.

Vice Chairman Gallagher asked Mr. Parmer to restate that recommendation.

Mr. Parmer's recommendation reads as follows:

"It would be my recommendation that any request for additional car rental outlets at Hector Airport be denied until such time as the Airport Authority has agreed to expend the additional funds for terminal and parking lot improvements and further have determined that additional car rental outlets would be in the best interest of the travelling public."

Reviewed Car Rental Agency Requests: (Continued)

Mr. Parmer stated he did not learn of Thrifty's intention to cease operations at Hector Airport until after this recommendation was written, but he added that his recommendation remains the same. He stated an additional car rental agency would require additional parking spaces and the Airport Authority would have to either expand the parking lot or take spaces away from the other operations, which would not be met with much satisfaction from the other agencies.

Mrs. Stanton stated this would be a simple matter if an additional agency were asking to come into the airport, but we had five agencies and lost one so there is room for one more. She stated either the Airport Authority allows AAA to come in or we put all of the leases out for bid again. She stated she feels this is unfair. We had the space for Thrifty so why can't we let AAA lease that space? She stated she feels we have delayed the matter long enough. We had the space for Thrifty so why is there not room for one more, whether it be AAA or one of the others requesting space. She added that AAA had their request in first.

Mr. Parmer stated there is a six month waiting period in the lease before another agency could operate. He stated this clause was incorporated into the lease in order to allow the existing agencies to make adjustments in their inventory, etc. He stated it would be August before any agency could start operating and the leases expire 12/31/94 so perhaps the Airport Authority should go to a bid proposition. He stated other airports have had unpleasant experiences operating that way.

Mrs. Stanton stated the fairness issue bothers her.

Mr. Hentges asked if Thrifty had to wait six months before operating.

Mr. Parmer stated he would have to review the minutes.

Mr. Parmer stated when Thrifty first approached the Airport Authority they wanted to operate from Valley Aviation, not in the terminal building.

Mr. Williams stated he sees two problems. First of all the Airport Authority should set a policy on how many car rental agencies should be allowed to operate at the airport. He stated his personal opinion is we have five counters and he would rather see the fifth counter occupied rather than sitting empty. He stated if there are three operators that want the fifth spot then they should submit bids for it. He stated he would not be in favor of opening all of the spots for bids as we have four good operators here now. He stated he would hesitate doing anything to mess that up. He stated he remembers the time when the Airport Authority had restaurant operators coming and going, we had fixed base operators coming in and out, and he would hope the Airport Authority has learned that we need good, strong businesses representing us at the airport. He stated we need to make the decision on whether we want four or five and if we decide on five then bid the fifth spot.

Mrs. Stanton stated she thought the Airport Authority decided it wanted five when it allowed Thrifty to operate.

Vice Chairman Gallagher stated we tried five but it did not work. We are just splitting the business among five operators rather than four.

Mrs. Stanton stated that obviously from the requests we have received there are people who think they can make a go of it. She stated that one agency's history does not determine another's. Mrs. Stanton stated that she feels when the Airport Authority made the decision to have the fifth car rental agency we already opened that can of worms.

Mr. Bernie Ness, Avis Rent a Car, was recognized and stated that when the decision was made to put the fifth car rental agency in, the airport had three major carriers airports and one commuter. Today we have one major carrier and three commuters and the prospects for this industry do not look that rosy. Mr. Ness stated yes, there is space open for a fifth car rental but we keep putting someone who is not

Reviewed Car Rental Agency Requests: (Continued)

going to make a profit we are going to see more than one empty space down there. He stated maybe it is time for the Airport Authority to decide how many car rental agencies it wants. If the Authority wants five unhealthy agencies then so be it. He stated the history of the four present tenants is that they have always paid their rent, and that has not been the case with all tenants. Mr. Ness stated you are not going to find an airport this size with one major carrier that has more than four car rental agencies. Most of them have only three operators.

Mrs. Stanton asked Mr. Ness why we have car rental operators looking for space if they are going to lose money.

Mr. Ness stated it was eluded to that you have to have certain minimum requirements. He stated that is something they have self policed for many years. Mr. Ness stated Thrifty's counter was closed a good portion of the time and now the Airport Authority is proposing to allow an operator to come in that has no national affiliation. He stated Avis, Budget, Hertz and National all have minimum requirements as far as standards on vehicles, standards on counters, etc. He stated the proposals the Airport Authority received, with the exception of Alamo, have no standards. He stated the car rental business is not his only source of income but he is not out here to lose money. He stated the car rental business is a very high capital and high liability venture and that is why nationally affiliated agencies have very high standards.

Mrs. Stanton stated she feel local people can do as well as national people and she would not downplay the ability of local people. She added that any company with any brains has adequate liability coverage.

Mr. Ness stated he is a local person and owns the Avis operation but he has a national affiliation. He stated he feels that is very important and one thing it does do is establish standards.

Mr. Williams stated it comes down to whether we want four or five operators.

Mrs. Jodi Ledbetter, Hertz Rent a Car, was recognized and stated the car rental agencies at the airport are all very competitive, they run very tight and are scraping by. She stated everyone knows the cost of automobiles has shot through the roof. She stated that although they are having one of the best year's they have had in a while they are still running just above the bottom line and should that line drop there will be other agencies leaving. She stated the owner of the Hertz franchise in Fargo has other businesses and this has been on the table for a while. She stated if the Airport Authority wants the car rental agencies strong it needs to allow them to be strong. If they are weakened any more there will be more than one empty space. Mrs. Ledbetter stated the agencies at the airport provide a good service and she is not aware of complaints on the service in Fargo. She stated cutting the pie into another slice does not make the pie any bigger. She stated if the existing agencies have to lower their rates in order to compete with an agency renting older cars they will do so but it will lower not only their revenue but the revenue to the airport.

Mrs. Stanton stated it is not really the number of carriers we have here, it is the number of boardings we have. If we have three carriers and they split the boardings the passengers are still here.

Mrs. Ledbetter stated she checks in many customers who rent cars to drive to Minneapolis rather than fly.

Mr. Ness stated he wished to correct Mrs. Stanton's statement regarding the boardings in relation to air carriers. He stated most of the car rental customers are business customers and when a city has only one major carrier and one hub those people will find more convenient places to which they can fly. He stated we still have the local people flying but it does affect business travelers.

Reviewed Car Rental Agency Requests: (Continued)

Mrs. Stanton stated she has not noticed a change in the boardings. She stated this is a matter of competition and she feels it would be discriminatory not to allow AAA Auto Rental to operate at the airport.

Mr. Williams made a motion to accept Mr. Parmer's recommendation to delay the matter until such time as we can get an accurate picture of passenger traffic with our present airline service.

Mrs. Stanton stated she wanted something more specific than that.

Motion failed for lack of a second.

Mr. Hentges stated he would like clarification on the six month waiting period in the car rental lease.

Mr. Maury Lamb, National Car Rental, was recognized and stated he also has a National location in Bismarck and they have the same clause in their lease.

Mr. Parmer read the paragraph in the car rental lease pertaining to the six month waiting period:

"Lessor agrees with Lessee that it is Lessor's policy to allow additional car rental agencies to begin operation at Hector Municipal Airport under a lease from the Lessor only after the giving of six months' notice to Lessee; the parties expressly understand and agree that this is for the purpose of allowing Lessee and other existing auto rental agencies sufficient time to plan and program automobile purchases (and disposals) so as to better serve the public. Such notice may be given by Lessor orally to Lessee's representatives or in any other manner the Lessor selects."

Mrs. Stanton asked if it is the job of the Airport Authority, operating on tax dollars, serving the public, to decide who goes broke and who doesn't. She stated she hopes that is not our job. Mrs. Stanton stated we had five agencies and now all of a sudden five is too many. She stated she does not feel the revenue figures tell the whole story.

Vice Chairman Gallagher stated he feels the revenue figures tell something about the quality of service the agencies provide.

Mrs. Stanton stated we cannot presume that another agency coming in would not provide quality service.

Mr. Parmer stated the car rental lease does outline operating standards.

Mr. Williams stated the Airport Authority limits who can advertise in the terminal, we limit fixed base operators, we limit a lot of things at the airport.

Mr. Hentges stated he has some trouble with the six month waiting clause. He stated if one of the car rental agencies closed and we needed to replace that operator he feels it would be a hardship to have to wait six months. He stated the clause reads that it is the Authority's "policy" and the Airport Authority could change its policy.

Mr. Parmer stated this clause was included in the lease to protect the existing operators. Mr. Parmer stated he does not think we would have any problem replacing an operator immediately.

Mr. Hentges stated Thrifty left and they have not been replaced.

Vice Chairman Gallagher stated it is not necessary to replace Thrifty.

Mrs. Stanton asked why it is our job to protect the agencies already here.

Mr. Hentges stated he thinks that is an element and he can agree with that portion.

Mr. Williams stated the airport tenants are our clients and we have a right to offer them some protection.

Vice Chairman Gallagher asked Mr. Williams to restate his motion.

Mr. Williams moved the Airport Authority accept the Executive Director's recommendation and hold the car rental occupancy at four agencies until some point in the future.

Motion failed for lack of a second.

Reviewed Car Rental Agency Requests: (Continued)

Mrs. Stanton stated she could not support the motion unless it goes farther than that. She stated for one thing we have five car rental facilities and she does not know how we could defend knocking one out.

Mr. Williams stated we need to establish the number of car rental agencies we wish to operate at the airport.

Mrs. Stanton stated that number was established when we allowed the fifth.

Mr. Hentges stated he would like the Airport Authority to have the right to fill that fifth slot if it so chooses, without having to wait six months. Mr. Hentges asked Mr. Parmer, if his recommendation is accepted, when he would intend on bringing up the matter again.

Mr. Parmer read the summary paragraph of his recommendation:

"It would be my recommendation that any requests for additional car rental outlets at Hector Airport be denied until such time as the Airport Authority has agreed to expend the additional funds for terminal and parking lot improvements and further have determined that additional car rental outlets would be in the best interest of the travelling public."

Mrs. Stanton asked Mr. Parmer why Thrifty's request for space was approved.

Mr. Parmer reminded the Airport Authority that his recommendation was written before he was aware of Thrifty's intention to cease operations.

Mr. Hentges stated the Director's recommendation is to delay the matter until we decide otherwise and the matter can be discussed at any time.

Mrs. Stanton asked Mr. Hentges if he wanted to fight this matter at every Airport Authority meeting.

Mr. Hentges stated he would be okay with the recommendation for the moment. He stated he feels we have some other things to digest. He stated the communications from Wallwork and Alamo are something new and they need to be incorporated into the evaluation by the Director. He added discussion can come up again six months before the leases expire.

Mr. Hentges stated he would suggest increasing the minimum base rent, which would eliminate operators coming in on a risk. He added that he would be ready to accept the Executive Director's recommendation, which does not mean the matter is closed.

Mrs. Stanton stated she rarely makes a vote that she cannot defend to the public. She stated she does now know how she would defend not allowing a fifth agency to come in when we have had five in the past.

Mr. Hentges stated he is in favor of having either four or five healthy operators and he wants to be careful before approving anything.

Vice Chairman Gallagher stated the fifth agency went broke.

Mrs. Stanton stated that we cannot assume that another agency would also go broke.

Vice Chairman Gallagher stated we have lost two major carriers since then and there are a lot of factors to consider.

Mr. Williams stated if Thrifty was not offering full service hours that could explain their numbers.

Mr. Ness stated he would like to explain the revenue numbers. For the first years Thrifty was operating they were open from the first flight to the last flight the same as everyone else, but the last year they finally realized they were not going to get over 10% of the revenue. He stated this is a nationally driven business, it is not local business on the airport. The local car rental business is done by other companies such as Enterprise, Altra. The business the agencies at the airport receive is driven from national accounts and a lot of national advertising.

Mr. Hentges asked Mr. Ness what he feels the scenario would have been if Alamo had been the fifth agency rather than Thrifty.

Reviewed Car Rental Agency Requests: (Continued)

Mr. Ness stated Alamo does not traditionally come in to what is known as a third tier market. They operate in the first tier market. He stated Alamo is an excellent operator and very strong in national advertising. They concentrate on tourist related areas. He stated they are number one in Florida and are very strong in California, so they probably would not be as strong in Fargo.

Mr. Williams stated it would seem to him that a fifth car rental agency is not going to increase business but rather take business away from the other four. He stated if the Airport Authority decides to allow the fifth that is fine, but he also feels the Airport Authority has the right to limit it to four in order to insure the health of the existing four.

Mrs. Stanton moved the Airport Authority allow AAA Auto Rental to have the auto rental space formerly occupied by Thrifty.

Motion failed for lack of a second.

Vice Chairman Gallagher stated apparently neither motions are going to be seconded.

Mr. Hentges stated if Mr. Williams's motion was to support the recommendation of the Director he would have no problem with that and would second the motion. Mr. Hentges stated he wants a window left open on the matter.

Mr. Williams moved the Airport Authority accept the recommendation of the Executive Director that any request for additional car rental outlets at Hector Airport be denied until such time as the Airport Authority has agreed to expend the additional funds for terminal and parking lot improvements and further have determined that additional car rental outlets would be in the best interest of the travelling public.

Second by Mr. Hentges.

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

Mrs. Stanton voted no.

Absent and not voting: Cichy

The motion was declared carried.

Mrs. Stanton asked who will determine when the matter next comes up for discussion.

Mr. Hentges stated any member of the Authority can bring up the matter at any time.

Mr. Parmer reminded the Authority members that any time they have an item to be discussed at a meeting to call the office so that it can be placed on the agenda giving everyone ample time to prepare for it.

Authorized Attendance at Airport Related Conferences:

Mr. Parmer stated there are a number of upcoming events and meetings that should be attended by someone representing the Airport Authority. He stated one such meeting is in Denver with the group trying to reorganize Frontier Airlines. He stated there is also the Upper Midwest Aviation Symposium in Bismarck, and the AAEE Legislative Conference in Washington, DC. He stated there will be a special meeting in Washington at the same time as the Legislative Conference with the congressional delegations from North Dakota, South Dakota, and Nebraska to discuss air service.

Mr. Hentges moved authorization of attendance at airport related conferences and meetings.

Second by Mr. Williams.

Authorized Attendance at Airport Related Conferences:

Mr. Hentges stated he has attended the AAAE Legislative Conference in Washington in the past and is willing to go again this year. He stated that Senator Conrad and Senator Dorgan have requested Fargo's representation at this special meeting on air service to be held in conjunction with the conference. Mr. Hentges also stated that the agenda at the symposium in Bismarck is very extensive and we should be represented at that also.

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

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, March 8, 1994, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Hentges.

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

Time at adjournment was 11:30 a.m.

Regular Meeting

Tuesday

March 8, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 8, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Hentges, Cichy

Absent: Williams

Others: Stewart, Bromenschenkel, MacLeod

Chairman Cichy presiding.

Approved the Minutes of the Special Meeting of the Municipal Airport Authority Held Monday, February 14, 1994:

Mrs. Stanton moved to approve the minutes of the special meeting of the Municipal Airport Authority (bond refinancing) held Monday, February 14, 1994, at 4:50 p.m. at City Hall.

Second by Mr. Hentges.

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

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 15, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held February 15, 1994.

Second by Mr. Hentges.

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

Approved Airport Vouchers Totaling \$82,560.44:

Mr. Hentges moved to approve the airport vouchers totaling \$82,560.44.

Second by Mr. Gallagher.

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

Absent and not voting: Williams

The motion was declared carried.

Approved Individual Voucher to Moody's Investors Service:

Mrs. Stanton moved to approve the individual voucher in the amount of \$4,900.00 to Moody's Investors Service for professional services in connection with \$1,400,000 Airport Refunding Bonds of 1994.

Second by Mr. Gallagher.

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

Absent and not voting: Williams

The motion was declared carried.

Approved Individual Voucher to Ohnstad Twichell:

Mrs. Stanton moved to approve the individual voucher in the amount of \$4,000 to Ohnstad Twichell for professional services in connection with \$1,400,000 Airport Refunding Bonds of 1994.

Second by Mr. Gallagher.

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

Absent and not voting: Williams

The motion was declared carried.

Reviewed AIP Project (Ramp, Water and Sewer to Northeast General Aviation Area):

Mr. Parmer stated he and Mr. Wes Schon, Ulteig Engineers, met recently with engineers from both the City and the County Engineering Departments regarding the proposed access road into the new general aviation area off County 20 and the possibility of widening County 20 at the entrance to the new general aviation area. He stated Mr. Schon received letters from both engineering departments indicating they would like a commitment from the Airport Authority to fund the construction of the road widening if that becomes necessary. Mr. Parmer added that we need to keep in mind that the Master Plan calls for the relocation of County 20 so some of the improvements made now may be eliminated in the future.

Mr. Wes Schon was recognized and stated he and Mr. Parmer met with Mr. Mark Bittner, City Engineer and Mr. Keith Berndt, County Engineer to review the Airport Authority's plans for the new access road. He stated they were advised the Airport Authority would probably be writing a letter requesting approval of this road. He stated this is also one of the items on the FAA's environmental checklist so we have to officially respond to the Bismarck FAA office on this issue. He stated initially the two engineers did not have any problem with our proposal and both wrote letters with their comments.

Mr. Schon stated that because of the potential growth in the northeast general aviation area we are proposing at some time in the future to widen the eastbound lane on County 20 for traffic entering the area. He stated there is some concern about westbound traffic in that area and providing room for traffic to go around vehicles turning into the general aviation area. He stated that until there is significant development in the northeast general aviation area the traffic will not have a big impact on County 20. Mr. Schon stated he does not know the cost to widen this area on County 20 but since it is related to generating commerce he would hope the City and County would participate in funding this improvement since the airport handles the runways and taxiways.

Mr. Parmer stated any cost involved in changes to the intersection would be eligible for AIP funding.

Mr. Parmer stated even though Congress has not enacted the legislation for the AIP funding bill, he stated we would like to set the date for the bid opening. He stated a situation disturbing to the airports in the country is that the Air Transport Association and member airlines have attempted to attach amendments to the AIP legislation transferring control of airport financing and development decision making from airport operators to the private sector airline companies. He stated this is also an attempt to overturn the US Supreme Court decision upholding the right of local and state government airport operators to set the various rates and charges at airports. Mr. Parmer stated we have contacted our congressional representatives on the matter. Until then we are proceeding with the project all the way to the bidding process, as we do not commit ourselves until we actually award the contract.

Mr. Schon stated in the past we have requested contractors hold bids for 30 days but we will request a 90 day hold for this project. He added we have had contractors hold their bids for as long as a year because of hold ups in project funding. Mr. Schon stated this project will be in two parts, the first part being the road, apron, storm sewer and lighting, which are eligible for FAA funding, and the second part being the sanitary sewer and water, which are not eligible for federal funding.

Mrs. Stanton moved to receive and file the communications from the City and

Reviewed AIP Project (Ramp, Water and Sewer to Northeast General Aviation Area):
(Continued)

County Engineering Departments.

Second by Mr. Hentges.

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

Mr. Hentges stated it is his understanding that North University Drive is finally on the City's priority list for improvements.

Mr. Parmer stated he received information on the improvements of North University Drive from 19th Avenue to 32nd Avenue. He stated north of 32nd Avenue is not a priority at this time but it will certainly have to be improved at some time in the future.

Mr. Hentges stated he feels this improvement is long overdue. He added there has been a history of resisting street improvement projects on the north side. He stated he feels North University Drive is a hazardous area for all of the traffic it has. Mr. Hentges stated he would like the Airport Authority to include in its plans the widening of County 20 for the turn into the general aviation area, regardless of what the City or the County does.

Chairman Cichy asked Mr. Schon to prepare a cost estimate for the widening of County 20 at the entrance to the new general aviation area for the next meeting.

Mr. Bromenschenkel stated the reason the plans for improvement on North University Drive stop at 32nd Avenue North is lack of funding.

After discussion on the date to accept bids, Mrs. Stanton moved the Airport Authority set the date to accept bids for this project for Tuesday, April 19, 1994.

Second by Mr. Hentges.

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

Reviewed Proposal to Increase Terminal Entry Heating:

Mr. Parmer stated this is not a new problem for us. He stated we have problems with the automatic doors either not opening or staying open during cold temperatures and especially when the wind is coming from the south. He stated he has received comments from the airline counter employees that it is almost unbearable at times. He stated we have solicited proposals on installing more powerful heating units in the entry ways, as the ones that have been installed since occupying the building have not done a satisfactory job. He stated the largest share of the cost of such a project would be to bring the power source from the basement to the entry way. He stated the estimate we received from Modern Electric is \$15,700.00 to install two units in the center vestibule and one unit in each of the entrances on the east and west ends.

Mrs. Stanton asked if this is the only solution to the problem.

Mr. Hentges suggested we consult with a mechanical engineer and get their evaluation of the situation.

Chairman Hentges stated we are pretty much at the end of the heating season so we do have some time to properly evaluate the situation.

Mr. Hentges moved the Executive Director be authorized to engage the services of a mechanical engineer to evaluate the situation with the automatic doors and make a recommendation.

Second by Mrs. Stanton.

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

Reviewed Proposal for Portable Partition Purchase:

Mr. Parmer stated there are times we have the need for some area of the terminal building to be partitioned off for some reason. He stated right now the west half of the departure lounge is not being used and could be closed off with a partition. He stated he has gotten an estimate for moveable, portable partitions which could be used for that purposes now and many other purposes in the future. The estimate we received was \$1,438.00 for 24 feet long, six feet high. When the partitions are not being used they fold into a carrier for storage.

Reviewed Proposal for Portable Partition Purchase: (Continued)

Mr. Hentges moved to authorize the purchase of portable partitions as proposed by the Executive Director.

Second by Mrs. Stanton.

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

Absent and not voting: Williams

The motion was declared carried.

Received Report on Meeting with Frontier Airlines Officials:

Mr. Parmer stated he attended a meeting held with Frontier Airlines in Denver on February 24. Others from Fargo attending the meeting were: Mayor Lindgren, Scott Wilson (Fargo Chamber), Cole Carley (FM CVB). He stated Frontier provided them with their Summary of Business Plan outlining their plans. He stated they still have many tasks to complete before they could begin operations. He stated their initial plan is to lease two 737's with routes planned for Minot Bismarck Denver and Grand Forks Fargo Denver. Mr. Parmer stated the President and CEO, Mr. Hank Lund, was not at the meeting so Mr. Samuel Addoms, Executive Vice President, briefed the group. He stated at the meeting they were divided into two groups, marketing and operations. He stated he was in the operations group so he did not get input from the marketing group. He stated he will be receiving a summary of information received by the marketing group from Mr. Mark Holzer, ND Aeronautics Commission. Mr. Parmer stated Frontier plans to start service mid year. He added that they have not yet completed all of the requirements of the FAA.

Reviewed Upper Midwest Aviation Symposium Held in Bismarck:

Mr. Parmer stated the annual Upper Midwest Aviation Symposium was held in Bismarck, February 28 March 2. He stated he attended Monday and Tuesday and Shawn Dobberstein attended Tuesday and Wednesday. He stated there were about 550 participants and a number of speakers on various airport topics. Mr. Parmer stated Mr. Gordon Person was President of the association this year and invited him to comment.

Mr. Person stated he was glad to see Mr. Parmer and Mr. Dobberstein attend and stated he hoped to see the Authority members attend next year. He stated some of the scheduled speakers at the symposium were unable to attend because of bad weather. He stated Tuesday night at the banquet Hector Airport was awarded the 1993 Airport of the Year Award for commercial service airports. Mr. Person stated it felt good to see Fargo receive the award. Mr. Person presented the plaque to Chairman Cichy.

Received Notice of 66th Annual Conference and Exposition, May 15 18, 1994, Seattle:

Mr. Parmer distributed to the Authority members copies of registration information for the 66th Annual AAAE Conference and Exposition, May 15 18, 1994, Seattle, WA.

Mrs. Stanton moved to receive and file the information on the AAAE Conference.

Second by Mr. Hentges.

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

Mr. Hentges moved to authorize attendance at the conference.

Mr. Gallagher stated the Airport Authority authorized attendance at upcoming airport related meetings and conferences at the last meeting.

Other Business:

Mr. Gordon Person stated it is his understanding that Great Lakes Airlines is planning on hiring a number of maintenance people. He stated they are scheduled to conduct interviews at Dakota Aero Tech this month. He stated it is his understanding Great Lakes plans to have hangar facilities in three cities in the midwest and Fargo is being considered as one of those sites. He stated other cities being considered are Mankato and Sioux City. He stated this is going to happen very shortly and he will keep the Airport Authority posted on any information he receives.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated in the last month or so Northwest has had 27 bags mysteriously disappear and United has had three. He stated they have been working with the police department on the matter and this past weekend the Moorhead Police Department arrested some drug dealers in Moorhead and most of the pieces of missing luggage were found on the premises. They also admitted to taking carry on bags as well. He stated this matter has cost Northwest Airlines \$33,750 in direct operating cost to reimburse passengers for their bags, as well as the ill will people still feel toward Northwest. He stated he wanted the Airport Authority to be aware of the situation. He added that the wheelchairs that have been missing have never been recovered.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, March 22, 1994, 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 11:14 a.m.

Regular Meeting

Tuesday

March 22, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, March 22, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Cichy

Absent: Williams, Hentges

Others: Stewart, Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 8, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held March 8, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$28,968.96:

Mr. Gallagher moved to approve the airport vouchers totaling \$28,968.96.

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 the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$1,115.39 to Ulteig Engineers, Inc. for engineering services 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, Hentges

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 \$11,205.48 to Ulteig Engineers, Inc. for engineering services in connection with General Aviation Apron, Connecting Taxiway and Access Road Project No. 3 38 0017 15.

Second by Mr. Gallagher.

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 Plans and Specifications for AIP Project No. 3 38 0017 15 (General Aviation Apron, Connecting Taxiway and Access Road Project) and Authorize Advertisement for Bids:

To bring Authority members up to date on the AIP Bill in Congress, Mr. Parmer stated he received information Monday afternoon that Congress is still trying to get the airports and airlines to agree on the details of the bill but there has been no progress. Mr. Parmer stated he is not sure how much longer it will be but we are going to proceed with our project in anticipation of receiving the grant funds. He stated bids will be received April 19 and will call for the contractor to hold his bid for 90 days, which will take us into the summer.

Mr. Wes Schon, Ulteig Engineers, stated the construction in the northeast general aviation area this year will include two separate projects, the water and sewer which will be funded by the Airport Authority, and the paving and entrance road, which is eligible for AIP funding.

Mr. Schon reviewed the route the water and sewer lines will follow. He stated our proposed plan fits in with the City's overall water master plan. He stated the sewer connection is going to come from a lift station to the northeast. He stated the sewer gets so shallow when it reaches the northeast general aviation area that we are basically at the end of the line. He stated we may see the same situation we do at other areas on the airport where lines will freeze in the winter. He stated the sewer line is stretching a mile and that is about the furthest you can go in the City of Fargo.

Mr. Parmer asked if a lift station has been considered.

Mr. Schon stated they contemplated a lift station but there are numerous drawbacks to lift stations. He stated they are a continuous maintenance expense. He stated a lift station can always be added.

Mr. Schon stated the paving project includes the apron, access road and lighting. He stated all of this work will be AIP eligible.

Mr. Schon stated at the last meeting the Airport Authority discussed the widening of County 20 at the entrance of the access road to the new general aviation area. He stated we do plan to put a right turn lane coming from the west. He stated the County asked the Airport Authority to consider adding a passing lane for west bound traffic if the need is warranted. Mr. Schon stated he would estimate the cost for this to be \$25,000 to \$30,000. He stated he would recommend the Airport Authority not pursue this improvement at this time. He stated he does not know if there would be enough traffic generated right away to warrant this construction. He stated this is something that can be done when it becomes necessary. He stated another consideration is that County 20 will be relocated at some time in the future.

Mr. Parmer stated he met with the Fargo Planning office last week regarding the relocation of County 20. He stated the Airport Authority has plans to acquire some additional land if necessary and it is basically a matter of how we do it. He stated right now it looks like the plan proposed by Coffman Associates is not acceptable to anyone. Mr. Parmer stated he also feels we should not proceed with the widening of that area of County 20 at this time.

Approved Plans and Specifications for AIP Project No. 3 38 0017 15 (General Aviation Apron, Connecting Taxiway and Access Road Project) and Authorize Advertisement for Bids: (Continued)

Mr. Schon stated we are moving ahead and preparing enough of a schematic for when County 20 will need to be rerouted. From the City's perspective they are concerned about how they develop University Drive going north and whether or not they should develop special assessments. If the Airport Authority acquires the additional land they would do things differently. The City's main question is how County 20 will be rerouted and how these changes will affect Cass County 31.

Mr. Parmer stated the airport's problem is getting airspace for the approach zone for the parallel Runway 17L/35R. He stated we need to make sure the approach zone is protected. He stated there are still a lot of details to be worked out with the City, such as what their plans for North University Drive are and whether or not they plan to leave it a rural section. Mr. Schon stated because of all these unanswered questions and because the County has not required the additional lane on County 20 at the entrance of the new access road he does not feel it would be a necessary expenditure at this time.

Mr. Schon stated his estimate for the sewer and water project at this point is approximately \$400,000. He stated the remainder of the project is estimated at \$1.65 million, which is over the original budget. The reason for the increase was the expansion of the apron. He stated the airport has approximately \$900,000 enplanement funds and the remainder of the funds will have to be discretionary.

Mr. Parmer stated our preapplication to the FAA was for \$1,650,000, of which approximately \$1,400,000 will be federal dollars.

Mr. Schon stated we are on track to open bids on April 19. He also indicated he has been in contact with the various utility companies.

Mrs. Stanton moved to approve the plans and specifications for AIP Project No. 3 38 0017 15 (General Aviation Apron, Connecting Taxiway and Access Road project) and authorize advertisement for bids.

Second by Mr. Gallagher.

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

Absent and not voting: Williams, Hentges

The motion was declared carried.

Received Communication from Mr. Arnie Kuhn, Rust Real Estate, on the Availability of Land East of University Drive:

Mr. Parmer stated he received communication from Mr. Arnie Kuhn, Rust Real Estate, inquiring about the Airport Authority's plans for a parcel of land east of North University Drive and north of the trailer park. Mr. Parmer stated Mr. Kuhn is interested in building a complex of apartment buildings in the area. Mr. Parmer stated he would suggest the Airport Authority deny the request at this time and not do anything with the land. He stated any time we take airport land out for non airport use we have to return 90% of the appraised value of the land to the FAA, as they funded the purchase.

Mrs. Stanton moved to receive the communication from Mr. Arnie Kuhn, Rust Real Estate, and that the Director advise Mr. Kuhn the reason for denying his request.

Second by Mr. Gallagher.

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

Received Communication from Mr. Paul Bernabucci, LaCrosse, WI, Discussing T Hangar and Corporate Hangar Development in New General Aviation Area:

Mr. Parmer stated he recently visited with Mr. Paul Bernabucci, LaCrosse, WI. Mr. Bernabucci is originally from Jamestown and will be moving to Fargo. Mr. Parmer stated Mr. Bernabucci was very interested in our Airport Master Plan and questioned him about construction of various T hangars and corporate hangars. Mr. Parmer stated he received a communication from Mr. Bernabucci indicating a great deal of interest of hangar development in the general aviation area.

Mr. Parmer stated the action the Airport Authority should take at this time is to write back to Mr. Bernabucci and indicate our interest in visiting with him on general aviation development. Mr. Parmer stated before development begins the Airport Authority must determine what types of hangars will be allowed in the area.

Mr. Gallagher moved to receive and file the communication from Mr. Paul Bernabucci and send him a reply indicating the Authority's interest in working with him.

Second by Mrs. Stanton.

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

Dr. Clif Hamilton Reviewed Construction Proposal in New General Aviation Area:

Mr. Parmer stated Dr. Hamilton has provided the Airport Authority members with a letter dated March 16, 1994, outlining their construction proposal for the new general aviation area.

Dr. Clif Hamilton was recognized and stated Valley Aviation was purchased by Aviation Resources, Ltd. in 1984 so they have been on the field for ten years. Dr. Hamilton stated in conjunction with the development in the northeast general aviation area they propose the construction of a hangar and administration building. The hangar proposed is a heated hangar 220' x 140' with a 110' door. There will also be a smaller door for ambulance entrance. He stated the proposed administration building would have access to the airfield. He stated the administration wing will consist of the areas necessary to run the FBO. There is also a charter department and facilities for pilots.

Dr. Hamilton stated Aviation Resources proposes to construct the administration portion and they have secured financing in the amount of \$1.2 million. He stated they are requesting the Airport Authority construct the hangar portion, estimated to cost \$1.5 million, and lease it to Aviation Resources. Dr. Hamilton stated he realizes the Airport Authority does not have \$1.5 million and will have to secure funding from another source. He stated that at some time in the future Aviation Resources would like to purchase the hangar. He stated he understands that if financing is obtained through a bond issue the Airport Authority could not sell the building and they would be agreeable with that arrangement as well. Dr. Hamilton suggested he and the Executive Director, along with the Airport Authority attorney and one or two members of the board meet and work out the financial arrangements. He stated as far as the Airport Authority owning facilities in the private aviation area, it has been done for years. He gave examples of the buildings Valley Aviation presently leases and the hangar leased to the Faker Program. He stated the Airport Authority has also discussed building a hangar facility in the Airport Industrial Park in order to attract a tenant in the park, so he feels this is a very feasible project for the Airport Authority.

Mr. Gallagher asked Dr. Hamilton his timetable for the project.

Dr. Hamilton indicated they would like to be in the facility by the end of the construction season, assuming the Airport Authority secures funding for the ramp, taxiway, and access road.

Dr. Clif Hamilton Reviewed Construction Proposal in New General Aviation Area:
(Continued)

Dr. Hamilton also requested the Airport Authority approve Foss Associates as architect for the building being funded by Aviation Resources and also hire Foss Associates for architectural services for the hangar.

Mr. Parmer stated he would assume the decision on hiring an architect could wait until after financial arrangements are finalized.

Dr. Hamilton stated their loan on the administration building is contingent upon the hangar being built, as they would have no need for the administration building without the hangar.

Mr. Bromenschenkel asked if Valley Aviation would be moving all of their operations to the northeast general aviation area.

Dr. Hamilton stated they would continue to operate in their present facilities as well. Dr. Hamilton stated they feel it is necessary to operate in both locations because of lack of hangar space. He stated heated hangar space on the field is lacking.

Mr. Parmer stated when the Airport Authority began working with Weather Modification Incorporated, there were a number of meetings and correspondences regarding the Airport Authority's financing of hangars. He stated Attorney Stewart is more knowledgeable on the subject and asked him to comment on the Airport Authority's role.

Mrs. Stanton asked what dollar figure this project would require of the Airport Authority, as we already have one project on the board.

Mr. Parmer stated the estimated cost of the proposed hangar for Aviation Resources is \$1.5 million.

Mrs. Stanton stated she is not ready for another project until we get the WMI project settled.

Mr. Gallagher stated we could handle both projects at the same time.

Chairman Cichy stated we have two different proposals here. Aviation Resources would be willing to lease a hangar which means the Airport Authority could obtain financing through a bond issue. On the other hand WMI wishes to purchase a facility so the Airport Authority could not finance this project with bonds.

Attorney Stewart stated at this time the Airport Authority could approve Dr. Hamilton's first request to approve the project in concept and instruct the Executive Director along with the Attorney to work out the details with him and report back to the Airport Authority at the next meeting. However, the Airport Authority might want to delay requests two and three (approve Foss Associates as architect for the building being paid for by Aviation Resources, Ltd. and hire Foss Associates for architectural services in the design and building of the hangar) until we see where we are.

Mrs. Stanton asked what "approving the project in concept" means.

Attorney Stewart stated he feels it means to sit down and discuss the project.

Mrs. Stanton stated she is ready to talk about the project but is not ready to approve anything.

Mr. Parmer stated as far as Dr. Hamilton's request for the Airport Authority's approval of Aviation Resources hiring Foss Associates as their architect he did not have a problem with that, as it would not cost the Airport Authority anything.

Mrs. Stanton moved to receive and file the communication from Dr. Hamilton and approve his request to approve the project in concept and instruct the Executive Director along with the Attorney to work out the details with Dr. Hamilton and report back to the Airport Authority at the next meeting, and, that the Airport Authority approve Foss Associates as architect for the building being financed by Aviation Resources, Ltd., on the premises that it does not result in any cost to the Airport Authority.

Second by Mr. Gallagher.

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

Representatives of Weather Modification Incorporated Will Review Construction Proposal:

Mr. Patrick Sweeney, President of Weather Modification Incorporated, was recognized, and stated WMI has been working with the Airport Authority since August 1992. WMI's original proposal called for the Airport Authority to participate in both a hangar and an administration building estimated to cost \$1.2 million. He stated a few months ago the Airport Authority approved in theory the proposed development agreement with the Airport Authority, pending the financing of the \$1.2 million. Mr. Sweeney stated in order to expedite this, as we are approaching the construction season, WMI is willing to cut the \$1.2 million figure in half and have the Airport Authority participate in the financing of the hangar only. WMI will finance the administration portion on its own.

Mr. Sweeney stated the hangar will be a basic, generic hangar. The hangar will be heated with a few work rooms in the back. He stated the administration will be built adjoining the hangar. Mr. Sweeney stated what he is asking for today is approval and signature of the development agreement. Mr. Sweeney stated the development agreement is dated September 7, 1993, and the only changes are that the \$1.2 million figure has been dropped to \$600,000, plus contingencies which could run about 10%, and the change in the area of potential expansion to the east from 12,000 to 17,000 square feet.

Mr. Parmer referred to the meeting Mr. Sweeney mentioned and read Mr. Cichy's motion as follows: "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." (December 7, 1993)

Mr. Parmer stated Attorney Stewart had drafted an agreement for WMI's review. He asked Mr. Sweeney if that agreement covers what they want.

Mr. Sweeney stated the agreement was close but not what they wanted. He stated that agreement started the negotiations for the lease itself. Mr. Sweeney stated today on the table is the development agreement which is basically Phase I and once it is signed we will move into Phase II to get into the specifics on the lease. He stated he feels they are close on the lease but still have a few numbers they would like to discuss further.

Mr. Parmer stated it was his understanding that signing this agreement is Step I and the next step would be to draft a lease and/or financial agreement.

Mr. Parmer asked Attorney Stewart for his comments on this agreement.

Mrs. Stanton asked Attorney Stewart if he had seen this draft of the agreement before today.

Mr. Stewart indicated this is the first he has seen of this agreement presented by WMI today. Mr. Stewart stated this agreement projects a monthly lease payment in the range of \$3,500 to \$4,500 for a \$600,000 project. He stated this does not match his projection of \$5,500 for a \$600,000 project with an interest rate of six percent.

Mr. Sweeney stated they are looking at a percentage rate of 4.1. He stated the Airport Authority refinanced its bonds at 4.1% so that was their starting point. He stated this project originated with an economic development incentive in mind. WMI was moving their company to Fargo and the Airport Authority was helping them expand their company and job base. He stated the interest rate will be discussed in the lease but they feel they want a little better rate than six percent. He stated they are looking for approval on Phase I today so they can move into Phase II, which would be the specifics on amounts and interest rates. He added they cannot negotiate a lease until the development agreement is approved.

Representatives of Weather Modification Incorporated Will Review Construction Proposal:
(Continued)

Mr. Parmer stated he does not necessarily agree with that. He stated he feels we can always sit down and work out the lease agreement which is necessary anyway. He stated the Airport Authority has always indicated it is willing to work with WMI. Mr. Parmer asked Attorney Stewart what the development agreement does.

Chairman Cichy stated the development agreement outlines concept and principles.

Attorney Stewart stated the agreement presented today contains some different terms than any previous agreement. He stated he would suggest the Chairman appoint two members from the Authority to meet with both parties, Dr. Hamilton and WMI, regarding financing of these projects.

Mr. Sweeney stated he feels this board has had plenty of time to think about this project.

Attorney Stewart told Mr. Sweeney he sent him a letter two months ago and Mr. Sweeney did not respond. He added that he cannot tell the Airport Authority to sign something he has just received today.

Mr. Sweeney stated their project and Dr. Hamilton's project are two separate projects. He added their project has been on the table a long time.

Mrs. Stanton asked Attorney Stewart what ties these two projects together.

Attorney Stewart stated nothing ties the two projects together. He stated the problem is the Authority has been presented an agreement which he has not had a chance to review and he cannot tell them to sign it. He added this agreement is different than the concept proposed in January.

Mr. Parmer asked if it is possible that the Airport Authority would be in a situation where it would be able to finance one project and not the other.

Attorney Stewart stated these two projects propose two different sets of financing issues. WMI would like to own their building and that would not qualify for bonding. He added that we suggested the six percent interest because that was suggested by the City finance committee. Attorney Stewart stated we are looking at two different sets of financing situations.

Mrs. Stanton stated WMI has been waiting a long time and she feels the Airport Authority owes them something. She added that Attorney Stewart should have received a draft of the proposed agreement before today so he could have had time to review it. Mr. Sweeney stated the only changes were reducing the amount of the project to \$600,000 and the larger amount of area for expansion.

Mr. Sweeney stated once the development agreement is approved by the Airport Authority and the Authority agrees to lease to WMI, we can then move to Phase II which will be drawing up the particulars for the lease.

Attorney Stewart suggested the matter be delayed until a subcommittee has had an opportunity to review the agreement and work out the details. He added that we will not be able start construction in the next two weeks.

Mr. Sweeney stated they need to get their administration building project out for bids and the Airport Authority, if it does participate, will need to do the same for the hangar. He stated he would like to see specific dates and deadlines set and met. He added the construction season is fast approaching and they cannot afford to continue delaying.

Mr. Sweeney stated he is not sure why Attorney Stewart is opposed to signing the agreement today.

Mrs. Stanton stated in all fairness Attorney Stewart has not had time to review the agreement.

Mr. Sweeney stated the only changes are a decrease in the amount of the project and the increase of the additional space for expansion.

Representatives of Weather Modification Incorporated Will Review Construction Proposal:
(Continued)

Mrs. Stanton asked Attorney Stewart if those are the only changes he noticed.

Attorney Stewart stated the agreement calls for a 30 year term for financing. He stated he wanted included in the agreement some incentive to buy out early so the Airport Authority would not have those improvement funds tied up for that period of time.

Mr. Sweeney stated their plan is to buy out in five years. He added that they had some objections to the buy out incentives outlined in Attorney Stewart's letter of January 21.

Mrs. Stanton moved the Airport Authority instruct the Executive Director, Attorney Stewart, and representatives of WMI to meet and work out details on a proposal to be presented to the Airport Authority at its next meeting on April 5, 1994.

Second by Mr. Gallagher.

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

Time at adjournment was 11:29 a.m.

Regular Meeting

Tuesday

April 5, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, April 5, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Williams, Hentges, Cichy

Absent: Gallagher

Others: Stewart, MacLeod

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 22, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held March 22, 1994.

Second by Mr. Williams.

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

Approved the Airport Vouchers Totaling \$57,128.59:

Mr. Hentges moved to approve the airport vouchers totaling \$57,128.59.

Second by Mr. Williams.

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

Absent and not voting: Gallagher

The motion was declared carried.

Received and Filed Statement of Operations for the Month of January 1994:

Mrs. Stanton moved to receive and file the Statement of Operations for the Month of January 1994.

Second by Mr. Hentges.

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

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:

Mr. Parmer stated he and Attorney Stewart have met with the principals of both Weather Modification Incorporated and Aviation Resources, Ltd. since our last meeting. He stated Attorney Stewart has put together proposed Development Agreements he feels would be adequate.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:
(Continued)

Mr. Parmer stated the Authority members have been provided with copies of the development agreements prior to today's meeting.

Attorney Stewart suggested reviewing the WMI agreement first. Attorney Stewart stated WMI is proposing to construct the administration building with their own funds and are requesting the Airport Authority construct the hangar facility. Attorney Stewart stated it is his understanding that the hangar's principal use would be for WMI's operation. Attorney Stewart stated WMI is requesting the Airport Authority construct the hangar with airport funds and allow them to lease the building for a period of time until they purchase the hangar. He stated we have incorporated into the development agreement some incentive to buy it out. WMI would have an option to purchase the hangar facility at the end of the fifth year of the lease and at the end of each year of the lease thereafter. If the facility is purchased after the fifth year of the lease 90% of the amount paid toward the principal shall be credited to the purchase price and that percentage shall decline each year after that.

Attorney Stewart stated WMI estimates the projected cost for the hangar in the range of \$600,000 to \$690,000, exclusive of utilities and parking. He stated there are four spaces identified on the Exhibit "A" in the area WMI wishes to lease, numbered 1 4 running west to east. Attorney Stewart stated WMI wishes to have a right of first refusal on Space 1, Space 2 will be leased for the administration building, and Space 3 will be leased for the hangar. They would also like a right of first refusal on Space 4 for future expansion. Attorney Stewart stated Mr. Parmer had some concern about the size of the areas WMI will not occupy initially. He felt they should be large enough to accommodate another tenant should WMI decide not to lease them.

Attorney Stewart stated one of the inducements for the Authority to enter into this Agreement is its position as the anchor or first tenant in the new general aviation area and the funds that WMI may be able to bring in terms of economic development aid for the utility installation to serve the new general aviation area.

Attorney Stewart stated WMI has requested an interest rate of 4.1%, as this is the current rate on the airport bonds, to be adjusted according to our bond costs. He added that we are currently getting about 3.89% on our invested funds.

Mr. Parmer stated he realized the WMI agreement and the Aviation Resources, Ltd. agreement are two different agreements but it is difficult to comment on one without referring to the other. He stated after reviewing both agreements he has made some observations.

Mr. Parmer stated even though the Airport Authority is not financing either administration building he feels the cost of each should be noted in both agreements. Mr. Parmer stated he would also like to discuss the time limits on options and rights of first refusal. He stated if another potential client is interested in locating on a parcel for which a tenant has right of first refusal, he feels it would be difficult to tell the interested party the Authority could not give them an answer for a year, if that were the time limit on the refusal right. Mr. Parmer stated it is his understanding the tenant must exercise his right of first refusal within the stated period of time from notification of the Authority's intention to offer the property for lease. Mr. Parmer stated the reason for his concern is that this space is frontage property on a ramp which has been financed by the Federal Aviation Administration. He stated he has no problem with an option or a right of first refusal, his concern is with the length of time.

Attorney Stewart stated WMI requested a period of 180 days for the right of first refusal on Space 1 and one year on Space 4. He explained this is the amount of time the tenant has to exercise his right from the date notification is given by the Authority of its intention to offer the property for lease. Attorney Stewart stated the Airport Authority can set any time limit it wishes.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:
(Continued)

Mr. Parmer referred to Paragraph 4a, regarding the term of the lease. He stated he feels this paragraph is rather ambiguous as it first states the "rent will be no greater than the annual rent for the original lease provided" and goes on to say that "such rental may be adjusted as hereinafter set forth and further provided that the term of the lease will coincide with the necessary term to amortize costs as hereinafter set forth." Mr. Parmer stated the initial term of the lease is 15 years and there should be a provision for adjustments.

As far as the interest rate of 4.1 % he realizes that figure came from our current bond issue. He stated he feels another bond issue will be required to complete planned development in the general aviation area and we do not know what that interest rate will be. He stated we should possibly set the interest rate for WMI according to that interest rate.

Mr. Hentges states he has very strong resistance to long term, one sided agreement options. He stated he feels the Airport Authority should consider how much of a cash or equivalent incentive it wishes to make to WMI and not worry about all of these other details. He stated if the Authority wants to subsidize WMI by \$200,000 let's just say that and put it in the agreement. He stated he feels the Authority needs to determine how much it wishes to invest in the project, whether the funds come from the improvement fund or financing, rather than trying to complicate this project.

Chairman Cichy asked Mr. Hentges to state his specific objections.

Mr. Hentges stated he has a problem with a 30 year agreement with one sided control by the tenant. He stated options benefit the tenant only, there is no benefit to the airport.

Chairman Cichy stated he did not understand the agreement that way.

Mr. Hentges stated if they had a contractual obligation (rent) that would be another thing.

Chairman Cichy stated the agreement includes repeated comments "subject to the Airport Authority."

Mr. Hentges stated there are too many uncertainties as far as he is concerned.

Mrs. Stanton asked Mr. Hentges where he has been all this time.

Mr. Hentges told Mrs. Stanton this is a business decision and if it were her own money she would probably be looking at it differently.

Mrs. Stanton stated we are also looking at economic development and she thought we wanted to develop this airport.

Mr. Parmer stated he received a report from the Inspector General's office regarding audits of various airports conducted by the FAA. There was an example of an airline which leased property from an airport on which to build an aircraft maintenance facility and corporate offices. The airport leased the land for 8.5 to 9.4 cents per square foot, with escalations built into the agreement. He stated there was an appraisal of the land done in 1986 at 94 cents per square foot. The FAA went on to say that the airport did not receive adequate rental for the property. He stated he would imagine the reason the airline built their aircraft maintenance facility at this airport was because it was cheaper than other airports. Concessions are made everyday for the purpose of economic development. Mr. Parmer stated the FAA determined that the airport lost \$2.2 million because they took a lesser rent on the land. He stated he does not feel we will have this type of situation here but the FAA will possibly be looking more closely at leases entered into by airports. He added he has checked with the City Assessor's Office regarding an assessment on the leased value of the property, but we have no figure at this time.

Mrs. Stanton stated she has no problem with the proposed development agreement with WMI. She feels we have been on the matter long enough and it is time to move forward.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:
(Continued)

Mr. Williams asked how the cost of the 12,000 s.f. hangar got to be \$690,000 when it was \$600,000 two months ago.

Mr. Jim Sweeney was recognized and stated the \$690,000 estimate is definitely on the high end and they don't expect the bids to come in that high.

Mr. Pat Sweeney stated one of the major items on the hangar will be the overhead doors and the cost of the doors have come down since the specifications for the building were written in 1990. He added that they are hoping to see the hangar built for \$48 per square foot.

Attorney Stewart asked the estimated cost of the administration building so it could be included in the development agreement, as requested by Mr. Parmer.

Mr. Jim Sweeney stated the estimate for the administration building is \$700,000 , which is also on the high side.

Attorney Stewart stated he wished to clarify the matter on time limits for the rights of first refusal on the two parcels of land.

Mr. Hentges stated he feels the time limit on the rights of first refusal would depend on the desirability of the location of the sites in question.

Mr. Parmer stated the first stage construction of the ramp will not even extend as far as the portion furthest west (Space 1) so that space is not as desirable as the space just east of WMI's first two proposed buildings (Space 4), which will be on the ramp.

Mr. Hentges asked under what circumstances would the Airport Authority give them notice that they must exercise their right of first refusal.

Attorney Stewart stated the Airport Authority can give WMI notice of its intention to offer the property for lease the day after the lease is signed.

Mr. Hentges stated he feels one year is too long under ordinary business circumstances.

Attorney Stewart asked Mr. Hentges what length of time he had in mind.

Mr. Hentges stated if there are no requirements on the board to have something in hand he feels 90 days is plenty long.

Attorney Stewart stated we tried to avoid anyone having an option on land with nothing at risk.

Mr. Hentges stated this is the tail wagging the dog with WMI having control of the land for one year.

Attorney Stewart stated this agreement is tailored so the tenant cannot hold the land forever. After being notified by the Airport Authority the tenant must come up with a building proposal for the land or it will be leased to someone else.

Mr. Hentges stated he feels in his judgement options of six months or one year are too long. The term should be 90 days.

Chairman Cichy stated Mr. Hentges has been in the development business for a long time and he has not. He stated it seems inconceivable to him that 90 days would be long enough to go through all the rigmarole to move ahead.

Mr. Hentges stated he has been involved in many arrangements where rights of first refusal run thirty days and even seven to ten days.

Mr. Parmer stated his point in bringing up the time limits for the rights of first refusal was that they had different time limits. One limit was 180 days and the other was one year.

Attorney Stewart stated whatever time the Airport Authority sets, as soon as the lease is signed the Airport Authority can give notice of its intent to lease the property.

Mrs. Stanton stated Attorney Stewart would not agree to something that would not protect the airport.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:
(Continued)

Mr. Hentges stated the tenant having this right of first refusal gives the tenant control over the property. The owner has lost control of the property during this time. The tenant can go out and market the owner's property during this time and do with it what he wants.

Mrs. Stanton stated any use of the land must be approved by the Airport Authority.

Mr. Hentges stated he does not want this board to enter into an agreement which is going to cause problems for future boards. He stated he realizes WMI has gone to certain members of the board and has their support on this project. He stated it is bothersome to him that decisions have been made outside of this room. He stated he is now an obstructionist because he is raising questions.

Chairman Cichy stated he wants to terminate this aspect of the discussion and get some input from the other side.

Mr. Jim Sweeney stated they requested a term of one year for the right of first refusal on the site for hangar expansion because they are very confident they will be able to put up a second hangar in the near future. They requested six months on the other site because it is less important to them. Mr. Sweeney added that it would be difficult to complete the process in 90 days. Mr. Sweeney stated we are not talking about land on 13th Avenue South, we are talking about a parcel of land on the airport over which the Airport Authority has complete control.

Mr. Parmer stated he has no problem with the requests. His only question was the difference in length of time.

Chairman Cichy stated he feels the agreement gives the Airport Authority the control about which Mr. Hentges is concerned.

Mr. Hentges stated he is in favor of accommodating their plans for the project but he is opposed to giving control of the property to the tenant. He stated he would have no problem giving WMI first rights on the property, which must be exercised within six months, for the first three years of the lease if their plans include expansion on that site.

Mr. Pat Sweeney stated their point is they need to hold that spot for expansion. He stated one year is not that long. There are long periods between construction seasons and he feels it is almost physically impossible to accomplish this in 90 days. Mr. Sweeney stated their plan is to expand their hangar space to the east of the first hangar. Their problem right now is their operation is so spread out around the ramp in space they are renting.

Mr. Hentges stated he feels this agreement gives WMI control of the property for 30 years.

Mr. Pat Sweeney stated the initial term of the lease is 20 years.

Mr. Hentges stated the two five year options requested would extend it to 30 years.

Mr. Sweeney stated after the lease is signed the Airport Authority can notify WMI that the land will be put up for lease and WMI then has one year in which to develop on the space.

Attorney Stewart stated the Airport Authority has always tried to accommodate tenants and he did not see any problem with holding the land for the amounts of time requested.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:
(Continued)

Chairman Cichy asked Attorney Stewart if he is comfortable that we are not unduly encumbering ourselves with this aspect of the lease.

Attorney Stewart stated given the Authority's past experience he did not have any concerns about the time requests on the rights of first refusal.

Mr. Williams stated he does not have a problem with the one year time on the first refusal. He added that the new general aviation area will not even be available for use for six months anyway.

Attorney Stewart stated the Authority can compromise if it wishes and set a shorter time.

Mr. Hentges stated he feels six months is a reasonable time to put a deal together.

Attorney Stewart asked Mr. Pat Sweeney if changing the time on the first right of refusal from one year to six months would be acceptable to them.

Mr. Pat Sweeney stated he does not see much difference between one year and six months. He stated he would like to bring up a point about rights of first refusal on available land. He stated when WMI first came to the Airport Authority they first proposed to locate in the southeast corner of the existing general aviation area. He stated they were told by the Airport Authority that they wanted to save that area for Dakota Aero Tech for future expansion of their school. He stated they have no problem with that but Dakota Aero Tech has nothing in writing with the Airport Authority. The Airport Authority then encouraged WMI to wait until it developed its new general aviation area and they agreed to wait. Mr. Sweeney stated WMI presented the Airport Authority with its proposed agreement September 1993 which is seven months ago. He stated they first came to the Airport Authority one year and eight months ago negotiating with the Airport Authority to move their operation to Fargo. He stated taking these things into consideration, along with the short construction season, he does not feel one year is a long time.

Mr. Williams, Mrs. Stanton and Chairman Cichy indicated they have no problem with the six month and one year time limits on the rights of first refusal.

Attorney Stewart stated the next item of discussion would be the interest rate on amortization of the Authority's investment at 4.1%.

Mr. Williams stated he does not feel that rate should be cast in concrete. He stated we do not know what the interest rate will be at that time.

Chairman Cichy asked the Authority members if there is concern that 4.1% is too modest a rate in our volatile market.

Attorney Stewart stated the agreement calls for the interest rate to be fixed for five years and then go to the current bond rate after that. He stated the current interest rate on our invested funds is 3.89% so 4.1% is in the ballpark.

Chairman Cichy stated maybe 4.1% is too modest a rate, considering what the rates were a few years ago and the volatile market.

Mr. Williams stated he feels five years is too long to tie into that percentage as the interest rates could go to 20%. He suggested it be reviewed annually or in two years.

Mr. Jim Sweeney stated the five years was important to them in order to be able to get established and they will easily be able to adjust after that time. He stated he would agree this is a subsidy from the Airport Authority. He added that there are other economic development projects happening in this county where the state is participating and interest rates are as low as 2%.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area: (Continued)

Mr. Hentges stated organizations involved project such as those referred to have a different role than the Airport Authority. The Authority's role is to run the airport.

Attorney Stewart stated WMI wants to handle the subsidy in the form of the lower interest rate as it is their intention to hold the facility as a partnership. He added he assumed all along the Airport Authority intended to subsidize the project in some fashion.

Mr. Hentges stated he is alright with a subsidy and making it generous for the first five years but after that it should go to the market rate. He added that the incentive to buy the building should be in the first five years.

Mr. Williams stated he would not argue that.

Mr. Hentges stated he is willing to agree with the proposed terms for the first five years. After that the lease would go on at a market rate. He stated the subsidy comes in with the reduced rent for the first five years and their option to buy would be favorable in the first five years. After the five years it goes back to market.

Mr. Parmer read from the agreement as follows:

"..for the first five years of the lease, the interest rate will be based on 4.1% per annum (present bond interest cost) and will be adjusted thereafter to reflect the actual bond interest cost of the Authority."

Mr. Hentges stated that is an extremely attractive situation. If WMI went to the bank today it would cost nine to ten percent to get a loan.

Attorney Stewart asked the Authority if they would consider the current interest rate on invested funds rather than bond interest rate.

With regard to the Aviation Resources, Ltd. agreement, Mr. Parmer asked Attorney Stewart if the servicing of the bonds will be done entirely from the proceeds from the hangar itself with no other airport revenue going into that.

Attorney Stewart indicated that is correct. He added that Aviation Resources understands that will determine their lease payment.

Chairman Cichy asked for further comments on the WMI agreement before we move onto Aviation Resources, Ltd.

Mr. Williams stated he would agree with Mr. Hentges on the 30 year term being too long.

Chairman Cichy stated he though that had been cut down to 20 years.

Mr. Hentges stated with the options it is 30 years.

Chairman Cichy stated we must reach an agreement on the term of the lease as it is a vital aspect of the whole agreement.

Mrs. Stanton stated she has no problem with the 4.1% for five years.

Mr. Williams asked what we would do at the end of five years.

Attorney Stewart asked Mr. Williams to what he felt we should tie the interest rate.

Mr. Williams stated he would hate to set figures not knowing what interest rates will do. He stated we could review the lease at the end of five years and then adjust it at that time, not to exceed a certain amount, but then we may wish we had not set a limit.

Attorney Stewart asked about tying it to a blending of the bond cost and interest on invested funds at that time.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:
(Continued)

Mr. Hentges stated there are all kinds of things to which we could tie the interest rate. He added the Airport Authority may not sell bonds for five or ten years then we would have nothing on which to base it.

Mr. Pat Sweeney stated since the agreement has been revised we are down to 20 years and after 20 years the building will be paid for anyway. He added that the agreement is geared for us to purchase the hangar in five years so the Airport Authority can get its money back.

Mr. Williams suggested the Authority approve the agreement as presented because we are not able to come up with a solution that is any better. He added the other solution would be to leave the agreement open ended after the first five year term.

Mrs. Stanton asked Mr. Williams if he would sign such an agreement.

Mr. Hentges asked how the paragraph on terms will read in the development agreement.

Attorney Stewart stated the term should be a straight 20 years with no options.

Mr. Pat Sweeney suggested leaving the initial term at 15 years and changing the number of five year options from three to one, with a 20 year amortization.

Attorney Stewart suggested Mr. Pat Sweeney look at a 15 year amortization rather than 20 years as it might benefit both parties.

Mr. Hentges asked about the time limits on the rights of first refusal.

Chairman Cichy stated he felt that issue had been resolved and the time limits would remain the same.

Mr. Hentges stated he is not completely clear on Paragraph 6 which states WMI has no intention of becoming an FBO. He stated it was his understanding WMI was going to be an FBO.

Mr. Parmer stated the facility will have space to be subleased to an FBO.

Mr. Pat Sweeney stated WMI needs to stay focused on what it is doing now with weather modification and government contracts. He stated there is interest from other people who would like to lease space from WMI.

Mrs. Stanton stated they have been clear on that point from the beginning and there has been no change in WMI's focus.

Chairman Cichy asked Mr. Jim Sweeney about their progress on securing funds through the Lake Agassiz Regional Council.

Mr. Jim Sweeney stated he recently talked to Tracy Anderson, Lake Agassiz Regional Council. He stated WMI will do whatever they need to do to secure these funds although they may not be able to get the funds in time to be used for the water and sewer project and the money cannot be retroactively applied toward a project. He stated whatever funding they receive would be applied toward another development project in the general aviation area.

Chairman Cichy asked the WMI representatives if they were fully apprised of the problems the Airport Authority is having with securing the federal funding for the apron and connecting taxiway and they indicated they were.

Mrs. Stanton moved the Airport Authority approve the development agreement between Weather Modification Incorporated and the Municipal Airport Authority of the City of Fargo, North Dakota, with the corrections as noted.

Second by Mr. Williams.

Mr. Hentges asked if the WMI agreement is adopted does that obligate any points of contention in the Aviation Resources, Ltd. development agreement.

Mr. Parmer stated even though it is hard to separate them they are two separate agreements yet must be treated equally.

Mr. Hentges asked how much the airport has in the improvement fund.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:
(Continued)

Mr. Parmer stated the balance in the airport improvement fund is approximately \$2.5 million, with \$500,000 of that committed for other projects. He added that we do not want to get down to a zero balance. Mr. Parmer stated we are opening bids on the project in two weeks. He added that congress has not yet passed the AIP legislation. Representatives of the FAA have indicated that if the bill is passed in April it would be 60 days before they would be in a position to issue any grants. He stated this is no problem as far as our project is concerned.

Mr. Hentges asked Mr. Parmer what the average balance in the improvement fund has been over the past ten years.

Mr. Parmer stated we have tried to hold the balance at \$1.5 million. Mr. Parmer stated for a number of years we had no improvement activity because we were trying to get something moving in the Airport Industrial Park. He added we even held our entitlement funds for that purpose. Since the FAA was not able to approve a specific project without a viable client, and we did not have a viable client, the FAA encouraged us to move ahead with our cross wind runway. He added that if we would not have used our entitlement funds we would have lost them, as you can hold them for only three years.

Mr. Hentges asked Mr. Parmer if most of the funds in the improvement fund have come from the tax levy, plus some from the overrides on the rents.

Mr. Parmer stated the tax levy dollars over the past five years have amounted to over \$1 million and those are still in the improvement fund. He stated that is the money that will be used for the WMI hangar project. He added that when discussing the financing of the Aviation Resources project he was the one that suggested the amount of the bond issue could be reduced by using some funds from the improvement fund. He stated right now he does not know what that figure might be.

Chairman Cichy stated the fact remains we are fairly healthy right now even though we have committed some of the improvement funds.

Mr. Hentges asked if the \$690,000 figure would remain in the development agreement.

Chairman Cichy stated that is a good point. He stated we initially talked about \$50 per square foot but \$690,000 would bring the cost up to over \$57 per square foot, and Mr. Pat Sweeney is hoping they can build it for \$48 a square foot.

Mr. Jim Sweeney stated they are going to do everything they can to keep the cost down. Once everything is finalized WMI will then enter into a lease with the Airport Authority.

Mr. Parmer stated once the Airport Authority comes to agreements with WMI and Aviation Resources, Ltd., the Airport Authority has to retain the architect. He stated we have not yet done that as there has been no need for us to. He stated once we do reach final agreement with the tenants we will enter into an agreement with Foss Associates to design and build the hangars. He stated then maybe we can negotiate the figure.

Mr. Williams asked if the Authority should determine the cost of the hangar at that time and whether or not \$690,000 figure means anything.

Attorney Stewart stated the agreement states "pending further development of figures, the projected cost is in the range of \$600,000 to \$690,000." He stated if it turns out the building will cost \$800,000 then we're back to the drawing board.

Mr. Hentges stated if the Authority has a limit in mind it should say so. He added that according to the agreement the rent will be based on the cost of the facility amortized over 20 years.

Mr. Parmer asked if the motion on the floor is to approve the development agreement with the changes discussed.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:
(Continued)

Attorney Stewart stated the only change he has noted from the discussion is in the term of the lease changing the three five year options to only one five year option (15 year initial term, one five year option).

Mr. Jim Sweeney stated they are going to be very careful to keep the cost down. He stated they would have no problem if the agreement included that the hangar not exceed the cost of \$690,000. He added that they understand the Airport Authority will have final say in all of the development of this hangar.

Attorney Stewart stated he would add to the agreement that the Airport Authority has final approval over the prepared plans and specifications by the architect, cost of the hangar not to exceed \$690,000.

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

Mr. Hentges voted no.

Absent and not voting: Gallagher

The motion was declared carried.

Because of time constraints, Chairman Cichy asked the Airport Authority if they wished to continue the discussion on the agreement with Aviation Resources, Ltd.

Mr. Hentges stated he would like to see the board be consistent and does not want to have one agreement approved today without the other one. He asked Mr. Parmer for his comments.

Mr. Parmer stated basically his comments are the same as on the WMI agreement. He stated this project will meet the requirements for a bond issue. He stated he feels the interest rate for WMI should be the same as the Aviation Resources project. He added that this bond issue will probably be at least one percent more than our recent bond refinancing.

Attorney Stewart stated Dr. Hamilton is aware that we have sent the information to the bond counsel and have had discussions with them on the project. He stated that the use of the building to be constructed will determine whether the bonds are tax exempt or not.

Mr. Parmer asked Attorney Stewart if the agreement was going to contain a clause providing right of first refusal on an additional piece of property.

Attorney Stewart stated after earlier discussion he assumes we will provide the same options granted WMI.

Mr. Hentges stated there should be an exhibit identifying the parcels.

Mr. Parmer stated we will have exhibits showing the parcels.

Attorney Stewart stated the lease will be a straight term to coincide with the amortization of the bonds. He stated it is his understanding that the rent will be based on the interest rate and length of amortization.

Mr. Hentges asked about the option to purchase.

Attorney Stewart stated there cannot be an option to purchase with the sale of bonds.

Mr. Hentges asked what amount of funding, if any, will be from the airport improvement fund.

Mr. Parmer stated that will have to be decided at a later date. The Airport Authority will have to determine how much we can take out of our reserve for this project and that will determine the amount of the actual bond issue. At one time we were talking about a \$1.5 million bond issue but also discussed a smaller bond issue and some of the money coming from the Airport Improvement Fund.

Reviewed Proposals for General Aviation Development in the Northeast General Aviation Area:
(Continued)

Mr. Parmer stated we still have work to do with the bonding counsel.

Attorney Stewart stated that is correct and Dr. Hamilton understands that.

Mrs. Stanton moved to approve the development agreement between Aviation Resources, Ltd. and the Municipal Airport Authority pending the feasibility of the bond sale and subject to final approval of plans and specifications by the Airport Authority.

Second by Mr. Hentges.

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

Absent and not voting: Gallagher

The motion was declared carried.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, April 19, 1994, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Hentges.

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

Time at adjournment was 11:55 a.m.

Regular Meeting

Tuesday

April 19, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held on Tuesday, April 19, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Hentges, Cichy

Absent: None

Others: Stewart, Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 4, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held April 4, 1994.

Second by Mr. Williams.

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

Approved the Airport Vouchers Totalling \$27,429.87:

Mr. Gallagher moved to approve the airport vouchers totalling \$27,429.87.

Second by Mrs. Stanton.

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

Absent and not voting: Hentges

The motion was declared carried.

Mr. Hentges now present.

Approved Individual Voucher to Forum Publishing Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$229.46 to Forum Publishing Company for publication of advertisement for bids for Aircraft Parking Apron, Access Road, Storm Sewer and Lighting, Project No. 3 38 0017 15.

Second by Mr. Williams.

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

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

Approved Individual Voucher to Southam Business Communications:

Mrs. Stanton moved to approve the individual voucher in the amount of \$318.55 to Southam Business Communications for publication of advertisement for bids for Aircraft Parking Apron, Access Road, Storm Sewer and Lighting, Project No. 3 38 0017 15.

Second by Mr. Williams.

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

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

Approved Individual Voucher to Forum Publishing Company:

Mrs. Stanton moved to approve the individual voucher in the amount of \$100.10 to the Forum Publishing Company for publication of advertisement of bids for construction of water main and sanitary sewer in the northeast general aviation area.

Second by Mr. Williams.

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

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

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$2,272.29 to Ulteig Engineers, Inc. for partial payment request 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, Hentges and Cichy voted aye.

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

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$15,164.99 to Ulteig Engineers, Inc. for engineering services in connection with the Aircraft Parking Apron, Access Road, Storm Sewer and Lighting, Project No. 3 38 0017 15.

Second by Mr. Williams.

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

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

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$8,883.63 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the construction of water main and sanitary sewer in the northeast general aviation area.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy 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 1994:

Mr. Williams moved to receive and file the Statement of Operations for the Month of February 1994.

Second by Mrs. Stanton.

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

Received Bids for Water Main and Sanitary Sewer in Northeast General Aviation Area:

Bids were received and read as follows:

CONTRACTOR	BID BOND	LICENSE	ADDENDUM	BID AMOUNT
Dakota Underground Fargo, ND	5% X	X		\$345,795.00
Robert Gibb & Sons, Inc. Fargo, ND	5% X	X		\$377,370.00
Geo E. Haggart, Inc. Fargo, ND	5% X	X		\$398,531.20
Municipal Industrial Contr. Moorhead, MN	5% X	X		\$327,330.00
Olander Contracting Co. Fargo, ND	5% X	X		\$406,363.00
Schipper Construction Fargo, ND	5% X	X		\$341,532.10
Sherman Excavating West Fargo, ND	5% X	X		\$385,051.00

Mrs. Stanton moved the bids be received and referred to the Executive Director and Ulteig Engineers for evaluation and recommendation.

Second by Mr. Williams.

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

Received Bids for the Aircraft Parking Apron, Access Road, and Storm Sewer:

Bids for the aircraft parking apron, access road, and storm sewer were received and read as follows:

CONTRACTOR	BID BOND	DBE	LICENSE	ADDENDUM	BID AMOUNT
Border States Paving Fargo, ND	5% X	X	X		\$1,687,027.00
Dakota Underground Fargo, ND	5% X	X	X		\$2,097,492.50
Northern Improvement Fargo, ND	5% X	X	X		\$1,549,542.00
Teigen Construction Aberdeen, SD	5% X	X	X		\$1,860,123.10
Urban Contracting (Gibb) Fargo, ND	5% X	X	X		\$1,720,327.00

Received Bids for the Aircraft Parking Apron, Access Road, and Storm Sewer:
(Continued)

Mrs. Stanton moved the bids be received and referred to the Executive Director and Ulteig Engineers for evaluation and recommendation.

Second by Mr. Gallagher.

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

Bids for the electrical portion of the project were received and read as follows:

BID CONTRACTOR	BOND	DBE	LICENSE	ADDENDUM	BID AMOUNT
Edling Electric Bismarck, ND	5%	X	X	X	\$148,219.00
Fargo Electric Construction Fargo, ND	5%	X	X	X	\$113,540.00
Moorhead Electric Moorhead, MN	5%	X	X	X	\$140,590.00
Northern Electric Construction Fargo, ND	5%	X	X	X	\$139,359.00

Mr. Williams moved the bids be referred to the Executive Director and Ulteig Engineers for evaluation and recommendation.

Second by Mr. Hentges.

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

Mr. Parmer stated we have been concerned about funding for this project. He stated we have been following the legislation in Congress for reauthorization of the AIP bill. Mr. Parmer stated there has been a lot of discussion with the Air Transportation Association and the airlines regarding language in the bill which airports do not favor. Mr. Parmer stated he received a fax this morning from AAAE advising that the senate is meeting this morning to consider short term legislation. This would authorize a short term bill through June 30, 1994, providing funds of up to \$800 million to be allocated for entitlement, discretionary and letter of intent programs.

Mr. Parmer stated it appears Congress will possibly be able to fund some of the projects. Mr. Parmer stated he is bothered by the fact that the \$800 million is far short of the monies programed for the AIP legislation this year, which was approximately \$2 billion. Mr. Parmer stated he hopes Congress has taken into consideration the short construction season with which some airports have to deal. He stated he is not sure what action will be taken today and to what extend it will affect us. He added he will be on the phone immediately following the meeting to get an update.

Mr. Hentges stated we know the problem is with the airlines and their attempt to get some of the money siphoned to them. He stated this legislation is almost a year late should have been passed last October.

Mr. Parmer stated the AAAE is recommending the airports not object to the bill in its present form due to its temporary nature.

Mr. Hentges stated he presumes we would move ahead with the water and sewer project as the Airport Authority is funding that project.

Approved Storm Sewer Design and Construction Agreement Between the Municipal Airport Authority and the National Guard Bureau:

Mr. Parmer stated the National Guard Bureau is going to spend about \$400,000 on improvements to their storm sewer system and need authorization by the Airport Authority.

Mrs. Stanton moved to approve the storm sewer design and construction agreement between the Municipal Airport Authority and the National Guard Bureau.

Second by Mr. Gallagher.

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

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

Received Copy of Summons and Complaint, JoAnn Schrock vs. Municipal Airport Authority:

Mr. Parmer stated we have received a copy of a summons and complaint from JoAnn Schrock and recommended it be turned over to legal counsel.

Mr. Hentges moved to receive the summons and complaint and that the matter be turned over to legal counsel.

Second by Mrs. Stanton.

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

Other Business:

Mr. Parmer stated that we are required by the FAA to have a live emergency exercise at the airport every three years. He stated we have scheduled the live exercise for May 10 and our next planning meeting for the exercise is Wednesday, April 20th, 7:00 p.m. at the new armory building off County 20. He stated that Jim Hathaway, ANG fire chief in Sioux City, IA, will be giving a presentation on his experiences with the United DC10 disaster a few years ago.

After discussion on meeting dates for May, Mr, Hentges moved the Airport Authority meetings be held Tuesday, May 3 and Tuesday May 24.

Second by Mrs. Stanton.

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

Mr. Hentges moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, May 3, 1994, 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 11:02 a.m.

Regular Meeting

Tuesday

May 3, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, May 3, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Hentges, Cichy

Absent: None

Others: Stewart, Bromenschenkel, MacLeod

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 19, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held April 19, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$47,246.30:

Mr. Williams moved to approve the airport vouchers totaling \$47,246.30.

Second by Mrs. Stanton.

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

Absent and not voting: Hentges

The motion was declared carried.

Mr. Hentges now present.

Approved the Individual Voucher to Evenson Dodge, Inc.:

Mr. Williams moved to approve the individual voucher in the amount of \$18,411.03 to Evenson Dodge, Inc. for services rendered and expenses incurred for sale and issuance of \$1.4 million General Obligation Refunding Bonds.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Hentges, Williams and Cichy 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 March 1994:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of March 1994.

Second by Mrs. Stanton.

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

Approved Training Site Construction Agreement Between the Municipal Airport Authority and the National Guard Bureau:

Mr. Parmer stated when the airport closes Runway 3/21 to aircraft use the National Guard would like to use this as a training site. What they will be doing is blowing up the runway and rebuilding it. He added they hope to conduct the training this year. Mr. Parmer stated they would not actually proceed until the Airport Authority gives authorization to proceed, but we can approve the agreement in scope.

Mrs. Stanton moved to approve the training site construction agreement between the Municipal Airport Authority and the National Guard Bureau, contingent upon finalization of specifics.

Second by Mr. Hentges.

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

Received Communication from Renee Noehre and Pete Haug Concerning Improvements to Barnstormer Restaurant/Lounge:

Mr. Parmer stated he met with Pete Haug and Renee Noehre regarding a list of renovations and repairs to the Barnstormer Restaurant/Lounge. Mr. Parmer stated the Barnstormer's lease states that the lessee is responsible for maintenance of the leased space, normal wear and tear excepted.

Mr. Parmer stated it would be his recommendation that no specific action be taken today but that the Airport Authority members first have a chance to look over the facility and the specific requests.

Mr. Pete Haug was recognized and stated there are a number of items that need attention in the freight entry on the lower level and elevator area where the airline catering carts were transported. He added there are also a number of items in the dining area, although not all are essential.

Mrs. Stanton asked if the Authority members should take a look at the area today.

Mr. Parmer stated that is up to the members.

Mr. Williams stated he would like to get a recommendation from building maintenance as well.

Mr. Hentges moved to receive and file the communication and get a cost estimate for repairs from whatever source is practical.

Second by Mrs. Stanton.

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

Received Communication from PRACS Institute Indicating Continued Interest in Acquiring Lots in Airport First Addition:

Mr. Parmer stated PRACS Institute is presently located close to 28th Avenue North in the Airport First Addition. Mr. Parmer stated that a few years ago when both PRACS and Ferguson Brokerage were interested in lots in the Airport First Addition, a compromise was reached and PRACS wanted an option on Lot 1 and the north half of Lot 2, Block 1, Airport First Addition. Mr. Parmer stated Attorney Stewart drew up an option agreement but PRACS never executed the option. Mr. Parmer stated the option called for five percent of the purchase price to be applied toward the purchase price if the option was exercised or to be forfeited if the purchase is not completed.

Received Communication from PRACS Institute Indicating Continued Interest in Acquiring Lots in Airport First Addition: (Continued)

Mr. Parmer stated that he met with a representative of PRACS recently and advised him that we were going to start soliciting prospects to purchase the property. He stated if PRACS wishes to hold the property they should execute the option agreement.

Mr. Gallagher asked how long the option would be in effect.

Mr. Parmer stated the option would be for one year.

Mrs. Stanton asked if anyone else had shown an interest in the property.

Mr. Williams asked the value of the property.

Mr. Parmer stated the price is roughly \$70,000.

Mr. Hentges stated if PRACS needs the property he feels the Airport Authority should do what it can to sell it to them.

Mr. Hentges moved the Executive Director meet with PRACS Institute, Ltd. and work out a purchase or option agreement on the lots in the Airport First Addition.

Second by Mrs. Stanton.

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

John Wesolowski, City Forester, Wishes to Discuss Tree Planting Projects:

Mr. John Wesolowski, City Forester, was recognized and stated he has two tree planting projects to propose to the Airport Authority. The first project is in the area of the Westside Terminal. This would include new plantings as well as the replacement of some existing trees that have died. Most of the new trees would be planted in the area between the access roads. Ninety one trees would be required, 14 of which could be transplanted from the nursery. The other 77 would be contract planted at \$250 per tree for a total of \$19,250.

Mr. Wesolowski stated that in front of the maintenance shop he is recommending some trees to add a little color. Some of these trees could be moved in at no cost to the airport.

Mr. Hentges stated he feels the Airport Authority should do what it can to continue our landscape and tree planting plan. He stated he noticed this morning how nicely the trees are coming along.

Mr. Wesolowski stated he appreciated the positive comments. He stated they get many comments on the shelterbelt as well.

Mrs. Stanton indicated she liked the idea of some colorful trees and that she would like to see trees similar to those planted along the side of I 94.

In answer to a question regarding funding of these projects, Mr. Parmer stated the money would come from the Airport Improvement Fund.

Mr. Parmer stated during the winter of 1992/93 the Holy Cross Cemetery Association alerted him to a problem they were having with snow on that road and they felt the problem was the airport security fence. He stated he visited with the Street Department on the matter and they recommended planting a shelterbelt.

Mr. Wesolowski stated the shelterbelt would consist of five rows of trees taking about 4.6 acres out of production.

Mr. Parmer stated he does not feel the fence caused the problem but rather the way the snow on 32nd Avenue was handled.

Mrs. Stanton asked if this has been a problem every year or just this year because of the record snow fall.

Mr. Parmer stated he did not receive any calls this year with regard to snow problems on that road, but the cemetery association did feel it was a problem last winter.

Mr. Hentges stated he likes the idea of the shelterbelt for its beauty and maybe the cemetery associations would share in the cost of the shelterbelt.

John Wesolowski, City Forester, Wishes to Discuss Tree Planting Projects: (Continued)

Mr. Wesolowski outlined two options for the shelterbelt. Option 1 using all seedlings at a cost of \$1,850. Option 2 would use 494 evergreens transplanted from the existing shelterbelt and the remainder of the trees seedlings at a cost of \$4,660. He stated Option 2 will cost more but the advantage would be the larger trees immediately. He added although it is not necessary to thin out the evergreens in the existing shelterbelt but it would be good for the trees.

Mr. Cichy asked who would be responsible for cultivating the seedlings.

Mr. Wesolowski stated the airport would have to maintain the shelterbelt but the Forestry Department would provide continued technical assistance.

Mr. Hentges stated he would like to see the Airport Authority take Option 2 and visit with the cemetery associations to see if they can participate in the cost.

Mr. Hentges moved the Airport Authority authorize the Forestry Department to proceed with the tree planting proposed near the terminal facility and Option 2 for the cemetery road shelterbelt, with additional snow fence to be added if needed until the trees have matured.

Second by Mr. Williams.

Mr. Parmer stated an adjustment will be made to the tenant farmer for his costs incurred for fertilizing and seeding the area.

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

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

Mr. Parmer stated the Forestry Department has provided good service to the airport over the years.

Received Communication from Ulteig Engineers on Award of Water and Sewer Construction Contract:

Mr. Parmer stated bids were received at the last meeting for the water main and sanitary sewer construction in the northeast general aviation area. The low bidder was Municipal Industrial Contractors with a bid of \$328,250. After review of the bids by Ulteig Engineers they found some extension errors so the actual bid is \$900 more than the amount received at the bid opening. Mr. Parmer stated he received a letter from Ulteig Engineers recommending the bid be awarded to Municipal Industrial Contractors. He added that the contractor has indicated they would be able to start any time and Ulteig will forward an award letter upon concurrence of the Airport Authority.

Mr. Parmer stated the Airport Authority has investigated the possibility of securing economic development funds for the water and sewer project because of the new jobs that will be created in the new general aviation area. He stated he talked to Tracy Anderson, Lake Agassiz Regional Council, last week and it does not look like we will be able to get any funding. She had indicated that they have awarded funds only to those applicants with flood related losses. Mr. Parmer stated when the project is awarded the Airport Authority will be funding the entire project, unless the Authority members have some other ideas.

Mr. Hentges stated the Lake Agassiz Regional Council goes through the Bismarck Federal office of the Economic Development Administration (Mr. Cornelius Grant). He stated he feels we should continue to touch base with Mr. Grant from time to time and let him know we are interested in some assistance with job creation even if it is assisting the airport tenants in order to take some of the burden from the Airport Authority.

Mr. Parmer stated that even if we were to be awarded this type of funding, no work could be done on the project until the project was approved.

Received Communication from Ulteig Engineers on Award of Water and Sewer Construction Contract: (Continued)

Mr. Parmer stated it is not necessary for the Authority to award the project today but it is the desire of the Airport Authority to get the project done this construction season. He stated that Congress is still sitting on the AIP bill.

Mr. Hentges stated we will get AIP funding at some point but until that time we need to proceed with the project in the general aviation area. He stated he feels we should award the bid. He stated this does not mean we would close the door on possible assistance.

Mr. Parmer stated if we have any possibility of getting funding we want to be sure that we do not get the work done before the project is approved, if that is a determining factor for whether or not a project is eligible.

Mr. Hentges stated if the project needed to be delayed 30 days that is one thing but if the project is delayed until fall that is something else.

Mr. Parmer asked Mr. Richard Anderson, Ulteig Engineers to comment on the possibility of awarding the contract but not issuing a notice to proceed until a later date.

Mr. Richard Anderson, Ulteig Engineers, was recognized and stated it is possible to hold a pre construction conference but not start the project. He stated in his opinion the Airport Authority can forget about any EDA funds this fiscal year as all 1994 EDA money in North Dakota is going toward flood assistance.

Mr. Parmer stated when we started planning the development in the new general aviation area the Airport Authority was aware we would have to fund the water and sewer project.

Mr. Hentges stated the contractors are going to get busy and they can't wait around. He stated he feels we should proceed with the project as we have touched base as far as any EDA funding so he does not feel we are foolishly taking the risk of losing any funding.

Mr. Hentges moved the bid be awarded to Municipal Industrial Contractors based on their low bid of \$328,250, and that we proceed with the water and sewer project in the northeast general aviation area.

Second by Mrs. Stanton.

Mr. Parmer stated we will also need permanent utility and temporary construction easements as well as a letter of understanding with the North Dakota Air National Guard as the lines will cross airport land that is leased to the Air National Guard. Mr. Parmer stated that the project will affect operation on Runway 17/35 and require closure of the northerly portion for a short period of time but we are going to try to coordinate with the FAA on a VASI project they have this summer so the runway will have to be closed only once.

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

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

Adopted Resolutions of Appreciation to Retiring FAA Airports District Office Employees:

Mr. Parmer stated the FAA has had a program of offering incentives to long time employees for early retirement. He stated this will affect two employees in the Bismarck FAA office, Mrs. Hazel Blum and Mr. Milt Heupel, both long time employees. Mr. Parmer stated this leaves Mrs. Irene Porter as the only employee in the office. He stated he is not sure of the future of the office but the Airport Authority will, as it has in the past, do what it can to assure that office will remain in Bismarck.

Adopted Resolutions of Appreciation to Retiring FAA Airports District Office Employees:
(Continued)

Mrs. Stanton offer the following resolution of appreciation and moved its adoption:

WHEREAS, The Municipal Airport Authority of the City of Fargo, has learned of the recent retirement of Mr. Milton Heupel, FAA Airports Engineer, and,

WHEREAS, Mr. Milton Heupel has been a valuable and dedicated member of the aviation community and has served the Federal Aviation Administration, Hector International Airport, and the entire state of North Dakota, exceedingly well, and

WHEREAS, Mr. Milton Heupel, through his untiring devotion and dedication to duty, has been instrumental in tremendous improvements to the airports under the jurisdiction of his office.

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. Milton Heupel for his many years of dedicated service and wish him the best in his well deserved 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. Milton Heupel.

Second by Mr. Williams.

All members present voted aye and the resolution was declared to have been duly passed and adopted.

Mrs. Stanton offer the following resolution of appreciation and moved its adoption:

WHEREAS, The Municipal Airport Authority of the City of Fargo, has learned of the recent retirement of Mrs. Hazel Blum, FAA Airports Field Office, Bismarck, ND, and,

WHEREAS, Mrs. Hazel Blum, through her untiring devotion and dedication to duty, has been a credit not only to the Federal Aviation Administration but to all airports served by her office.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt thanks to Mrs. Hazel Blum for her many years of dedicated service and wish her the best in her well deserved 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 Mrs. Hazel Blum.

Second by Mr. Williams.

All members present voted aye and the resolution was declared to have been duly passed and adopted.

Mr. Parmer added that he has a meeting with Irene Porter in Bismarck on Thursday to discuss the 1995 AIP Program. He stated he will also try to get some information on the future of the FAA office in Bismarck.

OTHER BUSINESS:

Mr. Cichy appointed Mr. Tom Williams as the Airport Authority's representative to deal with the architects for the upcoming building in the new general aviation area.

Mr. Parmer stated the Airport Authority has discussed retaining Foss Associates as the architect for the proposed hangars and requested that Attorney Stewart develop a contractual agreement.

Mr. Hentges moved Attorney Stewart be directed to develop a contractual agreement between the Municipal Airport Authority and Foss Associates for architectural services on the proposed hangars in the general aviation area (WMI and Aviation Resources, Ltd.)

Second by Mrs. Stanton.

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

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, May 24, 1994, 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 11:17 a.m.

Regular Meeting

Tuesday

May 24, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, May 24, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Williams, Hentges, Cichy

Absent: Stanton

Others: Stewart, Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 3, 1994:

Mr. Williams moved to approve the minutes of the regular meeting of the Municipal Airport Authority held May 3, 1994.

Second by Mr. Gallagher.

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

Approved Airport Vouchers Totaling \$50,175.41:

Mr. Hentges moved to approve the airport vouchers totaling \$50,175.41.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$3,235.49 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$12,127.59 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with General Aviation Ramp and Taxiway Project No. 3 38 0017 15.

Second by Mr. Williams.

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

Absent and not voting: Stanton.

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$5,362.90 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with Water Main and Sanitary Sewer in the northeast general aviation area.

Second by Mr. Williams.

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

Absent and not voting: Stanton.

The motion was declared carried.

Authorized Execution of Contract Documents for Water and Sewer Project in General Aviation Area and Authorize Director to Issue Notice to Proceed Following Pre Construction Conference:

Mr. Parmer stated that at the last meeting the Airport Authority awarded the bid for the water and sewer project in the northeast general aviation area to the low bidder, Municipal Industrial Contractors. Mr. Parmer stated authorizing execution of the contract documents is routine procedure.

Mr. Hentges moved to authorize execution of contract documents for water and sewer project in general aviation area and to authorize the Director to issue Notice to Proceed following Pre Construction Conference.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Review Current AIP Legislation and Funding Levels:

Mr. Parmer stated the AIP legislation will determine how we will move ahead with the northeast general aviation ramp. He stated that Congress has passed an \$800 million temporary AIP bill and hopefully they are continuing to work on the balance of the bill. Mr. Parmer stated he and Mr. Wes Schon met with Irene Porter, FAA Airports District Office in Bismarck, as to how we can proceed with the project when we don't have funding for the entire project. Mr. Parmer stated it appears we may get a grant that will allow the construction of the ramp itself but nothing else, no roadway, fencing, storm sewer, or lighting. He stated we may get a grant for \$987,949. He stated he does now know how Irene came up with that number as nothing has come out of Washington yet as to the distribution of the funds. He stated that amount would allow us a project in the amount of \$1,097,000.

Mr. Parmer stated there is nothing the Airport Authority can do to speed up the process because we have to have the grant before we can accept it and proceed. He stated he and Mr. Schon feel we should we should schedule a pre construction

Review Current AIP Legislation and Funding Levels: (Continued)

conference at the first opportunity so that will be out of the way. He stated the federal people need a certain number of days prior to a pre construction conference but after the conference we can issue a notice to proceed. He stated there is no problem with having the pre construction conference prior to receiving the grant. Mr. Parmer stated this project is a replay of the Runway 8/26 Project where we ended up with three separate grants for one project. Mr. Parmer stated when we first discussed the project with Irene Porter she did not have enough funding to complete the ramp so we talked about down sizing the ramp but now it appears we may get the amount of dollars necessary to complete the ramp portion of the project.

Mr. Parmer stated we will be monitoring the situation on a daily basis and keep the Airport Authority members advised. He stated it is possible that we will have to call a special meeting of the Airport Authority to accept the grant. He added that the wording in the legislation calls for the money to be under grant by June 30. He stated a lot of airports will be left out in the cold because they have not yet gone to bid on their projects because they have been waiting to hear on the funding. He stated the only two airports in North Dakota that will get money under this bill will be Fargo and Grand Forks.

Accepted and Authorized Execution of Amendment #1 to AIP Project No. 3 38 0017 14 (Runway 8/26):

Mr. Parmer stated Amendment #1 to the AIP Project No. 3 38 1107 14 is basically a "clean up" amendment as no additional funds are required. The funds for this amendment are already in the grant. The amendment changes the description of what the grant allows us to do. Mr. Parmer stated we have talked about closing Runway 3/21 for a number of years. When 3/21 is closed the Guard has requested the northeast portion of the runway for their use. This will allow us to convert Runway 3/21 to a taxiway. He stated the estimated cost to convert the runway to a taxiway is a little over \$100,000 and those funds are already in the project.

Mr. Gallagher moved to accept and authorize execution of Amendment #1 to the Runway 8/26 Project No. 3 38 0017 14.

Second by Mr. Williams.

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

Absent and not voting: Stanton.

The motion was declared carried.

Received Draft Leases with Weather Modification Incorporated and Aviation Resources, Ltd.:

Mr. Parmer stated Attorney Stewart has drafted preliminary leases between the Municipal Airport Authority and both Weather Modification Incorporated and Aviation Resources, Ltd.

Attorney Stewart stated he sent draft leases to Weather Modification and Aviation Resources, Ltd. He stated he and Mr. Parmer have not had a chance to go over the leases yet. Mr. Stewart stated there are ground leases with both WMI and Aviation Resources, Ltd., a lease with Aviation Resources for the hangar building which will be owned by the Airport Authority, and a lease with Weather Modification Incorporated for the hangar building which will be owned by the Airport Authority but will have an option to purchase.

Mr. Gallagher moved to receive and file the draft leases with Weather Modification Incorporated and Aviation Resources, Ltd. and that they be referred to the Attorney and Executive Director for review and to gain input from the two parties.

Second by Mr. Williams.

Attorney Stewart stated we followed the development agreements in drafting the leases.

Received Draft Leases with Weather Modification Incorporated and Aviation Resources, Ltd.:
(Continued)

With regard to financing, Attorney Stewart stated that WMI will be funding the construction of their administration building but will be paying the Airport Authority for ground rental. As far as the WMI hangar, they will pay interest on the money from the time particular amounts are taken out for progress payments for construction. Mr. Stewart stated upon completion of the building and the issuance of a certificate of occupancy by the City, we will set up the payment schedule for the rental amount, based on the amortization schedule. Mr. Stewart stated as far as the bonding process for the Aviation Resources hangar, we will undertake the bonding process after the leases are signed. He stated he talked to the Finance Director about tax exempt bonds with a low interest rate as it would be in everyone's interest to get the lowest interest rate.

Mr. Parmer stated he is sure this matter will come up, but as far as our current air carrier leases, our outstanding bonds are part of those leases but this bond issue will in no way impact those leases.

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

Other Business:

Mr. Parmer stated that Frontier Airlines officials are still very confident they are going start service the first part of July. He stated we have furnished them a copy of our current air carrier lease but until this time we had not heard any specifics from them. He stated they would like the space formerly occupied by Republic Airlines.

Chairman Cichy asked if they had indicated anything about the status of an agreement with a connecting airline in Denver.

Mr. Parmer stated he knows they were working with a number of airlines and that certainly is an important matter for them. He added that they are still working on getting their approval and certification from the FAA. He stated the airline leases expire the end of this year and will then go into another five year term. He stated he is not sure whether we should make Frontier's lease for six months or five years and six months, as we want them to have the same expiration date.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated he does not feel it makes a whole lot of difference how the lease term is written. He asked the Airport Authority if they realistically felt that Frontier Airlines will be here a year from now. He asked how an airline can come to the least populated state in the country when United Airlines flew from Fargo to Denver with connections all over the world and they could not make it.

Adopted Resolution of Appreciation to Retiring NDANG Fire Chief, Vince Babler:

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

WHEREAS, The Municipal Airport Authority of the City of Fargo, has learned of the recent retirement of Mr. Vince Babler, Fire Chief, North Dakota Air National Guard, and

WHEREAS, Mr. Vince Babler has been a valuable and dedicated member of the aviation community and has served the North Dakota Air National Guard and Hector International Airport exceedingly well, and

WHEREAS, Mr. Vince Babler, through his untiring devotion and dedication to duty, has been a valuable asset to the North Dakota Air National Guard and Hector International Airport.

Adopted Resolution of Appreciation to Retiring NDANG Fire Chief, Vince Babler:
(Continued)

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. Vince Babler for his many years of dedicated service and wish him the best in his well deserved 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. Vince Babler.

Second by Mr. Williams.

All members present voted aye and the resolution was declared to have been duly passed and adopted.

Mr. Parmer stated we recently held our live emergency exercise at the airport which the FAA requires we hold every three years. He stated Mayor Furness and Mr. Gallagher attended as well as observers from the airport in Grand Forks and Fergus Falls. He stated he was very impressed with the cooperation we get from surrounding communities. He stated the medical emergency people have similar exercises on an annual basis.

Mr. Hentges moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, June 7, 1994, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Williams.

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

Regular Meeting

Tuesday

June 7, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, June 7, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Hentges, Cichy

Absent: None

Others: Stewart, Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 24, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held May 24, 1994.

Second by Mr. Hentges.

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

Approved the Airport Vouchers Totaling \$38,824.19:

Mr. Hentges moved to approve the airport vouchers totaling \$38,824.19.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy 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 \$23,517.50 to Northern Improvement Company for partial payment request for construction in connection with the Runway 8/26 Project No. 3 38 0017 12.

Second by Mr. Hentges.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy 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 \$9,287.50 to Northern Improvement Company for partial payment request for construction in connection with Runway 8/26 Project No. 3 38 0017 13.

Second by Mr. Hentges.

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

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

Approved the Individual Voucher to Cass County Soil Conservation District:

Mrs. Stanton moved to approve the payment request for trees planted in 32nd Avenue North shelterbelt.

Second by Mr. Hentges.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy 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 1994:

Mr. Williams moved to receive and file the Statement of Operations for the Month of April 1994.

Second by Mr. Gallagher.

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

Approved Frontier Airlines Request of Ticket Counter Back Wall Display:

Mr. Parmer stated Frontier Airlines had originally requested to lease the former Republic space but they have now changed their minds and are requesting the former American space. He stated they have sent a copy of their proposed display for the wall behind the ticket counter and the Airport Authority should approve this before they are authorized to go ahead.

Mrs. Stanton moved to approve the ticket counter backwall display proposed by Frontier Airlines.

Second by Mr. Gallagher.

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

Authorized Execution of Underground Service Form from Northern States Power Company:

Mr. Parmer stated NSP requires an Underground Service Form for the line going into the new general aviation area. He stated this service form is not really an easement but serves the same purpose.

Mrs. Stanton moved to authorize execution of the Underground Service Form with Northern States Power Company.

Second by Mr. Williams.

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

Reviewed AIP Funding for Project No. 3 38 0017 15:

Mr. Parmer stated he does not have any additional information on AIP funding for our construction project this year, other than the fact that it appears we will be getting a grant that will allow us to do a project with a cost of slightly more than \$1 million. He stated that amount will enable us to do the ramp and connecting taxiway but nothing else.

Mr. Parmer stated the latest information from AAEE is that Congress is discussing a multi year AIP bill this week. He stated he is not sure if this multi year bill would include the second half of this year's funding. He stated we are looking for the second half of this year's funding to complete the '94 project.

Mr. Parmer stated at the last meeting he indicated that Fargo and Grand Forks were the only airports in North Dakota that would be receiving AIP funds this year but since then he has learned that Bismarck has also received bids on a project. He added that this should not change the amount of funding we will receive.

Mr. Parmer stated no action is required of the Airport Authority today. He added that we will be holding a pre construction conference on Wednesday, June 8 at 10:00 a.m. in the Airport Boardroom.

Consider Initiating Land Acquisition Project as Illustrated on Airport Layout Plan:

Mr. Parmer stated he recently attended a meeting at the City Planning Office regarding development northeast of the airport. He stated someone is proposing a convenience store in the area on a parcel of land shown on our Airport Master Plan to be acquired by the Airport Authority. Mr. Parmer stated he feels it is time the Airport Authority considers purchasing this property. He stated we do not have an FAA grant at this time, but if we follow the FAA guidelines we can purchase the land and then come back to the FAA later for reimbursement. Mr. Parmer stated that in his discussion with Mrs. Irene Porter, FAA Bismarck, she has indicated there are a number of environmental considerations to be resolved.

Mrs. Stanton asked how many acres are involved.

Mr. Parmer stated the one section has approximately 40 acres but the Authority would have to determine how much land will be required but the most important matter now is that we do not want a convenience store located in a clear zone.

Mr. Parmer stated basically what he is looking for today is whether or not the Airport Authority wants to begin the process to acquire this land.

Chairman Cichy stated he did not think the Planning Commission would approve the location of a convenience store in a location that would conflict with the airport's master plan.

Mr. Williams moved the Executive Director be authorized to proceed with the steps necessary to acquire land north of the airport presently owned by A.W. Larson.

Second by Mr. Hentges.

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

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

Authorized Execution of Agreements Between the Municipal Airport Authority and Foss Associates for Hangar Design:

Mr. Parmer stated Attorney Stewart has read and approved the proposed agreements between the Municipal Airport Authority and Foss Associates for the design of hangars for Weather Modification Incorporated and Aviation Resources, Ltd.

Mr. Parmer stated in the agreement on the WMI hangar Foss Associates has estimated the cost of the hangar to be \$614,500 and the architect's fee based on 6.5% of the construction cost. He stated that the Aviation Resources, Ltd. hangar is estimated to cost \$1,327,000 and architects fees based on 6.25% of the construction cost.

Mr. Williams stated that after reviewing the plans he feels there are a number of items in the plan to be furnished by the Airport Authority. He stated he wonders if the Airport Authority is aware of all of these items and the costs. He suggested we have Ulteig Engineers look over the plans and give us an idea of the cost of these other items such as parking lots, sidewalks, etc.

Mr. Parmer stated that part of the access road into the general aviation area will be eligible for federal participation.

Mrs. Stanton moved to approve the agreement between the Municipal Airport Authority and Foss Associates for hangar designs.

Second by Mr. Hentges.

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

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

Approved Plans and Specifications for Weather Modification Incorporated Hangar/Office Complex and Authorize Advertisement for Bids:

Mr. Parmer stated it is a requirement that the Airport Authority approve the plans and specifications for the Weather Modification Incorporated hangar and office complex prior to advertisement for bids.

Mr. Williams asked that Mr. Bill Cowman, Foss Associates, review the plans with the Authority.

Mr. Cowman stated the WMI project is ready for advertisement for bids and they would like to begin advertising Thursday, June 9 as they are required to advertise three times (June 9, 13, 20). He stated they plan to receive bids June 30. Mr. Cowman stated the bid is set up to receive multiple plan contracts (mechanical/electrical) and for accounting purposes they have asked each contractor to identify the respective costs applying to the administration building and costs applying to the hangar building.

Mr. Cowman stated he discussed with Mr. Parmer and Attorney Stewart, the parting wall which will be between the hangar and the administration facility and that will be incorporated into the lease.

Mr. Cowman stated the hangar itself is estimated to cost \$614,500, plus the non construction costs of \$75,500 (architect/engineer fees, soil testing, etc.). The administration unit has an estimated construction cost of just a little under \$626,000 plus non construction costs, for a total of \$710,000. The total project cost estimate is \$1.4 million.

Mr. Cowman stated the bids to be received will be for the building only. He stated Mr. Williams was referring to the other items not included, such as utility service, parking lots, sidewalks. Mr. Cowman stated it will include utility connections. He stated the project will not include 20' of pavement from the ramp to the building.

Mr. Cowman stated the administration facility projects 14' beyond the hangar. He stated the reason for this is to gain visual access from the administration facility to the hangar. Mr. Cowman stated the hangar is a story and a half, metal panel, pre engineered system. The exterior of the administration unit is a stucco system. Mr. Cowman stated he has worked very hard with WMI and in the interest of the Airport Authority to keep the cost in line.

Mr. Cowman requested authorization from the Airport Authority to advertise for bids to be opened June 30, 1994.

Mr. Parmer brought up the matter of additional costs on the land side (parking lots, sidewalks, etc) and how much of that would be the responsibility of WMI and Aviation Resources.

Mr. Williams stated that is why he suggested we look at this carefully.

Mr. Cowman stated it is his understanding that the AIP project funding will include the access road from County Road 20, the east/west roadway system running along the north edge of the property.

Mr. Schon stated the access road will be connected to the ramp. He added that project will also include the security fencing, ramp lighting, taxiway lighting and airport entrance road lighting, although these items are not included in the AIP grant money we have been allocated at this point.

Approved Plans and Specifications for Weather Modification Incorporated Hangar/Office Complex and Authorize Advertisement for Bids: (Continued)

Mr. Williams stated the plans for the hangar call for a parapet roof. He stated he is set against a parapet roof but asked Mr. Cowman to comment.

Mr. Cowman stated the roof structure on the hangar is sloped but the walls extend to the top of the roof to give the building a neater appearance. He stated they have done a lot of research on the parapet roof and they do not feel the design will result in any maintenance problem. He stated they have designed the Valley Aviation hangar the same.

Mr. Williams stated it does square off the building and give it a nice clean design but it also raises the cost.

Mr. Williams moved the plans and specifications for the Weather Modification Incorporated hangar/office complex be approved and authorize advertisement for bids to be received Thursday, June 30, 1994 at 10:00 a.m. in the Airport Boardroom.

Second by Mrs. Stanton.

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

Mr. Parmer stated a matter came up just a few days ago with regard to the size of the proposed hangar for Aviation Resources, Ltd. and the fire suppression system required by the fire code. Mr. Parmer stated the fire code calls for a fire suppression system that would provide 5,000 gallons per minute for 45 minutes at 20 PSI. Mr. Parmer stated there is no way we would get that water supply through the proposed 12" line going into that area nor from the city system. He added the only way to get that would be to build a water tower.

Mr. Wes Schon stated he does not know the specifics on the fire suppression system that would be required but it could easily run in excess of \$250,000.

Mr. Cowman stated this is a national fire code and required for hangars with floor space over 12,000 ft. He stated the WMI hangar was sized in order to avoid this requirement. He added that Mr. Randy Booth from Foss Associates has been working with Norm Scott from the Fargo Fire Department and they are still doing research on what could be done to reduce the requirement.

Chairman Cichy asked how the Guard handles this requirement.

Mr. Schon stated they had to meet similar codes a few years ago and had to redo some of their buildings.

Received Report on New Salary Schedule for Airport Employees Recently Completed by the Board of City Commissioners:

Mr. Parmer stated the City of Fargo recently contracted with Ernst & Young to do a study of the City's salary structure. Mr. Parmer stated even though the Municipal Airport Authority is a separate entity the airport employees are part of the City personnel structure.

Mr. Parmer stated one of the purposes of the study was to cut down on the number of classifications. He stated after the first report from Ernst & Young came out there was some dissatisfaction among some of the airport employees and the concerns were brought before the Airport Authority. Mr. Parmer stated the Airport Authority supported the employees and endorsed the appeals. Mr. Parmer stated the appeal process was initiated and went through the various hearings. He stated these appeals were turned down by the City Commission. Mr. Parmer presented a breakdown of the various positions at the airport showing the old pay scale and the new one. Mr. Parmer stated the greatest difference is in the maintenance positions which were significantly reduced.

Received Report on New Salary Schedule for Airport Employees Recently Completed by the Board of City Commissioners: (Continued)

Mr. Parmer stated that a few years ago the Airport Authority requested the building engineer position be upgraded to Buildings and Grounds Engineer and the request was approved and implemented. He explained that after the Ernst & Young study that position was downgraded considerably. Mr. Parmer stated the person in the mechanic position also does not feel his classification is adequate. This classification was also appealed and was moved up slightly but he is still not satisfied that the classification is correct.

Mr. Parmer stated the Airport Authority should look to Commissioner Bromenschenkel for the next step that should be taken.

Mr. Gallagher asked Mr. Parmer what he wished to pursue.

Mr. Parmer stated he would like to continue the appeal process for the Airport Buildings and Grounds Engineer, which was downgraded to Maintenance Attendant III. Mr. Parmer stated the duties and responsibilities of each position have not changed and they are still required to do the same work as prior to the study.

Mr. Bromenschenkel stated he is not certain what the next step would be. He stated there will be a meeting with Ernst & Young this Thursday.

Mr. Hentges asked if all departments had input on the decisions.

Mr. Bromenschenkel stated all departments were involved in writing the job descriptions. He stated he is not sure if you can re appeal once you have lost an appeal. He stated unless there was a change in the job description from the original and if some duty or responsibility had been left out.

Mr. Parmer stated what bothered him more than anything else is the person evaluating the job descriptions never made a visit to the airport to see what each position requires. He stated each employee had to draft a job classification and submit to Personnel. He stated he is not sure what is going to be done but he would like to involve Attorney Stewart. He stated maybe we proceeded in the wrong manner and if there is a way to open up the matter again and review it. Mr. Parmer stated that currently most of the building maintenance people are now over the maximum pay scale and will not see an increase for a number of years.

Mrs. Stanton asked Mr. Bromenschenkel if the City's contract with Ernst & Young calls for them to be available for review of these matters even though the study has been completed. Mrs. Stanton stated she could live nicely on the money spent on salary studies for the City and County over the past 20 years. She stated some of these studies are alright, others are terrible. People who get a raise think the studies are wonderful and those who don't think they're lousy but there is no way she can judge. She stated she does not know how anyone could judge these positions without even coming out here.

Mr. Hentges stated if there is more than just maintenance involved in a position then a consideration should be made. He asked how much engineering is involved since we have a number of maintenance contracts.

Mr. Bromenschenkel stated the directive to Ernst & Young was to go by the job evaluation and the concept of equal work for equal pay and gender equality in the system. He stated he feels one of the fallacies of the program was that they asked each employee to write down what their job entails. He stated the supervisors should have been involved in the process also. He stated maybe some employees were better writers than others. He stated about the only thing that can be done at this time is to re evaluate the whole scenario as far as what was included in the job description. Chairman Cichy asked Mr. Bromenschenkel to advise the Airport Authority of the results of Thursday's meeting with Ernst & Young at the next Airport Authority meeting.

Received Report on New Salary Schedule for Airport Employees Recently Completed by the Board of City Commissioners: (Continued)

Mr. Parmer asked Mr. David Heck (Buildings and Grounds Engineer) for his comments.

Mr. Heck was recognized and stated he wrote his job description and Ernst & Young's evaluation did not include the fact that he supervises. According to Ernst & Young he does not make any decisions but only shows the building attendants how to do their work. Mr. Heck stated that according to his new job description he cannot perform his job the same as before, Mr. Parmer will have to tell him what to do. Mr. Heck stated as far as his appeal, the appeal session was a closed door meeting. Mr. Heck stated he talked to Mayor Furness and he indicated he never saw his job classification or the written appeal request from Mr. Parmer. Mr. Heck stated that Commissioner Preston indicated she did not know how the study works but that is why a Human Resources Coordinator was hired. Mr. Heck stated the results of this study has moved him back to the same classification as an Equipment Operator III, yet he has to make decisions about the building plus supervise five people.

Mr. Parmer stated everyone has to agree that the study should be fair to all employees but the results of the study should not result in a morale problem in the overall structure. He stated the employees' responsibilities have to remain the same as before the study. He stated he does not want to shut the door on the matter but wants to proceed in the best way possible and that is why he would like to involve Attorney Stewart.

Attorney Stewart stated it sounds to him like we have to do something with Ernst & Young and their evaluation of the job classification.

Chairman Cichy directed the Executive Director and Attorney Stewart to pursue the matter.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, June 21, 1994 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Hentges.

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

Time at adjournment was 11:45 a.m.

Regular Meeting

Tuesday

June 21, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, June 21, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Hentges, Cichy

Absent: None

Others: Stewart, Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 7, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held June 7, 1994.

Second by Mr. Williams.

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

Approved the Airport Vouchers Totaling \$34,654.95:

Mr. Hentges moved to approve the airport vouchers totaling \$34,654.95.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy 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 \$26,963.00 to Foss Associates for Payment Request No. 1 for professional services for the design of hangar facility to be leased to Weather Modification Incorporated.

Second by Mrs. Stanton.

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

No members 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 \$26,110.00 to Foss Associates for Payment Request No. 1 for professional services for the design of hangar facility to be leased to Aviation Resources, Ltd.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Hentges moved to approve the individual voucher in the amount of \$1,281.51 to Midwest Testing Laboratory for soil investigation work associated with construction of Weather Modification Incorporated hangar.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Forum Publishing Company:

Mr. Hentges moved to approve the individual voucher in the amount of \$169.32 to Forum Publishing Company for publication of invitation to bid for Weather Modification hangar facility.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Municipal Industrial Contracting:

Mr. Hentges moved to approve the individual voucher in the amount of \$97,095.91 to Municipal Industrial Contracting for Payment Request No. 1 for installation of sanitary sewer and water main in the northeast general aviation area.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$2,895.95 to Ulteig Engineers, Inc. for payment request for engineering services for the Runway 8/26 Project No. 3 38 0017 13.

Second by Mrs. Stanton.

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

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

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$2,869.71 to Ulteig Engineers, Inc. for payment request for engineering services in connection with Apron, Access Road and Drainage in the northeast general aviation area, AIP Project No. 3 38 0017 15.

Second by Mrs. Stanton.

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

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

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$2,439.19 to Ulteig Engineers, Inc. for engineering services for northeast general aviation area sanitary sewer, water main and parking lot construction, AIP Project No. 3 38 0017 15.

Second by Mrs. Stanton.

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

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

Reviewed Flowage Fee Requirements for Fixed Base Operators:

Mr. Parmer explained the Airport Authority requires the fixed base operators on the airport to pay a two cent per gallon fuel flowage fee, with the exception of fuel used in their own aircraft. Mr. Parmer stated several years ago the FBO on the field attempted to reach an agreement with Northwest Airlines to take over fueling their aircraft but the two cent flowage fee was prohibitive. There was an agreement between the FBO and the Airport Authority that if they were successful in contracting with Northwest Airlines the FBO would not have to charge them the two cent flowage fee. He stated that nothing has been put in writing with the existing operators.

Mr. Parmer suggested the Airport Authority instruct Attorney Stewart to draft an amendment clarifying this exception of the fuel flowage fee but limit it to air carrier traffic.

Chairman Cichy asked if this has been discussed with the FBOs.

Mr. Parmer stated the FBOs are familiar with the situation.

Mrs. Stanton moved the Executive Director and Attorney draft an agreement clarifying and formalizing the fuel flowage fee requirements for fixed base operators.

Second by Mr. Hentges.

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

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

Mr. Hentges Reviewed Terminal Smoking Policy:

Mr. Hentges stated he has talked with Mr. Parmer about the issue of smoking in the terminal building. He stated he is not on a personal crusade but he and Mr. Parmer have talked about the situation in the restaurant with Mr. Haug. He stated it is a difficult situation which needs some changes. Mr. Hentges stated the smoking section in the restaurant is along the left side of the restaurant and all customers walking into the restaurant walk through the smoking section. He stated apparently there is no workable situation for the restaurant as far as a smoking section. He stated the Minneapolis airport has gone smoke free except for a well ventilated area in one of the world clubs. Mr. Hentges stated he has been on campuses where even the grounds are smoke free and he feels this is something that is coming. Mr. Hentges stated he has visited informally with Mr. Haug about the restaurant being smoke free.

Mr. Hentges Reviewed Terminal Smoking Policy: (Continued)

Mr. Hentges stated he would be agreeable to declaring the restaurant smoke free but allowing smoking in the bar and lounge area. He stated he thinks within a year we will see a federal law banning smoking in public places. He stated evidence is continually mounting that second hand smoke is a health problem and he feels we should expand our policy and make the restaurant smoke free. He stated he would like some discussion on the matter.

Mr. Pete Haug was recognized and stated he would have no argument with making the main restaurant smoke free, but he would like smoking allowed in the bar and the west lounge area.

Mr. Hentges stated he would be okay with not going cold turkey at this point but phasing it in.

Mr. Hentges moved the Airport Authority declare the main restaurant area smoke free and allow smoking in the bar and west lounge area.

Second by Mrs. Stanton.

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

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

Reviewed FAA Flight Standards District Office Space Requirements:

Mr. Parmer stated the matter of additional office space for the FAA Flight Standards District Office in the Eastside Terminal has been ongoing for quite some time. Mr. Parmer stated we agreed to lease the Faker Office space on the second floor to the FAA/FSDO once it was vacated. Even with that additional space they felt they needed more so we asked EVAC to vacate the office space they were occupying on a gratis basis in order to accommodate the needs of the FAA. Mr. Parmer stated we have not finalized the leases on the space at this time but he wanted to bring the Airport Authority up to date on how much we have spent to remodel the space. He stated the cost for carpet, painting, light fixtures, etc. has been approximately \$2,000. He stated the major expense will be the air conditioning. Right now there are window units only in the two offices and the conference room. He stated there is a roof unit that takes care of the west side of the building. He stated we have received a couple of quotes for approximately \$6,000. Mr. Parmer stated the manager of the FAA office has indicated the window units will not be acceptable because of the noise generated. He stated since the estimate is \$6,000 he would like approval from the Airport Authority before proceeding.

Mr. Williams asked the term of the lease.

Mr. Parmer stated the terms of the leases are five years but they are governmental leases so they basically run year to year, depending upon appropriation by Congress. He stated if the tenant should vacate the premises the improvements will still be there.

Mr. Hentges moved the Executive Director be authorized to proceed with the necessary improvements to spaced leased by the FAA Flight Standards District Office.

Second by Mrs. Stanton.

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

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

Received Communication from Don Kilfoyl Reviewing the Possibility of Tying Into New Water Line:

Mr. Parmer stated he received a communication from Mr. Don Kilfoyl who lives south of County 20 and north of the airport boundary. He is requesting permission to tie into our water main, if and when it is feasible. He stated he is not sure how this would be handled so he contacted the City Engineer and he stated it was not necessary to put a "T" in as it is just as easy to tie into the existing line after it is installed if and when he wants the service.

Mr. Bromenschenkel stated it is the City's policy for a property owner to pay a hook up charge. He stated he would recommend advising Mr. Kilfoyl there will be a charge.

Mr. Hentges moved to receive and file the communication from Mr. Kilfoyl and that he be advised of the hook up charge.

Second by Mrs. Stanton.

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

Approved Plans and Specifications on Converting Runway 3/21 to Taxiway and Authorize Advertisement for Bids:

Mr. Parmer stated the converting of Runway 3/21 to a taxiway has been on our Airport Layout Plan for some time and the NDANG has been looking forward to this conversion.

Mr. Wes Schon, Ulteig Engineers, stated the project will basically consist of converting lights, signage, painting and work on the shoulders. He stated the project will amount to approximately \$125,000. He stated most of the cost will be in lighting. He stated this is money that is currently available to the Airport Authority which is left over from another project so we do not have to wait for a bill to be passed before we get the money. He added that with the concurrence of the Airport Authority we will open bids on July 19, 1994 at the Airport Authority's regular meeting.

Mr. Parmer stated the funding for this project is money that was surplus from the 3 38 0017 14 project.

Mr. Williams moved to approve the plans and specifications on converting Runway 3/21 to a taxiway and authorize advertisement for bids.

Second by Mrs. Stanton.

Mr. Schon stated we have a completion date of November 1 and should be able to meet that if we start in August. He stated it is about a four week project and the electrical work will take the most time.

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

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

Reviewed AIP Legislation and Proposed Projects:

Mr. Parmer stated since the last Airport Authority meeting he has received additional information on the AIP legislation as well as the fire suppression system for the Aviation Resources, Ltd. hangar which was discussed recently. Mr. Parmer asked Mr. Bill Cowman, Foss Associates, to comment on the hangar.

Mr. Bill Cowman was recognized and stated that since the Authority's last meeting there has been some discussion as to the requirement for the foam and water fire suppression systems for the Aviation Resources, Ltd. It was discussed at that time that we did not have the water pressure/water capacity to meet the requirements of the

Reviewed AIP Legislation and Proposed Projects: (Continued)

water suppression system. He stated they met with Norm Scott, local Fire Marshall, and Ron Strand, local Building Codes Administrator, to see if there were other options that would allow us to get around the overall requirements of the fire suppression system. Mr. Cowman stated what we learned from that meeting is that if we went with 30,000 s.f. hangar rather than a 30,800 s.f. hangar it would bring us into a parameter that would allow us to go to a Type 3 hangar, which would require the side walls to be a fire rated side wall system. He stated with that fire rating we would have to go to a pre cast concrete sidewall system on the hangar rather than the pre engineered metal structure. Mr. Cowman stated by doing that we are able to negate the fire suppression system in full. He stated the other thing we learned in that discussion is that if we went with the larger hangar and the required fire suppression system there would also be a requirement for a downstream reservoir system to collect the material if the system should go off. The reason for this is there would be gas and oil that would collect in the system and you would have to skim that off prior to discharging the material into the sewer system.

Mr. Cowman stated their rough estimate for the fire suppression system, using \$1.00 per gallon for the reservoir, plus the 60,000 gallon pump, would be \$310,000 upstream and \$250,000 downstream, so we are looking at \$560,000 just to satisfy the fire suppression system requirements upstream and downstream.

Mr. Cowman stated the estimated cost for the pre engineered metal structure was \$1,320,000 not counting the \$560,000 fire suppression system, and the estimated cost for the Type 3 concrete structure is \$1,396,000. Mr. Cowman stated in their discussions this morning it seems the prudent thing to do would be to go with the concrete structure and not get involved with the added costs of the upstream/downstream requirements of the fire protection system.

Mr. Williams stated going with the metal building plus the \$550,000 for the fire suppression system would put us way over the \$1.5 million we said we would spend. He stated it is his feeling if the tenant wants to spend that money it is up to him. Mr. Williams suggested we go with the concrete structure and reduce the size of the hangar by 800 square feet. He stated there are other problems with the reservoir system other than the cost. He stated he could see it frozen in the winter and he doesn't want to see the Airport Authority get involved in that. Mr. Williams stated it is his recommendation the bids call for a Type 3 concrete structure as well as an alternate roofing system.

Mr. Hentges stated this is a new phenomenon because of more strict fire codes. He stated you don't see many concrete hangars at airports.

Mr. Williams stated you see a lot of concrete hangars in Chicago.

Mr. Hentges asked if all of the existing hangars in the country are going to have to meet the code.

Mr. Williams stated that would not affect us. He stated he has no problem with concrete walls. The maintenance on them is low but the structure may be harder to heat. Mr. Williams stated there is no action by the Airport Authority is required at this time but this report was simply to keep the board up to date.

Mr. Parmer stated Congress passed temporary AIP legislation back in May to provide \$800 million for airport improvement projects. Mr. Parmer stated we do not have the grant at this time so we will have to call a special meeting sometime before June 30 to accept the grant.

Mr. Parmer stated that Congress has also approved the other half of the 1994 bill as well as 1995 and 1996, which he thought would be further delayed. He stated the reason for the delay in Congress because of debate on unrelated matters attached to the AIP bill. Those items were discussion on the Whitewater investigation, conflict

Reviewed AIP Legislation and Proposed Projects: (Continued)

in North Korea, and religious guidelines of the Equal Employment Opportunity Council. Mr. Parmer stated if we receive the second half of the grant we will be able to complete the project this year. He added that for a while the situation did not look favorable.

Mrs. Stanton asked Attorney Stewart if the Authority could take action to accept the grant prior to actually receiving it.

Attorney Stewart stated that could not be done and a special meeting should be called once the grant has been received.

Mr. Wes Schon stated the contract can be awarded at the same time the grant is accepted.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, July 5, 1994, 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 11:07 a.m.

Special Meeting

Wednesday

June 29, 1994

A special meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Wednesday, June 29, 1994 at 11:00 in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Williams, Hentges, Cichy

Absent: Gallagher

Others: Stewart

Chairman Cichy presiding.

Accept and Authorize Execution of AIP Grant 3 38 0017 15 in the Amount of \$845,364.00:

Mr. Hentges moved to accept and authorize execution of AIP Grant 3 38 0017 15 in the amount of \$845,364.00.

Second by Mr. Williams.

Mr. Parmer explained that our request for funds for this project in the northeast general aviation area was \$1,657,949, so we are still looking for \$812,585 to complete the project. Mr. Parmer stated our initial plan was that we would receive enough money for the first phase of the project which would include ramp and connecting taxiway. This would include no work on the access road, lighting, electrical or the fencing. Irene Porter, FAA, then advised us that the authorization was going to be reduced by \$250,000 so we changed directions and decided the first phase should include the roadway, the electrical work, all of the sub base work for the ramp and taxiway but no pavement. Irene later advised that there would be a little more money in this first grant. Mr. Parmer stated this first phase will complete the project with the exception of the concrete, which will amount to \$850,000.

Mr. Hentges asked Mr. Parmer what our prospects are to receive the balance of the needed funds in the 1994 appropriation.

Mr. Parmer referred to information he received from the American Association of Airport Executives in their Airport Alert with regard to activity in Congress regarding the bill. He stated according to the information received, Congress plans to complete action prior to the August recess.

Mr. Hentges asked Mr. Parmer if we have a chance to get the remainder of the funds this construction year.

Mr. Parmer stated he feels we do have a chance. He stated all of the other work will be completed and ready for the concrete by the time we get the grant. He stated the concrete work itself will not take that long.

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

Absent and not voting: Gallagher

The motion was declared carried.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, July 5, 1994 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Hentges.

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

Time at adjournment was 11:10 a.m.

Regular Meeting

Tuesday

July 5, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 5, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton*, Gallagher, Williams, Hentges, Cichy

Absent: None

Others: Stewart

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 21, 1994 and the Special Meeting Held June 29, 1994:

Mr. Williams moved to approve the minutes of the regular meeting of the Municipal Airport Authority held June 21, 1994, and the special meeting held June 29, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$39,816.11:

Mr. Hentges moved to approve the airport vouchers totaling \$39,816.11.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Received Report of Bids Received June 30, 1994 for the Weather Modification Incorporated Office and Hangar Complex:

Mr. Mark Foss, Foss Associates, was recognized and stated he is appearing on behalf of Mr. Bill Cowman who is on vacation. Mr. Foss referred to Mr. Comwan's letter of July 1, 1994 outlining the apparent low bids for the Weather Modification Incorporated office and hangar project received June 30, 1994:

GENERAL CONSTRUCTION

KBW Associates.....\$ 797,610.00
Fargo, North Dakota

MECHANICAL CONSTRUCTION

Manning Mechanical.....\$ 183,600.00 *
Fargo, North Dakota

ELECTRICAL CONSTRUCTION

Rick Electric.....\$ 141,950.00
Moorhead, MN

TOTAL \$1,123,160.00

Received Report of Bids Received June 30, 1994 for the Weather Modification Incorporated Office and Hangar Complex:

* Includes additional \$5,000 for Co Ray Vac infrared heating system.

Bids received total \$116,000 less than their construction estimate. Based on that they do not recommend acceptance of the alternates. Foss Associates recommends construction contracts be awarded to the contractors as listed above.

Mr. Foss stated there was a problem with the bid for the heating system and asked Mr. John Foss to explain it.

Mr. John Foss was recognized and explained that the base bid specifications included a continuous vacuum vented system which they feel is the best system on the market today. He stated they did allow contractors to bid write in alternate systems. He stated Manning did not use the Co Ray Vac system in their bid but used a different system which was \$10,000 less. Mr. Foss stated it was the recommendation of Mr. Williams that the Airport Authority split the difference with Manning and that each party pay \$5,000.

Mr. Williams stated even if the Airport Authority had charged Manning the full \$10,000 they still would have been the low bidder. Mr. Williams stated he feels this is a good compromise and will not offend any of the other bidders.

Chairman Cichy thanked Mr. Williams for his efforts on these building projects and stated the Airport Authority is fortunate to have someone with his background and expertise to assist in these projects.

Mr. Parmer asked the Airport Authority when it plans to award the bids.

Mr. Gallagher stated the bids should be awarded today.

Mr. Foss stated if the Airport Authority were to award the contracts today he would prepare the contract documents for the Airport Authority and WMI to review and sign.

Mr. Williams stated the Airport Authority asked for separate bids for the hangar and administration building but we did not get separate bids for this project. He stated he is satisfied that the hangar we are getting is approximately what we said we would spend. He added that he recommends separate bids be required for the next project.

Mr. Williams moved the Airport Authority accept the architect's recommendation to award bids to KBW Associates, Manning Mechanical, and Rick Electric.

Second by Mr. Hentges.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved Plans and Specifications for Aviation Resources, Ltd. Office and Hangar Complex and Authorize Advertisement for Bids:

Mr. Bob Ames, Foss Associates, was recognized and stated he brought just a basic floor plan of the Aviation Resources, Ltd. project today but that a more complete set of documents was given to Mr. Williams for his review.

Mr. Ames stated the original plan was for a 30,800 s.f. metal structure with an automatic fire sprinkler system. This plan changed when the cost associated with the sprinkler system was found to be exorbitant. Mr. Ames stated that by changing the structure to a Type 3 hangar under 30,000 (29,952 s.f.) it allows us to build the structure without an automatic sprinkler system. He stated in order to do that they also had to change the construction type to a more fire resistant structure. He stated they are now proposing to use a prefabricated concrete. The base spec for the roof would be a standard steel joist roof system.

Approved Plans and Specifications for Aviation Resources, Ltd. Office and Hangar Complex and Authorize Advertisement for Bids: (Continued)

In answer to a question from Mr. Williams, Mr. Ames stated the hangar door will be 112' wide and 28' high.

Mr. Williams asked what aircraft that will accommodate.

Dr. Hamilton stated that will accommodate a G3 or G4.

Mr. Mark Foss stated the estimated cost is \$1,344,300 which is \$44.08 per square foot. He added that this is construction costs only.

Chairman Cichy asked Mr. Williams if he is comfortable with the Airport Authority's moving ahead.

Mr. Williams stated he is comfortable with moving ahead if we can pay for it.

Mr. Parmer stated he has talked with Attorney Stewart about when we need to get serious about the bonding process. He stated we have drafted agreements as far as the pay back feature but we have not officially retained a bond consultant.

Attorney Stewart suggested the Airport Authority may want to take official action on this. He added that Mr. Parmer has had some correspondence with Evenson Dodge.

Mr. Parmer stated he has had correspondence and conversations with Evenson Dodge but the Airport Authority has not officially retained them as bond consultant.

Mr. Williams asked Mr. Parmer if he was comfortable with moving ahead on this project.

Mr. Parmer stated he was and asked that there be separate motions for approval of plans and specifications and directing the attorney to proceed with the necessary steps for bonding procedure.

Mr. Williams moved to approve the plans and specifications for the Aviation Resources, Ltd. office and hangar complex and authorized advertisement for bids to be received 2:00 p.m. on July 28, 1994 in the Airport Boardroom.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Mr. Gallagher moved the Airport Authority attorney be directed to proceed with the bonding process for the Aviation Resources, Ltd. hangar project and that he work with Evenson Dodge and Mr. Brian Neugebauer.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved Change Order No. 1 to Municipal Industrial Contracting, inc. for Sanitary Sewer and Water Main Project (Net Increase \$184.00):

Mr. Wes Schon, Ulteig Engineers, was recognized and explained that they have a change order to the sanitary sewer and water main project in the northeast general aviation area. Mr. Schon stated that we will be boring across County 20 for both the water and sewer. He stated they proposed 24" for the water and 18" for the sewer but now the contractor has come back and suggested we could get by with smaller casings for a deduct of \$1,200. Mr. Schon indicated to the contractor that if the deduct were \$3,000 he would bring it before the Airport authority. The smaller casings will be 20" and 16". Mr. Schon stated the other item in the change order includes rerouting the sewer closer to the buildings in the area which will call for another manhole. He stated this will be an increase of \$3,184 for a net increase of \$184.

Approved Change Order No. 1 to Municipal Industrial Contracting, inc. for Sanitary Sewer and Water Main Project (Net Increase \$184.00): (Continued)

Mr. Schon stated there may be some other changes in the future depending on the requirements for connecting to the WMI and Aviation Resources buildings.

Mr. Williams moved to approve Change Order #1 to the sanitary sewer and water main project in the northeast general aviation area.

Second by Mr. Hentges.

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

Absent and not voting: Stanton

The motion was declared carried.

Awarded Contract for the General Aviation Area Apron, Connecting Taxiway, Access Road and Other Improvements to Northern Improvement Company (Project No. 3 38 0017 15):

Mr. Parmer stated the Airport Authority is now in a position to award the contract for Project 3 38 0017 15, as the grant was accepted last week. Mr. Parmer stated since we did not receive the entire amount of funding requested, Mr. Schon has suggested the Airport Authority award the entire contract and reduce the amount of the project by change order so that when we receive the second grant for this project it can be added by change order.

Mr. Schon stated the amount of the entire project is \$1,549,000 for Northern's portion and \$113,540 for the electrical portion (Fargo Electric). He stated the change order would deduct approximately \$880,000, which is the amount for the actual paving portion of the project.

Mr. Hentges moved to award the contract for the General Aviation Area Apron, Connecting Taxiway, Access Road and Other Improvements, Project No. 3 38 0017 15 to Northern Improvement Company.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved Change Order No. 1 to General Aviation Ramp, Connecting Taxiway, Access Road and Other Improvements, Project No. 3 38 0017 15:

Mr. Schon stated this change order reduces the amount of the project by \$880,000, which is the paving portion of the project, and will be added back to the project when funding is received.

Mr. Gallagher moved to approve Change Order No. 1 to the General Aviation Ramp, Connecting Taxiway, Access Road and Other Improvements, Project No. 3 38 0017 15.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Awarded Contract for Electrical Portion of the General Aviation Area Apron, Connecting Taxiway, Access Road and Other Improvements (Project No. 3 38 0017 15) to Fargo Electric Construction:

Mr. Parmer stated the contract for the electrical portion of the General Aviation Area Apron, Connecting Taxiway, Access Road, and Other Improvements (Project No. 3 38 0017 15), will be awarded in its entirety.

Awarded Contract for Electrical Portion of the General Aviation Area Apron, Connecting Taxiway, Access Road and Other Improvements (Project No. 3 38 0017 15) to Fargo Electric Construction:
(Continued)

Mr. Williams moved to award the contract for the electrical portion of the General Aviation Area Apron, Connecting Taxiway, Access Road and Other Improvements (Project No. 3 38 0017 15) to Fargo Electric Construction.

Second by Mr. Hentges.

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

Absent and not voting: Stanton

The motion was declared carried.

Received Notice of Grant Offer from North Dakota Aeronautics Commission in the Amount of \$56,857.00:

Mr. Parmer stated he appeared before the North Dakota Aeronautics Commission in Bismarck on June 27, 1994, for the distribution of the state block grant. Mr. Parmer stated Hector Airport was awarded \$56,857 to be credited to the general aviation ramp and taxiway project.

Mr. Williams moved to accept the grant in the amount of \$56,857.00 from the North Dakota Aeronautics Commission.

Second by Mr. Hentges.

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

Received Communication from Frontier Airlines Outlining Their Inaugural Activities:

Mr. Parmer stated he received a communication from Mr. M.C. "Hank" Lund, President and CEO of Frontier Airlines, announcing their inaugural flight this afternoon. Mr. Parmer stated their first arrival is at 1:40 p.m. today and the ceremony will begin approximately 1:00 p.m.

Mr. Williams moved to receive and file the communication from Frontier Airlines.

Second by Mr. Gallagher.

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

Received Communication from AirVantage Requesting to Enplane/Deplane Passengers at the Westside Terminal:

Mr. Parmer stated AirVantage presently leases counter space in the Westside Terminal where their morning passengers check in and are then transported to the eastside general aviation area for boarding. AirVantage is now requesting permission to board passengers at the Westside Terminal. Mr. Parmer stated there would be one morning flight and two evening flights involved. Mr. Parmer stated they would be deplaning freight at the same time. Mr. Parmer stated he does not have a problem with this request as long as a location is designated and as long as it does not interfere with present operators on the ramp.

Mr. Steve Dahl, United Express Manager, was recognized and stated he would have reservations about the operation unless there were some type of location designated and markings showing where the aircraft can turn. He stated these AirVantage times are at the same time as United Express flights and they presently have 21 flights a day.

Mr. Parmer stated as far as the location on the ramp for AirVantage he was looking at an area further west on the ramp.

Mr. Dahl asked Mr. Parmer if he is referring to the mail handling area.

Mr. Parmer stated it would probably be north of the mail handling area.

Received Communication from AirVantage Requesting to Enplane/Deplane Passengers at the Westside Terminal: (Continued)

Mr. Dahl stated his concern is how the AirVantage passengers would be routed on the ramp if they are that far from the gate. Chairman Cichy stated he feels Mr. Parmer should meet with AirVantage personnel and the airline managers to work out the details.

Mr. Hentges moved to receive and file the communication from AirVantage and authorize the Executive Director to work out a satisfactory arrangement with the interested parties.
Second by Mr. Williams.

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

* Mrs. Stanton now present.

Mr. Pete Haug Requested Signage Changes in Barnstormer Area:

Mr. Pete Haug, owner of The Barnstormer, was recognized and stated since United and American have pulled out they have seen a drastic reduction in traffic at The Barnstormer. He stated boardings at the airport are probably about the same but with some of the passengers boarding on the lower level many people do not even come up to the second floor. Mr. Haug stated he would like authorization to install a sign ("Restaurant/Bar") near the snack counter so the sign can be seen on the lower level. He added that since it will be part of the permanent structure he is requesting the Airport Authority pay for the sign. He stated the cost of the sign will be \$1,209.

Mr. Hentges moved to approve the Barnstormer's request for a sign and authorized the Executive Director to work out the details with the restaurant.

Second by Mrs. Stanton.

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

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

Received Summons and Complaint, Julia Ingalls vs. Municipal Airport Authority:

Mr. Parmer stated this was an incident that occurred three years ago and Julia Ingalls claims the automatic doors closed on her. Mr. Parmer recommended this be turned over to the Airport Authority Attorney.

Mr. Hentges moved to receive the Summons and Complaint and that it be referred to Attorney Stewart.

Second by Mr. Williams.

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

Discussed Allocation of Site for Fuel Farm in Northeast General Aviation Area:

Mr. Parmer stated with the development of the new general aviation area we will be faced with the task of selecting a site for a fuel farm in that area. Mr. Parmer stated the Airport Authority can sit down with interested parties and start discussing a site. He added that any site chosen is subject to the approval of the FAA and other regulatory agencies.

Mr. Hentges moved the Airport Authority proceed with the selection of a location for a fuel farm in the northeast general aviation area.

Second by Mr. Gallagher.

Discussed Allocation of Site for Fuel Farm in Northeast General Aviation Area: (Continued)

Mr. Hentges stated the Airport Authority must provide a fueling location for the general aviation aircraft owners. We cannot deny aircraft owners the right to fuel their own aircraft but we can designate where this activity can take place.

Mr. Parmer stated he is not talking about self fueling operations at this time but rather a fuel farm for the tenants/FBOs in the area.

Mr. Hentges stated the FBOs will probably want to have some input as to where the self fueling is performed. He added that he feels the Airport Authority would want to consolidate all of the fueling activity as much as possible.

Mrs. Stanton asked if an area for fuel/fueling is addressed on the Airport Master Plan.

Mr. Parmer stated he has had a site in mind but there is a lot of area to be considered.

Mrs. Stanton moved the Executive Director be authorized to move ahead with the process of selecting a location for fuel in the northeast general aviation area.

Second by Mr. Gallagher.

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 19, 1994 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 11:09 a.m.

Regular Meeting

Tuesday

July 19, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 19, 1994, at 1:30 p.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Williams, Hentges, Gallagher

Absent: Stanton, Cichy

Others: Stewart, Bromenschenkel

Vice Chairman Gallagher presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 5, 1994:

Mr. Hentges moved to approve the minutes of the regular meeting of the Municipal Airport Authority held July 5, 1994.

Second by Mr. Williams.

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

Approved the Airport Vouchers Totaling \$50,079.02:

Mr. Hentges moved to approve the airport vouchers totaling \$50,079.02.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Approved the Individual Voucher to Cass County Soil Conservation District:

Mr. Hentges moved to approve the individual voucher in the amount of \$253.00 to the Cass County Soil Conservation District for balance due on trees for the 32nd Avenue North shelterbelt.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Approved the Individual Voucher to Southam Business Communications:

Mr. Hentges moved to approve the individual voucher in the amount of \$223.10 to Southam Business Communications for advertisement for bids for the conversion of Runway 3/21 to a taxiway, Project No. 3 38 0017 14.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Mr. Hentges moved to approve the individual voucher in the amount of \$227.92 to the Forum Publishing Company for advertisement for bids for the conversion of Runway 3/21 to a taxiway.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Approved Individual Voucher to Forum Publishing Company:

Mr. Hentges moved to approve the individual voucher in the amount of \$77.04 to Forum Publishing Company for advertisement for bids for the Aviation Resources, Ltd. hangar and office complex.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Approved Individual Voucher to Forum Publishing Company:

Mr. Hentges moved to approve the individual voucher in the amount \$169.32 to the Forum Publishing Company for invitation to bid for the Aviation Resources, Ltd. hangar and office complex.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$6,379.31 to Ulteig Engineers, Inc. for payment requests for engineering services in connection with Runway 8/26 Project No. 3 38 0017 12 (\$2,000.00) and Project No. 3 38 0017 13 (\$4,379.31).

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$3,813.44 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the General Aviation Ramp, Connecting Taxiway, Access Road and Other Improvements, Project No. 3 38 0017 15.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Approved Individual Voucher to Ulteig Engineers, Inc.

Mr. Hentges moved to approve the individual voucher in the amount of \$2,515.20 to Ulteig Engineers, Inc. for payment request for engineering services in connection with sewer, water and parking lot project.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Discussed Payment Requests from Foss Associates:

Foss Associates submitted payment requests to the Airport Authority in the amount of \$2,696.20 for architectural services in connection with the Weather Modification Incorporated hangar and office complex and in the amount of \$23,041.05 for architectural services in connection with the Aviation Resources, Ltd. hangar and office complex.

Mr. Hentges stated he would like discussion on these requests and clarification from the Executive Director and Attorney on what would be appropriate as far as payment to the architect on our two hangar/office complex projects. He stated after the last meeting it seemed to him that the Airport Authority was getting ahead of itself as far as payments to the architect. He stated the Airport Authority does have a contract with the architect and they have done some work but he was under the assumption that there were some conditions in the contract that everything be in order with regard to leases and guarantees before moving ahead. Mr. Hentges stated he does not know that the Airport Authority has those leases and guarantees in hand and he does not feel the Authority should be paying any more out until these things are in order.

Mr. Williams stated with these payment requests submitted by Foss Associates on today's agenda they have submitted requests for approximately \$70,000. Mr. Williams asked what would happen if one or both of the projects blew up. He stated he does not think it is good business to have \$70,000 tied up in a project with nothing to show for it except some drawings.

Mr. Hentges stated he feels the Airport Authority should also be involved in the portion of the projects that are going to be funded by the tenant. He added the Airport Authority should know that everything is in order for the private sector portions of the project before we start spending this kind of money.

Mr. Parmer stated the Development Agreements between the Airport Authority and Weather Modification Incorporated and Aviation Resources, Ltd. have been signed but the lease agreements and option agreements have not been executed.

Mr. Hentges stated there is a lot of specific language that goes into the lease that is not in the development agreement. He stated that until the leases are signed he is not prepared to spend any more money. He stated he wants the Airport Authority to put the brakes on things until everything is in order. Mr. Hentges stated two weeks ago the Airport Authority approved payment of \$50,000 to Foss Associates and he feels we can wait two more weeks until everything is in order.

Mr. Parmer stated if both projects were cancelled today the Airport Authority would still be obligated to pay the fees to Foss Associates.

Mr. Hentges stated we should have been on top of that and the architect should not have gone ahead until the leases were in order.

Dr. Clif Hamilton, Aviation Resources, Ltd., was recognized and stated he feels it would be appropriate for the Airport Authority not to approve further payment at this time. He stated that all of his private sector financing is contingent upon their securing a ground lease with the Airport Authority. Dr. Hamilton stated they have slowed their process down until they are sure the Airport Authority is going to get funding for the ramp project. He stated he feels at the present time if everything falls through on their project then it is the fault of Aviation Resources, Ltd. and they would be responsible for all of the architect's fees. Dr. Hamilton

Discussed Payment Requests from Foss Associates: (Continued)

stated however if the project falls through because the Airport Authority is not able to get financing through bonds then he would not be happy about paying architect's fees. He stated that Aviation Resources has already received a bill for architectural fees for about \$52,000 for their portion.

Mr. Hentges stated if it is permissible he would recommend delaying payment on the architect's request until a later date. Mr. Hentges added if Aviation Resources or Weather Modification Incorporated need something from the Airport Authority in order to secure their private sector financing then the Airport Authority should be made aware of that. Mr. Hentges stated the development agreement is a letter of intent but does not obligate the parties in the way a lease will. Mr. Hentges stated all of the leases and agreements should be completed by the Authority's next meeting.

Mr. Parmer read a portion of the development agreement stating:

"Additional Written Agreements: The facility is to be constructed as agreed upon in writing between the parties prior to commitment of construction."

Mr. Hentges stated in his business he does not spend even \$5,000 in architectural fees until he has a lease with the tenant in hand.

Mr. Parmer stated another facet is that all of the plans have to be approved by the FAA and a shadow study must be conducted. Mr. Parmer stated he is not concerned about these steps other than they are time consuming.

Mr. Hentges stated the architectural fees billed to the Airport Authority are for the hangar facilities, which will be a structural steel system purchased from a national manufacturer. He stated he feels this is a horrendous amount of money since the manufacturers of these building systems do a lot of the design work.

Mr. Hentges moved the Airport Authority delay payment requests from Foss Associates until the meeting of August 2, 1994.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Mr. Hentges added that he will not support payment of the requests unless the leases have been signed.

Received and Filed Statement of Operations for the Month of May 1994:

Mr. Williams moved to receive and file the Statement of Operations for the Month of May 1994.

Second by Mr. Hentges.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Received Bids on Conversion of Runway 3/21 to a Taxiway, Project No. 3 38 0017 14:

Mr. Parmer stated the advertisement for bids for the project converting Runway 3/21 to a taxiway called for bids to be opened at 10:30 a.m. on Tuesday, July 19. He stated the time of the regular meeting was changed to 1:30 but we went ahead with the opening of bids at 10:30 a.m.

Mr. Parmer stated bids were received as follows:

Edling Electric.....	\$142,041.00
Fargo Electric Construction.....	\$170,305.00
Moorhead Electric.....	\$168,104.00
Northern Electric Construction.....	\$128,400.00
Engineer's Estimate.....	\$132,415.00

Received Bids on Conversion of Runway 3/21 to a Taxiway, Project No. 3 38 0017 14:
(Continued)

Mr. Hentges moved the bids be received and referred to the Executive Director and Ulteig Engineers for evaluation and recommendation.

Second by Mr. Williams.

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

Mr. Wes Schon, Ulteig Engineers, was recognized and stated that he has reviewed the bids received this morning and the only problem he has found so far is with the DBE (Disadvantaged Business Enterprise) requirements on Northern Electric's bid. He stated the three other bidders had some DBE participation in the project but Northern Electric's bid did not include any DBE participation, which is a federal requirement. Mr. Parmer stated our DBE goal on all federally funded projects is 10.8%. If we do not meet our goal it is necessary to determine whether or not the contractor made a good faith effort to secure DBE participation. Mr. Parmer stated he is not sure the bidder did make a good faith effort but that is something Mr. Schon will look into.

Mr. Hentges stated if his memory serves him correctly the Airport Authority had some problems with the low bidder in the past trying to get a project completed.

Mr. Schon stated Northern Electric does have a history of bidding a number of jobs and then sometimes has trouble completing the work. Mr. Schon stated he and Mr. Parmer have had some frank discussions with them about this.

Mr. Williams stated the contractor should be advised that he does not get more than 50% of the contract amount until the project is completed.

Mr. Hentges stated that does not seem to matter to them.

Mr. Schon stated this is not the only project Ulteig and Northern Electric are both involved in and they seem to face the same dilemma on each one.

Received Progress Report on General Aviation Ramp, Connecting Taxiway, Access Road and Other Improvements, Project No. 3 38 0017 15:

Mr. Parmer stated we have still received only half of the federal funding we have requested and expect to receive for this project. He stated the water and sewer portion of the project which is funded solely by the Airport Authority has been delayed because of the weather but this should not hold up completion of the remainder of the project. Mr. Parmer stated we have received funding for 50% of the project and we have awarded the contracts. He added that we anticipate receiving the pavement money before the construction season ends, even though no further action has been taken by Congress.

Mr. Parmer stated Irene Porter, Bismarck FAA Office, called to see if we would be willing to commit 50% of our 1995 enplanement funds toward this project if that was necessary in order to complete this project. Mr. Parmer stated we had to say yes if that is the only way we could get the remainder of the funds needed. Mr. Parmer stated 50% of our 1995 enplanement money is only 50% of the overall project so we would still have 50% of our 1995 enplanement money remaining. Mr. Parmer stated we have no further commitments from them so we are going to proceed with the project and if the weather cooperates hopefully we will see some action up there in the next few days.

Discussed Possible Commitment to Lease to Fargo Park District Certain Land to be Acquired:

Mr. Parmer stated he met with a representative of the Fargo Planning Office last week. He stated they are planning the development of land north and east of the airport boundary, which currently belongs to Arnie Larson, and the developer is required to provide a certain amount of park space relative to the amount of land developed.

Discussed Possible Commitment to Lease to Fargo Park District Certain Land to be Acquired:
(Continued)

Mr. Parmer stated the Park District is looking at some of the land the Airport Authority may acquire. He stated they wanted to know if the Airport Authority would be willing to work with the Park District in leasing certain land for a neighborhood park. Mr. Parmer stated the only thing we have to be concerned about is the type of agreement we have with them and the remuneration. Mr. Parmer stated since the land will be purchased with AIP funds we would have to get a fair rental price for the land rented. For example, if we leased land to a tenant farmer for \$50 an acre we would have to get the same from the Park District. Mr. Parmer stated that the Planning Office is looking for something from the Airport Authority stating they will agree to work with the Fargo Park District in leasing certain lands to be used for park purposes.

Mr. Hentges moved the Airport Authority work with the Fargo Park District in leasing certain land for fees to be determined.

Second by Mr. Williams.

Mr. Bromenschenkel stated if the Airport Authority purchases the land and leases it to the Park District that would satisfy the requirement for the developer to provide park area. He added that if the developer does not have to use a portion of their own land for the park but is able to sell that much more land this arrangement would be a definite benefit to the developer.

Mr. Hentges stated he would like to see the Airport Authority move ahead with acquiring the land.

Mr. Parmer stated he also had a suggestion that the land the Airport Authority owns east of University along the extended 10th Street North be used for the required park land.

Mr. Hentges stated developers now assess the costs for the park back to the benefiting neighborhood and the residents east of the tree line along 10th Street are not going to want to pay for a park. He stated the Park District will have to find another way to pay for it and going into a new area would work. Mr. Hentges stated the Park Board is so far behind in their money and commitments that they have to have to assess the neighborhood to get a project going.

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

Accepted Good Faith Effort Shown by Northern Improvement Company in Attempting to Secure DBE Subcontractors for AIP Project No. 3 38 0017 15:

Mr. Parmer stated the FAA requires us to set goals for DBE (Disadvantaged Business Enterprise) participation for our airport improvement projects. He stated our present approved goal is 10.8%.

Mr. Wes Schon, Ulteig Engineers, stated Northern Improvement Company has provided us with documentation on their efforts to obtain DBE participation for the general aviation ramp, taxiway and access road project. He stated they were able to obtain 5.44% which is short of the 10.8% goal but he feels they made a good faith effort.

Mr. Parmer stated last year we had a \$60,000 item in a project for trucking services and a qualified DBE provided \$20,000 of that work. He stated the FAA Civil Rights person asked why the DBE could not provide the entire \$60,000 item but he explained it was a small firm with only one or two trucks and they would have been tied up with one project the entire summer. Mr. Parmer stated he accepted that explanation.

Accepted Good Faith Effort Shown by Northern Improvement Company in Attempting to Secure DBE Subcontractors for AIP Project No. 3 38 0017 15: (Continued)

Mr. Hentges moved to approve the good faith effort put forth by Northern Improvement to meet the requirements of the DBE goals for AIP Project 3 38 0017 15.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Cichy

The motion was declared carried.

Mr. Hentges moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, August 2, 1994 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 2:15 p.m.

Regular Meeting

Tuesday

August 2, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, August 2, 1994 at 10:30 a.m. in the Airport Boardroom. The members present or absent were as follows:

Present: Stanton*, Gallagher, Williams, Hentges, Cichy

Absent: None

Others: Stewart

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 19, 1994:

Mr. Williams moved to approve the minutes of the regular meeting of the Municipal Airport Authority held July 19, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$46,703.88:

Mr. Hentges moved to approve the airport vouchers totaling \$46,703.88.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved Individual Voucher to Forum Publishing Company:

Mr. Hentges moved to approve the individual voucher in the amount of \$81.32 to Forum Publishing Company for advertisement for bids for construction of Aviation Resources, Ltd. hangar.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Hentges moved to approve the individual voucher in the amount of \$2,600.00 to Midwest Testing for soil investigation services for the Aviation Resources, Ltd. hangar project.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Municipal Industrial Contractors:

Mr. Hentges moved to approve the individual voucher in the amount of \$27,431.58 to Municipal Industrial Contractors for Partial Payment Request No. 2 for construction of watermain and sanitary sewer in northeast general aviation area.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Hentges moved to approve the individual voucher in the amount of \$141,369.30 to Northern Improvement Company for Partial Payment Request No. 1 for construction of Aircraft Parking Apron, Access Road, and Storm Sewer, Project No. 3 38 0017 15.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Hentges moved to approve the individual voucher in the amount of \$302.00 to Midwest Testing Laboratory for payment request for soil testing for northeast general aviation area, Project No. 3 38 0017 15.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Discussed Payment Requests from Foss Associates:

Mr. Hentges stated that at the last meeting the Airport Authority deferred payment requests made by Foss Associates for fees in connection with the Weather Modification Incorporated and Aviation Resources, Ltd. hangar projects. He stated at the meeting there were some questions raised about the tremendous amount of payment requests for work on the hangars. He stated he asked for more explanation on these payment requests and does not feel the Airport Authority should be expending this kind of money until everything is in order with leases, etc. He stated the architect went ahead and invested all of this money on this project and although he is sure the project will work out fine but he feels the cart came before the horse. He stated the Authority has already approved requests in excess of \$70,000 for architectural fees on steel hangars.

Discussed Payment Requests from Foss Associates: (Continued)

Chairman Cichy asked for comment from both Mr. Bill Cowman, Foss Associates, and Attorney Gary Stewart.

Mr. Bill Cowman was recognized and stated Foss Associates proceeded with the work based on the understanding that the projects would be going ahead, recognizing there was still work to be done on the leases. He stated in the interest of the clients, Weather Modification Incorporation and Valley Aviation, and their desire to have these projects under construction this construction year they proceeded with the project to put them in a position of being able to be bid, which they have done, and to put them into the best position to have the projects under construction this year. He stated they also attempted to keep in schedule with the Airport Authority's plans for the construction of the ramp and taxiway.

Chairman Cichy referred to Mr. Cowman's stated that they proceed on the basis of an "understanding" that the projects would be going ahead. Chairman Cichy asked the Airport Authority members if they feel they gave Mr. Cowman and Foss Associates that understanding.

Mr. Gallagher stated he does not feel that matter ever came up.

Mr. Hentges asked Mr. Cowman if his statement regarding the clients' request to get the project in this season referred to the Airport Authority rather than the tenants.

Mr. Cowman stated his mention of clients referred to the Airport Authority as well as the tenants.

Mr. Williams stated the key point is whether or not we have everything in order.

Attorney Stewart stated the leases have been prepared and will be signed hopefully before the payment requests are paid. He stated all that is left is to plug in the amount for the ground lease. He stated he would imagine the leases should be completed in the next few days.

Mr. Hentges stated he thought the projects to a great extent were integral and that the administration or private sector portion were moving right along and bid in concert with the hangar portion. He stated he feels the Airport Authority should also know whether or not everything is in order with the private sector financing. He stated he would have no problem with authorizing further payment provided everything is in order.

Chairman Cichy asked Mr. Hentges if he would agree to a motion approving the payment requests from Foss Associates, contingent upon the leases being in order and signed.

Mr. Parmer stated Attorney Stewart has the documents prepared and ready to be distributed for review and signature.

Attorney Stewart stated the only thing to add is the amount of lease per square foot for the ground lease.

Mr. Hentges moved the Airport Authority establish the ground rent at ten cents per square foot annually.

Second by Mr. Williams.

Dr. Hamilton stated the only question he has is that FBO's pay the Airport Authority a percentage of their revenue and a fuel flowage fee in lieu of ground rent.

Mr. Parmer stated the per square foot annual ground rent is to establish the minimum for the FBOs.

Mr. Hentges stated the terms of the lease for an FBO would be the same as our current leases.

Mr. Parmer stated since this land was purchase with federal funds through the AIP Program the FAA requires that we lease the land for a fair market value. He stated that Attorney Stewart suggested he check with the City Assessor's Office as to what

Discussed Payment Requests from Foss Associates: (Continued)

they felt a fair market value rate would be and they felt ten cents was equitable.

Mr. Hentges stated this applies only to the tenant's exclusive area for their buildings, not any of the other acreage in the general aviation area. He stated ten cents a square foot would be high for a large amount of land but it is not excessive for a small area.

Mr. Jim Sweeney, Weather Modification Incorporated, was recognized and stated in his last conversation with Attorney Stewart a figure of eight cents was discussed.

Attorney Stewart stated he does not recall that and added that he does not set the fee.

Mr. Hentges stated we are not talking about a lot of money. If the land area is 25,000 square feet at ten cents a foot it would be \$2,500 a year or \$200 a month.

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

Absent and not voting: Stanton

The motion was declared carried.

Mr. Hentges moved to authorize execution of lease documents between the Municipal Airport Authority and Weather Modification Incorporated and between the Municipal Airport Authority and Aviation Resources, Ltd.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved Individual Voucher to Foss Associates:

Mr. Hentges moved to authorize payment of individual voucher in the amount of \$2,696.20 to Foss Associates for payment request for architectural services in connection with Weather Modification Incorporated hangar and office complex, contingent upon execution of lease documents.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved Individual Voucher to Foss Associates:

Mr. Hentges moved to authorize payment of individual voucher in the amount of \$23,041.05 to Foss Associates for payment request for architectural services in connection with Aviation Resources, Ltd. hangar and office complex, contingent upon execution of lease documents.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Received Communication from Enterprise Rent a Car:

Mr. Parmer stated he received a letter from Mr. Robert Fayant, City Rental Manager for Enterprise Rent a Car. His letter stated he understands there is the possibility of having a fifth car rental operation is under review by the Airport Authority and they would like to have an on site operation as soon as possible. They currently have an office in Fargo and from that location they have been servicing airport customers and of their 100 car average 40 to 60 of those are customers picked up from the airport. Mr. Parmer stated the Airport Authority has not yet decided if they will approve a fifth agency.

Mr. Fayant was recognized and stated they are interested in locating at the airport and wanted to express that interest to the Airport Authority. He distributed brochures to the board members. Mr. Fayant stated Enterprise is a national company which was established in 1957. They provide replacement cars for dealers as well as insurance companies and their business has grown to include airports.

Mr. Hentges asked if Enterprise acquires new vehicles.

Mr. Fayant indicated yes they do use only new vehicles.

Mr. Hentges stated he has used Enterprise in other cities. Mr. Hentges asked Mr. Parmer if we have received requests or letters on file other than AAA Auto Rental.

Mr. Parmer stated he has had received more requests than letters. He added he has talked to interested parties even before Thrifty left but there has been increased interest since then. Mr. Parmer stated in previous discussions on the matter the Airport Authority delayed any action on requests as the current leases expire at the end of 1994. Mr. Parmer asked Attorney Stewart if the Airport Authority decided to add a fifth car rental agency could we renew the existing four leases and make the other interested parties compete for the fifth spot.

Mr. Hentges stated there is the matter of the revenue the Airport is not collecting from agencies such as Enterprise generated from business at the airport. Mr. Hentges stated we cannot keep them from operating off premises.

Mr. Parmer stated we cannot deny these agencies from coming onto the airport to pick up passengers renting their cars but we can deny them the right to aggressive soliciting or advertising at the airport. Mr. Parmer stated this is a matter the Airport Authority will have to deal with over the next three or four months.

Mr. Williams moved to receive and file the communication from Enterprise Rent a Car.

Second by Mr. Gallagher.

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

Considered Aviation Resources, Ltd. Assignment of Lease:

Attorney Stewart stated he reviewed this Assignment of Lease between Aviation Resources, Ltd. and Union State Bank. He stated this is a standard assignment of lease on their blue hangar and everything looks in order.

Mr. Hentges moved the Airport Authority consent to the Assignment of Lease between Aviation Resources, Ltd and Union State Bank.

Second by Mr. Gallagher.

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

Absent and not voting; Stanton

The motion was declared carried.

Received Report on Bids Received for the Valley Aviation Hangar/Administrative Complex (Bids Received 2:00 p.m. on July 28, 1994):

Mr. Bill Cowman, Foss Associates, was recognized and stated bids were received on July 28, 1994 for the Valley Aviation hangar and administration complex. The apparent low bidders were as follows:

GENERAL CONSTRUCTION
Gast Construction, Inc. \$1,919,000.00
Wahpeton, ND

MECHANICAL CONSTRUCTION
Grant's Mechanical \$ 293,700.00
Fargo, ND

ELECTRICAL CONSTRUCTION
CB & Sons Electric \$ 166,650.00
Moorhead, MN

\$2,379,350.00

Bids received total \$204,660.00 less than architect's cost estimate.

Mr. Cowman stated we received a number of bids in each of the categories and the spread between the bids were very close they feel we got competitive bids. Mr. Cowman stated Foss Associates recommends construction contracts be awarded to the contractors listed on base bid only and that Alternates G 1 and M 1 be rejected.

Mr. Hentges stated that the overall bids were fairly close but on the hangar portion Lee Jones & Son Construction was considerably lower. He asked Mr. Cowman if award was going to be based on low bid and not necessarily best bid.

Mr. Cowman stated when dealing with public money the award goes to the low bidder.

Mr. Williams stated he approves of the architect's findings even though he would have liked to have seen it go to a local contractor.

Mr. Williams moved to approve the architect's recommendation and award the bid for the construction of the Valley Aviation hangar and administration building to the low bidder, Gast Construction, Inc.

Second by Mr. Gallagher.

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

Mr. Hentges voted no.

Absent and not voting: Stanton

The motion was declared carried.

* Mrs. Stanton now present.

Mr. Hentges stated the apparent low bidder did not provide the breakdown for administration and hangar in his bid as required but provided that breakdown the next day and he stated that is something that bothers him.

Mr. Cowman stated the breakdown was for information only and was not there to assist in determination of the low bidder.

Mr. Hentges stated the other bidders provided the information in their bids. He stated since the Airport Authority is paying for the hangar portion of the project he feels that would be more than casual information.

Mr. Parmer stated that before any work proceeds on these buildings we will need clearance from the FAA and completion of all of the forms and studies they require

Received Copy of Good Faith Effort Report on DBE Participation on Electrical Portion of Project No. 3 38 0017 15:

Mr. Parmer stated Fargo Electric Construction was the low bidder on the electrical portion of the General Aviation Apron, Taxiway, Access Road and Other Improvements Project No. 3 38 0017 15. He stated they were not able to meet the goal of 10.8% DBE participation but have provided us with documentation on their efforts and a number of subcontractors were contacted. Mr. Parmer stated they were successful in securing a DBE to perform 3.1% of the contract. Mr. Parmer recommended the Airport Authority approve the good faith effort of Fargo Electric Construction.

Mrs. Stanton moved the Airport Authority approve the good faith effort put forth by Fargo Electric Construction to secure DBE subcontractors for Project No. 3 38 0017 15.

Second by Mr. Hentges.

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

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

Approved Award to Northern Electric Construction for Electrical Portion of Projection 3 38 0017 14 (Conversion of Runway 3/21 to Taxiway D) and Approved Good Faith Effort on DBE Participation:

Mr. Parmer read a communication from Mr. Wes Schon, Ulteig Engineers, dated August 2, 1994, stating that upon evaluation of the bids opened on July 19, 1994, they recommend awarding the contract to the low bidder, Northern Electric Construction, based on their bid of \$128,400. Northern Electric had filled out their DBE forms submitted with their bid but did not have any businesses listed to be used on the project. Ulteig contacted Northern Electric and stated that better effort would be required in order to be awarded the work. Ulteig Engineers received a revised Form A indicated Northern Electric would use Northwest Communications, a DBE from Grand Forks, for 6.4% of the contract (goal was 10.8%). Ulteig interprets the specifications regarding this matter to be that the contractor has seven (7) days after the bid opening to firm up his DBE subcontracts.

Mr. Parmer stated he has received a copy of a letter of protest from Edling Electric which was the second lowest bidder, protesting the award to Northern Electric based on their apparent lack of good faith efforts for the utilization of Disadvantaged Business Enterprises.

Mr. Schon stated this situation is nothing new. He stated there have been other projects where the Airport Authority has not been satisfied with a bidder's DBE efforts and the Authority has asked the bidder to show a better effort and increase the DBE participation. He stated Northern Electric did put forth more effort on DBE participation and the price of the bid was not modified. Mr. Schon stated that DBE participation is just part of projects using federal dollars and unfortunately there are a limited amount of DBEs that can be used on electrical projects.

Mr. Parmer stated the letter from Edling is addressed to him but he has not yet received the letter. He stated he obtained a copy from Mr. Schon as he received a copy of the letter.

Mr. Schon stated there is a checklist of items required to be included in every bid and those requirements must be met. He stated this matter is just a technicality. Mr. Schon indicated he could understand that Edling did not want to lose the bid, but at the same time the Airport Authority has worked with Edling on other projects and the Authority has been more than lenient with them on certain technicalities which they have not completely met. Mr. Schon stated in his opinion the knife should cut both ways and if Edling demands that this technicality be enforced then we should go back and enforce the items to the letter of the law in our contract with Edling which they have not lived up to. Mr. Schon stated although Edling has not yet completed

Approved Award to Northern Electric Construction for Electrical Portion of Projection 3 38 0017 14 (Conversion of Runway 3/21 to Taxiway D) and Approved Good Faith Effort on DBE Participation: (Continued)

their project they have made a reasonable effort and we have taken that into consideration.

Mr. Schon stated his recommendation still stands to award the contract to Northern Electric Construction.

Mr. Parmer stated he would agree with Mr. Schon that Northern Electric did show a good faith effort with regard to the DBE participation.

Chairman Cichy asked Attorney Stewart if he saw any legal problem with the engineer's recommendation.

Attorney Stewart stated he reviewed the matter and saw no problem with the engineer's recommendation.

Mr. Williams moved the Airport Authority award the contract for the Conversion of Runway 3/21 to Taxiway D (Project No. 3 38 0017 14) to Northern Electric Construction and approve the good faith efforts by Northern Electric Construction to secure DBE participation in the project.

Second by Mrs. Stanton.

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

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

Received Progress Report on General Aviation Ramp, Taxiway, Access Road and Other Improvements, Project No. 3 38 0017 15:

Mr. Parmer distributed copies of a letter from Mr. A.A. Schneiter, Interim Chair of the NDSU College of Agriculture, Crop and Weed Sciences Department, to Mr. Don Hanson, Assistant Director, AES, North Dakota State University dated July 27, 1994. The letter indicates that research plots in the construction area at the airport were destroyed. Mr. Parmer stated that it was no secret to representatives of NDSU that the airport was planning to disturb the soil in that area. He stated the original lease with NDSU indicated that the airport was going to designate a 40 acre plot to be assigned to NDSU for an extended period of time without being disturbed. He stated we have not yet designated that 40 acre site but he is certain we will be able to find 40 acres that will not be disturbed. Mr. Parmer stated during the planning process we did visit with representatives of NDSU and discussed the areas that were going to be disturbed and the property was staked. He stated the people at NDSU felt it was just as easy to seed the entire area and destroy the portion needed for construction. Mr. Parmer stated in the area that was destroyed were some experimental plots that they felt were very important. He stated he does not know that it is anyone's fault but rather a lack of communication.

Mrs. Stanton asked who represented NDSU at the preconstruction conference.

Mr. Parmer stated Mr. Tom Teigen attended the preconstruction conference and was aware of our plans.

Mr. Don Hanson was recognized and stated that Mr. Parmer's summary of the situation was accurate. Mr. Hanson explained that there are two types of planting in the area leased by NDSU, seed increase areas and research plots. He stated his information is third hand but it is his understanding that the researchers were aware of the staking for the construction work. He stated when the scrapers came in to move the dirt from the construction area they dumped it on the research plots. He stated a graduate student was in the area when the first load of dirt was dumped on the plot and he talked to either the equipment operator or foreman and he was told they had to put the dirt somewhere. Mr. Hanson stated in the last two pages of the letter the researchers tried to identify the costs to them due to this destruction. He stated he is sure this was written with some frustration on their part. He stated they feel very strongly that they have lost research because of this. He stated he would agree with Mr. Parmer that there was a communication problem.

Received Progress Report on General Aviation Ramp, Taxiway, Access Road and Other Improvements, Project No. 3 38 0017 15: (Continued)

Mr. Wes Schon, Ulteig Engineers, was recognized and stated that Northern Improvement Company is the general contractor on the project and Jensen Brothers of Wheatland, ND is the subcontractor for the earth work. Mr. Schon stated a preconstruction conference was held with all interested parties in attendance, and prior to even turning a wheel in the construction site he called Mr. Teigen and advised they would begin the earth work. He stated they had no intention of destroying test plots. He stated it is all hind site now but if someone would have contacted him he could have put a picket fence around the test plots. He stated this is an unfortunate incident but he tried to communicate to the best of his ability. He added that the entire area was staked last spring and the stakes are still there.

Mr. Hanson stated it was definitely a lack of communication. He stated the research people feel they have lost a year's worth of research and have identified in their mind some compensation. He stated he feels we are now at the point where we need to identify the 40 acre site which was a trade off for the Dome site. He stated maybe the Airport Authority would consider some preparation work for that site (land leveling, ditching, etc.) He added that would have to be an integral part of the overall design and plan for the airport.

Mr. Hentges now absent.

Mr. Parmer stated to designate 40 acres in the same area at this time is not possible because of development in the area. He added that the airport does have another tenant farming airport land and if some of that should become available it could be designated for NDSU.

Mr. Hanson stated he was disappointed that the 40 acres for research was not confined to one area but the research plots were spread throughout the area.

Mr. Gallagher asked if there were stipulations in the agreement about markings.

Mr. Hanson stated there was an understanding between the two parties that they would go ahead and plant the seed increase acreage and take a chance on losing the area when it was needed for construction. Mr. Hanson stated he talked to both of the researchers and asked them if they had marked their research plots. They replied that they did not mark their plots but that they knew where the airport had their markings. Mrs. Stanton stated she feels this needs some more study and investigation and that we should see what we can come up with for the 40 acre designated site. She stated she feels we should do what we can to be good neighbors.

Mr. Hanson stated the arrangement between NDSU and the airport has worked out fine with the exception of this incident.

Mr. Williams moved to receive and file the communication from NDSU and that Mr. Parmer be directed to pursue the designation of a 40 acre site for NDSU for research plots.

Second by Mr. Gallagher.

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

Mr. Wes Schon, Ulteig Engineers, reported further on the construction project. He stated the earthwork should be completed by the end of the week. He stated there should be enough money in the contract for lime stabilized base and cement treated base, but since the AIP bill has not made any progress in Congress he is not sure what Northern Improvement will want to do. He stated the water/sewer project has been underway but they have run into some wheat test plots and have halted the project for now. He stated the contractor elected to move on to a different project in Fargo and they will return in three weeks. He stated this is a three week delay but should not cause too many problems as we do not have funding for the completion of the project anyway.

Received and Filed Copy of City of Fargo Comprehensive Annual Financial Report for 1993:

Mr. Williams moved to receive and file the copy of the City of Fargo Comprehensive Annual Financial Report for 1993.

Second by Mrs. Stanton.

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

Received Preliminary Budget Request for 1995:

Mr. Parmer distributed copies of the preliminary airport budget request for 1995. He stated there might be some slight adjustment before finalization but asked the members to review the request and be prepared to approve the budget the next meeting. Mr. Parmer stated he is going to review the capital improvement budget for 1995 with Mr. Schon to see if he agrees with the amount of work that will be accomplished both this year and next year.

Mr. Parmer stated he met with Mayor Furness the other day and reviewed the budget. Mr. Parmer stated he indicated to the Mayor that he normally reviews the budget with the Airport Authority before anyone else but the Mayor simply wanted to familiarize himself with some of the departments that aren't as closely associated. Mr. Parmer stated the Mayor understood that the City Commission merely puts a stamp of approval on the budget that is set and approved by the Airport Authority.

Mrs. Stanton moved to receive the preliminary budget request for 1995 for approval at the meeting on August 16, 1994.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, August 16, 1994 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 11:35 a.m.

Regular Meeting

Tuesday

August 16, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 16, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Hentges, Cichy, Williams

Absent: None

Others: Stewart, MacLeod

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 2, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 2, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$44,083.67:

Mr. Hentges moved to approve the airport vouchers totaling \$44,083.67.

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 Northern Improvement Company:

Mr. Hentges moved to approve the individual voucher in the amount of \$43,200.00 to Northern Improvement Company for Partial Payment Request No. 16 (Final) for construction of Runway 8/26 and Taxiway C (Stage I), Project No. 3 38 0017 12.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Hentges moved to approve the individual voucher in the amount of \$53,063.20 to Northern Improvement Company for Partial Payment Request No. 12 (Final) for construction of Runway 8/26 and Taxiway C (Stage 2), Project No. 3 38 0017 13.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Hentges moved to approve the individual voucher in the amount of \$40,112.70 to Northern Improvement Company for Partial Payment Request No. 6 (Final) for construction of Runway 8/26 and Taxiway C (Stage 3), Project No. 3 38 0017 14.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$3,776.47 to Ulteig Engineers, Inc. for payment request for engineering services for Runway 8/26 and Taxiway C, Project No. 3 38 0017 13.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$13,843.11 to Ulteig Engineers, Inc. for Payment Request for Engineering Service in connection with Aircraft Parking Apron, Access Road, and Storm Sewer, Project No. 3 38 0017 15.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Hentges moved to approve the individual voucher in the amount of \$3,987.54 to Ulteig Engineers, Inc. for Payment Request for engineering services in connection with Water/Sewer and Parking Lot Project in the northeast general aviation area.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Foss Associates:

Mr. Hentges stated there was discussion at the last meeting regarding payment requests from Foss Associates and those payment requests were approved subject to the execution of the leases with Weather Modification Incorporated and Aviation Resources, Ltd. Mr. Hentges stated his position has not changed.

Mr. Hentges moved to approve the individual voucher in the amount of \$520.06 to Foss Associates for Partial Payment Request for professional services for construction administration phase, Weather Modification Incorporated hangar, subject to the execution of leases and related documents.

Attorney Stewart indicated the leases should be signed sometime this week. He added that Mr. Pat Sweeney and Mr. Jim Sweeney have formed a partnership for the lease of the land so it will be that partnership rather than WMI being lessee but that should not be a problem for the Airport Authority.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy 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 \$8,597.09 to Foss Associates for Partial Payment Request for professional services though bid phase on Aviation Resources, Ltd. hangar, subject to execution of lease and related documents.

Second by Mr. Gallagher.

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

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

Received Update on Aircraft Parking Apron, Access Road, and Storm Sewer Project No. 3 38 0017 15, and Watermain and Sewer Project in the Northeast General Aviation Area:

Mr. Parmer stated there has not been much activity to report since the last meeting. He stated the water and sewer contractor had to move to another job site until NDSU has completed their harvest in their leased area. Northern Improvement's subcontractor has completed the earthwork.

Mr. Parmer stated Congress has passed a bill freeing up another \$800 million for the 1994 AIP Program. He added we have no assurance that we will receive all of the funding needed to complete this year's project but he expects they will as the FAA would not want to leave a project unfinished. He stated he advised the Airport Authority previously that Irene Porter, FAA Airports District Office in Bismarck, had asked him if the Airport Authority would be willing to commit a portion of its 1995 funds toward this project and of course he had to indicate that we would. Mr. Parmer added that everything is still speculative as the President has not even signed the bill.

Mr. Hentges stated Mr. Parmer has done a good job working with Irene in the Bismarck FAA Office but stressed the importance of continuing on the matter as we need the money this year to finish this project,

Mr. Parmer stated the information and forms for the shadow study required by the FAA have been forwarded to the FAA and we are now waiting for them to complete their study. He stated his concern on this study is the timing. He stated the FAA has indicated it will be about 30 days before we receive approval on the study. He stated he does not see any problem at all with the WMI building but there might be some question on the Aviation Resources building.

Received Update on Aircraft Parking Apron, Access Road, and Storm Sewer Project No. 3 38 0017 15, and Watermain and Sewer Project in the Northeast General Aviation Area:
(Continued)

Mr. Wes Schon, Ulteig Engineers, was recognized and stated the shadow study is a three dimensional analysis of what parcel of land is blocked from the control tower's view. Mr. Schon stated the construction site in the general aviation area is almost a mile away from the control tower. He stated the FAA's concern is the controllable space on the airfield and whether or not they can see the space.

Mr. Schon stated another thing the FAA will look at in the study is the type of material with which the buildings will be constructed. If the materials cause any glare for the controllers' visibility they will have an opportunity to comment. He stated we have not had any problem in Fargo but they did have a problem with this in Grand Forks and had to make adjustments.

Mr. Schon stated the payment requests approved today for Northern Improvement on the Runway 8/26 projects are all final payments. He stated bids for that project were received in April 1992 (Northern Improvement's bid was \$5,378,751), we started work in October of 1992 and now, three years and three grants later, the project was completed for \$70,000 less than bid. Mr. Schon stated it is not the best situation to have a project stretched out over three grants but due to the cooperation of all parties that this went as well as it did.

Mr. Parmer stated that in getting the development in the general aviation area underway it was evident the ditch along the north side of the airport needed to be cleaned out as it was holding water. He added that the neighbors in that area made that observation about a year ago.

Mr. Schon stated the ditch Mr. Parmer referred to carries all of the water from the north half of the airport to County Drain 10. This is a steep ditch and we took a backhoe in and cleaned out all of the vegetation and now all of the banks are sliding. He added that now there is a piece of road that is sliding. Mr. Schon stated this bank is so steep and he is amazed this bank has stood this long in the Red River Valley. Mr. Schon stated he feels the best solution would be to put a 30 in pipe. He stated this ditch is a danger to the road and there are three residences using the road.

Chairman Cichy asked if Mr. Parmer has a formal proposal for a remedy to the problem.

Mr. Parmer stated the installation of pipe is the solution but the question now is the funding of this project.

Discussed Sign Changes in Terminal Canopy Area:

Mr. Parmer stated that with all of the changes we have had in airlines recently we are looking for a more cost effective system for keeping the information up to date. He stated when we updated the signs when American started service it cost \$1,600. Mr. Parmer stated he visited with Cook Sign Company on some possible solutions. He stated the appearance of the signs will remain the same but we would be able to remove only the area needing changes rather than the entire surface. He stated to make the changes needed now and staying with the current signage system would cost \$1,200 to \$1,400. It would cost \$2,125 to modify the signage in order to make future changes easier and less expensive.

Mrs. Stanton asked if the signs under the canopy are really necessary as once you get it the building you could not get lost.

Mr. Parmer stated he feels they are necessary.

Discussed Sign Changes in Terminal Canopy Area: (Continued)

Mr. Williams moved to approve the recommendation of the Executive Director for signage changes in canopy area, as per quote of \$2,125.00 from Cook Sign Company.

Second by Mrs. Stanton.

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

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

Approved Operations and Maintenance Budget for 1995:

Mr. Parmer stated he presented his proposed Operations and Maintenance Budget for 1995 to the Airport Authority on August 2 for review. He stated the only changes made were in Proposed Capital Improvements for 1995. Mr. Parmer explained that we are hopeful that we will receive AIP funding to complete the 15 and 16 projects this year but in the event that we do not he has carried over \$902,873 into 1995. Mr. Parmer stated nothing has been done this year on parking surfaces in the general area and nothing will be done until 1995. He stated he has visited with the architect on the Weather Modification Incorporated and Aviation Resources, Ltd. hangar projects and carry over into 1995 will be \$251,400 and \$709,325 respectively. Mr. Parmer stated our proposed project for 1995 is paving in the new general aviation area with an estimate of \$1,600,000.

Mrs. Stanton moved to approve the proposed Operations and Maintenance Budget for 1995 and Proposed Capital Improvement Budget for 1995.

Second by Mr. Hentges.

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

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

Certified to the Board of City Commissioners a Two Mill levy for Airport Improvements for 1995, as Per Section 2 06 14 of the North Dakota Century Code:

Mr. Williams asked Mr. Parmer if a two mill levy is sufficient considering the upcoming improvements planned.

Mr. Parmer stated two mills would be sufficient.

Mrs. Stanton stated she would not want to see us go to three mills.

Mr. Parmer stated if the Airport Authority could find enough money to complete our current hangar projects without bonding that would be a plus.

Mr. Williams moved to certify to the Board of City Commissioners a two mill levy for airport improvements for 1995, 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, Williams, Hentges, Cichy and aye.

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

Other Business:

Mr. Parmer stated he has three other matters he would like to discuss with the Airport Authority: a new deep fryer for The Barnstormer, air condition problems in the Eastside Terminal, plumbing problems in the Eastside Terminal.

Mr. Parmer stated we have had problems with the pipes coming from the restaurant/bar area and run directly above the airline operations area and we have had several leaks. We have had Robert Gibb & Sons here for the past two weeks working on replacing these pipes. He asked the Airport Authority members to go downstairs following the meeting to inspect the problem.

Other Business: (Continued)

Mr. Parmer stated Renee Noehre, Manager of The Barnstormer, as requested a new deep fryer as the present machine is no longer operating. The quote she received was \$2,574.00.

Mr. Gallagher asked if the present machine is repairable.

Mr. Parmer stated there is no salvage value to the old machine and there is even a fee to dispose of the old machine.

Mrs. Stanton moved to authorize the purchase of a new deep fryer for the restaurant at a cost of \$2,574.00.

Second by Mr. Williams.

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

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

Mr. Parmer stated that Mr. Peter Haug appeared before the Airport Authority recently with a list of items he feels need attention. Mr. Parmer stated the Airport Authority members were asked to visit the restaurant and take note of the items mentioned. He stated to his knowledge none of the members have done this and reminded them of this request.

Mr. Parmer stated one of the roof top air conditioning units in the Eastside Terminal needs to be replaced. He stated he did not put this item on the agenda because he received the bids only yesterday.

Mr. Parmer stated another roof top unit was replaced a few years ago. He added that part of this unit is 24 years old. Mr. Parmer stated the Building Engineer received informal quotes of \$11,426 from Laney's, Inc. and \$12,300 from Advanced Heating and Air Conditioning.

Mr. Williams asked why we did not get three proposals rather than only two. He stated he would recommend getting one more proposal.

Mrs. Stanton asked how many bids were required. She asked if quotes from two reliable firms were not sufficient.

Mr. Hentges stated for this amount of money he feels there should have been three.

Mrs. Stanton moved to approve the replacement of the roof top air conditioning unit in the Eastside Terminal by Laney's, Inc. as per their proposal of \$11,426.

Second by Mr. Gallagher.

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

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

Adopted Policy on Proposals for Expenditures over \$5,000:

Mr. Hentges moved that the Airport Authority adopt a policy of obtaining a minimum of three proposals on expenditures over \$5,000.

Second by Mr. Williams.

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

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, September 6, 1994, 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

Thursday

September 8, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Thursday, September 8, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Williams, Cichy

Absent: Gallagher, Hentges

Others: Stewart

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 16, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 16, 1994.

Second by Mr. Williams.

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

Approved the Airport Vouchers Totaling \$46,685.10:

Mr. Williams moved to approve the airport vouchers totaling \$46,685.10.

Second by Mrs. Stanton.

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

Absent and not voting: Gallagher, 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 \$25,374.60 to Northern Improvement Company for Partial Payment Request No. 2 for construction of Aircraft Parking Apron, Access Road and Storm Sewer Project No. 3 38 0017 15.

Second by Mr. Williams.

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

Absent and not voting: Gallagher, Hentges

The motion was declared carried.

Approved the Individual Voucher to Municipal Industrial Contractors:

Mrs. Stanton moved to approve the individual voucher in the amount of \$23,274.00 to Municipal Industrial Contractors for Partial Payment Request No. 3 for Water Main and Sanitary Sewer Project in northeast general aviation area.

Second by Mr. Williams.

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

Absent and not voting: Gallagher, Hentges

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 \$7,037.75 to Ulteig Engineers, Inc. for Partial payment Request for engineering services in connection with Aircraft Parking Apron, Access Road and Storm Sewer Project No. 3 38 0017 15.

Second by Mr. Williams.

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

Absent and not voting: Gallagher, Hentges

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 \$3,830.25 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with Water Main and Sanitary Sewer Project in the northeast general aviation area.

Second by Mr. Williams.

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

Absent and not voting: Gallagher, Hentges

The motion was declared carried.

Received and Filed the Statements of Operation for the Months of June and July 1994:

Mr. Williams moved to receive and file the Statements of Operation for the Months of June and July 1994.

Second by Mrs. Stanton.

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

Received Communication from Dr. Clif Hamilton Requesting Lease for Construction of T Hangars in Northeast General Aviation Area:

Mr. Parmer read a communication from Dr. Clif Hamilton dated August 31, 1994, requesting a lease for land on which to build an airplane hangar in the northeast general aviation area. The parcel needed is 54' x 231' and the hangar will be a nested tee hangar containing room for ten individual hangar stalls. The building height would be approximately 16'. These hangars will be available for rent to the general public. The location desired would be the furthest south east as depicted on the ultimate general aviation plan. Dr. Hamilton indicated the hangar would be an Erect a tube Nested Tee Hangar Model N54 42, color to be determined by the Airport Authority, and he would like a decision from the Airport Authority soon so the building can be ordered for spring delivery and construction.

Mrs. Stanton moved to receive and file the communication from Dr. Clif Hamilton.

Second by Mr. Williams.

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

Mr. Parmer stated a number of things have happened since we started development in the northeast general aviation area. Mr. Parmer stated the Airport Authority received a communication some months ago from Mr. Paul Bernabucci indicating his interest in building T hangars in the northeast general aviation area. Mr. Parmer stated he mailed out a survey to area aircraft owners to see what interest there would be in locating in the new general aviation area. He stated we did not receive a tremendous response but there was some interest indicated.

Mr. Parmer stated when we replaced the black top in existing general aviation area with concrete the FAA took the position at that time that they would participate in the pavement up to 27.5 feet from the hangar door and the rest would be the responsibility of the Airport Authority. Mr. Parmer stated the Airport Authority

Received Communication from Dr. Clif Hamilton Requesting Lease for Construction of T Hangars in Northeast General Aviation Area: (Continued)

worked out an arrangement with the private hangar owners that they would share half the cost and the Airport Authority would amortize the cost over five years, interest free.

Mr. Parmer stated he is not sure what the FAA's position will be if a company built the hangars for the purpose of renting them to the general public. Mr. Parmer stated he will begin communicating with the FAA to see what their position would be. Mr. Parmer stated both Mr. Bernabucci and Dr. Hamilton are here today and he is sure they both have questions they would like answered. Mr. Parmer invited both to comment.

Mr. Paul Bernabucci was recognized and stated his first consideration is to provide affordable hangar space to aircraft owners. He stated from the results of the survey the aircraft owners seem reluctant to spend much more than \$120 \$150 per month for hangar space. He stated he has a quote from Erect a Tube for the hangar but he would need some assistance on the footings and ramp in order to make it feasible for the aircraft owners renting. He stated he is proposing to build a nest T hangar with five units on each side for a total of ten units. He stated he would consider a second hangar this spring but would need some assistance from the Airport Authority for the ramp and concrete floor in order to keep the monthly rates down.

Dr. Hamilton stated half of the units in their first building would be needed for Aviation Resources airplanes so initially they would have five units available for rent. With the second building he is proposing there would be a total of 20 units.

Mrs. Stanton moved the Executive Director be authorized to proceed with looking into options available for hangar development in the northeast general aviation area.

Second by Mr. Williams.

Mr. Williams asked if this hangar space will be for airplanes just transferring from one location to another.

Dr. Hamilton indicated they would be housing their charter planes in the new hangars freeing up space in their present hangars.

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

Mr. Parmer stated both of these gentlemen have proposed building Erect a Tube hangars and he added that Erect a Tube has a good reputation. Mr. Parmer stated the Airport Authority is going to have to make a decision as to what type of construction it will allow in the new general aviation area. He asked Attorney Stewart if the Airport Authority could identify a brand name in its requirements.

Attorney Stewart stated there are no restrictive covenants in the area at this time but the Airport Authority should have some quality standards and could specify a certain product or qualified equal.

Mr. Williams stated the Airport Authority is not going to have a flood of requests to build hangars in the northeast general aviation area and we should be able to handle the requests on an individual basis. He added that he would be glad to be involved with watching the situation.

Chairman Cichy stated he knows it is difficult to assume things when dealing with federal entities but he asked Mr. Parmer if we could expect a decision on this matter in the next six to eight weeks.

Mr. Parmer stated we should have a decision in that time period because we will also have to have decisions from both of these parties.

Receive Memorandum from City Engineer's Office on Proposal to Install Utility Service on 16th Street North from 19th Avenue North to Airport Access Road:

Mr. Parmer stated he received a communication from the City Engineer's Office identifying the proposal to install utility service on 16th Street North from 119th Avenue North to the airport access road. Mr. Parmer stated basically 16th Street North up to 21st Avenue is being built to satisfy the requirements of the new

Receive Memorandum from City Engineer's Office on Proposal to Install Utility Service on 16th Street North from 19th Avenue North to Airport Access Road: (Continued)

development in the area. He stated almost half of the entire assessment district is the airport and in that area we will probably never tie on to the water and sewer. Mr. Parmer stated he is not sure we can protest water and sewer assessments.

Chairman Cichy stated the total improvements will be \$178,000. and the airport's portion will be over half.

Attorney Stewart indicated sewer and water assessments cannot be protested. He suggested contacting the assessor's office to see how they are going to weight the district and how much will be assessed the airport.

Mr. Williams moved to receive and file the communication from the City Engineer's Office.

Second by Mrs. Stanton.

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

Airport Authority Considered Filing a Request to Assess a Passenger Facility Charge:

Mr. Parmer stated the Airport Authority has discussed the possibility of a Passenger Facility Charge (PFC) a number of times in the past but have not taken any official action on the matter. Mr. Parmer presented a list (prepared by AAAE) of PFC applications that have been approved. He stated as of August 22, 1994, there are 178 airports in the country assessing this charge.

Mr. Parmer stated there are a lot of different ideas on the charge. An airport can assess a fee of \$1, \$2 or \$3 and the fee would be collected by the airlines. The law requires the airline receive a certain percentage of the fee for collecting it. He stated one of the reasons he has delayed taking action on the charge is that he has not been completely satisfied with what an airport is allowed to do with the funds. An airport must use the fees collected for approved AIP projects depicted on your Airport Layout Plan. He stated we have a number of projects on our ALP that are necessary but are not eligible for AIP funding, water and sewer projects are one example. The water and sewer project currently underway in the northeast general aviation area is a \$400,000 project but not eligible for AIP funds yet it is necessary for development. Mr. Parmer stated he was hoping the legislation would change and airports would be allowed to use funds for these types of projects. He stated currently the PFC program applies funds toward AIP eligible projects which lessens the requirement from the Airport Improvement Program. Mr. Parmer stated Las Vegas, Nevada was the first airport filing for the PFC and the application involved 32 boxes of documents. Mr. Parmer stated when applying for the PFC an airport must identify the proposed projects you want included and the cost associated with each project.

Mr. Williams asked Mr. Parmer to give an example of a project we would propose to fund with PFC funds.

Mr. Parmer stated projects we would consider would be extension of Runway 8/26, land acquisition, development in the Airport Industrial Park. He stated we would have to identify each project and its cost and the length of time we would assess the charge. He stated once an application has been approved an airport cannot change the program without the approval of the FAA.

Mrs. Stanton asked how this affects the AIP funds we receive.

Mr. Parmer stated if you receive PFC funding you will not need as much AIP funding. Mr. Parmer stated we presently receive \$800,000 to \$1,000,000 per year in entitlement funds under the Airport Improvement Program. Adding a PFC charge would not lower the entitlement funds for an airport our size but it does lower the amount a large airport would be allowed under the AIP Program.

Mrs. Stanton stated she is not thrilled with the idea of a PFC.

Mr. Parmer stated there is a limit of \$12 on the amount of PFCs charged each passenger. For example, if a passenger is flying Fargo Minneapolis Chicago, Minneapolis and Chicago both assess a PFC and they would get \$6 from each passenger (\$3 charge each way). If Fargo assessed the PFC then on that same trip Fargo and Minneapolis but Chicago would not receive anything because the passenger has been charged the maximum.

Airport Authority Considered Filing a Request to Assess a Passenger Facility Charge:
(Continued)

Mrs. Stanton stated at this point she would not be in favor of assessing a PFC because the passenger is burdened enough.

Mr. Williams stated this is a complicated issue and two of the Authority members are absent today. He suggested we move slowly on the matter as he would like any decision coming from a full board.

Chairman Cichy stated he feels that is a prudent suggestion.

Mr. Williams moved the matter of a Passenger Facility Charge be delayed until the individual members have had more time to inform themselves further on the issue and until it can receive the consideration of a full board.

Second by Mrs. Stanton.

Mrs. Stanton added that she does not want to burden the passengers any more than they are with fees and taxes.

Mr. Parmer stated if the Airport Authority should make the decision to move forward on a Passenger Facility Charge it is still a long process and would be at least six months to a year before it is implemented.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated most of the other airports in the country are collecting the fee and Fargo is not getting its share. He added that taxpayer dollars in Fargo are going toward funding the airport yet citizens from Moorhead and the surrounding are not paying for it. He stated the PFC is a user tax so everyone using the airport would be contributing and he feels this would be more fair and would lower the taxes in Fargo.

Mrs. Stanton stated if a PFC were assessed the Airport Authority should look at dropping the mill levy.

Mr. Parmer stated the money generated by the mill levy does help fund projects that are funded by the AIP Program. He stated another example of current projects the mill levy go toward are the hangars in the northeast general aviation area.

Mrs. Stanton stated in order to assess a PFC we should show a need for additional funds. She stated she feels we have done extremely well with the airport in Fargo. She stated we do have a struggle getting federal dollars at times and asked what it is we need to do for which we do not have funding.

Chairman Cichy stated now the matter has been introduced the Airport Authority will address it at a later date after the Airport Authority members have looked into it further.

Received Progress Report on Airport Improvement Projects:

Mr. Parmer stated we held a pre construction conference on the portion of Project 3 38 0017 14 that will convert Runway 3/21 to a taxiway. Mr. Parmer stated the FAA has been encouraging us to do this since the completion of Runway 8/26. This project should get started in the next month.

Mr. Parmer stated the Aircraft Parking Apron, Access Road and Storm Sewer Project No. 3 38 0017 15 is in a lull right now. He stated at the last meeting we discussed cleaning out the ditch at the north end of the airport and he asked Mr. Wes Schon, Ulteig Engineers, for an update on that.

Mr. Schon stated he initiated some dialogue with the FAA on the matter. He stated he sent Irene Porter a letter outlining the situation along with a proposal on options. He stated she indicated there would be no problem including that in an AIP project. Mr. Schon stated he has not received any prices from contractors yet but to put a pipe in the 1,000 ft. area that slid should solve the problem and move more water than the weed infested ditch ever did. He stated it would be nice to continue the pipe all the way to County Drain 10 but that would require crossing some roads. He stated this will take care of the immediate problem. Mr. Schon stated there are two subcontractors on the airport project right now that are capable of this type of project and he will ask them for estimates.

Received Progress Report on Airport Improvement Projects: (Continued)

Mr. Schon stated the contractor for the sanitary sewer and water project will resume work tomorrow and the contractor was blading the apron area yesterday in preparation for the next process. He stated it would be nice to be able to tell the contractor to proceed because we are sure we will have all of the grant money by the end of October. Mr. Schon stated depending on the weather we have in October we could still get a lot of paving completed.

Mr. Parmer stated as far as the balance of the funding for the project, we will have that before September 30, which is the end of the federal government's fiscal year. He stated we have discussed before that the FAA has asked us to commit part of our 1995 funding in order to complete the project. Mr. Parmer stated the next meeting is September 20 and hopefully the documents will be here by that time. If not, we will have to have a special meeting before the end of the month.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, September 20, 1994, 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 11:14 a.m.

Regular Meeting

Tuesday

September 20, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 20, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Williams, Hentges, Cichy

Absent: Stanton, Gallagher

Others: Stewart, Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 8, 1994:

Mr. Hentges moved to approve the minutes of the regular meeting of the Municipal Airport held September 8, 1994.

Second by Mr. Williams.

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

Approved the Airport Vouchers Totaling \$53,683.13:

Mr. Williams moved to approve the airport vouchers totaling \$53,683.13.

Second by Mr. Hentges.

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

Absent and not voting: Stanton, Gallagher

The motion was declared carried.

Approved JP Development Assignment of Lease:

JP Development is the partnership of Jim and Pat Sweeney which will be leasing the land in the northeast general aviation area and the owner of the office building for the Weather Modification Incorporated complex.

Mr. Parmer stated Attorney Stewart has been handling this Assignment of Lease and asked him to comment.

Attorney Stewart stated he wrote Mr. Parmer a letter indicating his original concerns over this Assignment of Lease. He stated the assignment has since been revised and everything is now in order. He stated this is a simple assignment of lease for financing purposes.

Chairman Cichy asked Attorney Stewart what his recommendation would be.

Attorney Stewart stated he sees no problem with the Assignment of Lease to JP Development and would recommend the Airport Authority approve it.

Mr. Williams moved to approve the Assignment of Lease to JP Development.

Second by Mr. Hentges.

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

Absent and not voting: Stanton, Gallagher

The motion was declared carried.

Approved Resolution Authorizing Chairman to Execute Grant Offer 3 38 0017 16:

Mr. Parmer stated we are awaiting a grant for the second part of our ramp and taxiway project in the northeast general aviation area. He stated we received the grant for the first phase but have been awaiting congressional approval on the second half of the AIP legislation. Mr. Parmer stated we know we will be receiving the next grant but we will not be getting the full amount of discretionary funds we requested for 1994. Mr. Parmer stated we will have to commit some of our 1995 entitlement funds in order to finish this project. Mr. Parmer stated we will be receiving a grant of approximately \$500,000 possibly this week, and if not this week before September 30. This grant is discretionary money and the 1995 enplanement money will come in the third phase and that does not become available until after October 1.

Mr. Parmer stated a major concern was whether or not we would be able to offer the contractor a 100% contract even though we do not have 100% of the money and this is something he has discussed with Irene Porter, FAA Airports District Office in Bismarck. He stated payment for the third phase of the project may come out of the Airport Authority's improvement fund until we are able to be reimbursed from the FAA, which is usually at least 30 days.

Mr. Hentges moved the Chairman of the Airport Authority be authorized to execute the Grant Offer for Project 3 38 0017 16 upon receipt.

Second by Mr. Williams.

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

Mr. Hentges asked Mr. Parmer to go over the discretionary funding again.

Mr. Parmer stated that during the grant process Irene Porter asked if we would be willing to commit some of our 1995 enplanement funds toward the project if the second phase could not be covered with discretionary funding, and of course we had to agree to that. He stated this second grant we will be receiving, which is in the neighborhood of \$500,000, is all discretionary money. The third grant for this project will be approximately \$400,000 which is 1995 entitlement funds. He stated this cuts back funds available to us for projects in 1995 but we will look for discretionary funding again next year.

Received Progress Report on Airport Projects:

Mr. Parmer stated at the last meeting he reported that the projects were in a lull. He stated Northern Improvement will be back on the job this week and the water and sewer contractor is back working and the water and sewer will hopefully be completed yet this fall. Mr. Parmer stated we did begin the project converting Runway 3/21 to Taxiway D so Runway 3/21 was officially closed yesterday. Mr. Parmer stated we will start to see a lot of activity starting next week.

Dr. Clif Hamilton, Aviation Resources, Ltd., was recognized and asked if there had been any progress on the shadow studies being done by the FAA with regard to the two hangars to be constructed in the northeast general aviation area.

Mr. Parmer stated he talked with Irene Porter last week and Mr. Jim Sweeney talked to the FAA Airspace people in Chicago.

Mr. Jim Sweeney was recognized and stated they had some questions on dimensions and type of building materials to be used and he gave them that information but they did not indicate they had finalized their report. Mr. Sweeney indicated he was going to call them again.

Mr. Parmer stated that the FAA Certification Inspector that was in Fargo a few weeks ago indicated the airspace office is across the hall from his office and if we needed any assistance he would check with the airspace people. Mr. Parmer indicated he was going to contact the people in Chicago again today.

Mr. Williams moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, October 4, 1994 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Hentges.

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

Time at adjournment was 10:45 a.m.

Regular Meeting

Tuesday

October 4, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held on Tuesday, October 4, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Hentges, Cichy

Absent: None

Others: Stewart, Bromenschenkel, MacLeod

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 20, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held September 20, 1994.

Second by Mr. Williams.

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

Approved the Airport Vouchers Totaling \$32,722.32:

Mr. Hentges moved to approve the airport vouchers totalling \$32,722.32.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Municipal Industrial Contractors:

Mr. Hentges moved to approve the individual voucher in the amount of \$147,921.60 to Municipal Industrial Contractors for Partial Payment Request No. 4 for construction of water and sewer project in northeast general aviation area.

Second by Mr. Williams.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy 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 August 1994:

Mr. Hentges moved to receive and file the Statement of Operations for the Month of August 1994.

Second by Mr. Williams.

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

Authorized Execution of Supplemental Agreement No. 1 to Contract with Northern Improvement Company for Aircraft Parking Apron, Taxiway and Access Road Project No. 3 38 0017 16:

Mr. Parmer explained that Supplemental Agreement No. 1 to the contract the Airport Authority has with Northern Improvement Company for the construction of the Aircraft Parking Apron, Taxiway and Access Road Project adds the second phase of the project covered by the second AIP grant (3 38 0017 16) in the amount of \$844,428.75. This work includes the concrete paving and incidentals for the apron and access road.

Mrs. Stanton moved to authorize execution of Supplemental Agreement No. 1 to contract with Northern Improvement Company for the Aircraft Parking Apron, Taxiway and Access Road Project.

Second by Mr. Hentges.

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

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

Considered Change Order for Storm Sewer Extension:

Mr. Schon reviewed a situation previously discussed with the Airport Authority involving a drainage ditch at the north end of the airport from which aquatic vegetation was cleaned and now we are experiencing some problems with the sides of the ditch sliding. He has discussed the matter with Irene Porter, FAA Airports District Office in Bismarck and she indicated this project would be eligible for federal funding. Funds are available in Project 3 38 0017 15 and a change order can be added to install 850 feet of 36 inch storm sewer in the ditch along the township road just north of Taxiway A.

Mr. Schon stated he has received an estimate in the neighborhood of \$47,000 using galvanized metal pipe. Mr. Schon stated he asked the contractor about concrete pipe and they indicated concrete would be approximately \$5,000 higher.

Mr. Williams asked the life expectancy of each type of culvert.

Mr. Schon stated his proposal now includes galvanized metal and the supplier have it a life of forty plus years.

Mr. Williams indicated his experience with metal culverts has not been good.

Mr. Schon stated the FAA funding may be either in the form of a grant amendment or entitlement funds down the road, but Irene has said she will participate in this. He stated he has sent Irene pictures and details on the project explaining the alternatives.

Mr. Hentges stated this is something that obviously has to be done and we should proceed with the project and do it properly.

Mr. Schon stated we are not far enough along on Project 16 for him to tell where we are going to end up. Mr. Schon stated suppliers of both types of material claim their product will last the longest. He stated he thought there would be a greater disparity in cost than there is.

Mr. Hentges moved to approve the Change Order for the storm sewer extension project as presented by Mr. Schon, using the concrete piping.

Second by Mr. Williams.

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

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

Received Communication from PRACS Institute, Ltd. Offering to Purchase Lot in Airport First Addition and Received Letter from Attorney Stewart Concerning Offer:

Mr. Parmer stated he received a communication dated September 19, 1994, from PRACS Institute, Ltd. indicating their wish to pursue the purchase of Lot 1, Block 1 in the Airport First Addition. Mr. Parmer stated PRACS has been interested in purchasing this land for a few years but they never executed the previous purchase agreement drafted by Attorney Stewart. Mr. Parmer stated a few weeks ago there was a story in the business section of The Forum indicating they were going to build a new facility in south Fargo but they indicated that report was premature and their plan is to expand in the Airport First Addition.

PRACS Institute, Ltd. is requesting to purchase Lot 1, Block 1, Airport First Addition with the previous \$2,000 option payment to be applied to the purchase price. They also ask that the purchase agreement state that it is subject to PRACS being able to complete financing arrangements and that PRACS has the option of assigning its purchase rights to a third party developer if that is in their ultimate best interests. As a related transaction they ask that they be provided, without additional cost, a six month purchase option on the north 1/2 of Lot 2, Block 1. Within the option period they will know whether or not they need the additional land.

Attorney Stewart stated if the Airport Authority enters into a purchase agreement contingent upon financing and we should have a definite close off date. He stated his other concern was the request for a no cost option on the north half of Lot 2, Block 1. He stated the Airport Authority's procedure in the past has been to charge a 5% non refundable option payment and to grant an option at no cost would be a deviation.

Mr. Parmer stated the purchase price of Lot 1, Block 1 is \$70,787.08 and \$35,705.61 for the North 1/2 of Lot 2.

Mr. Williams stated he has trouble with the inclusion of a third party, not knowing who the third party would be and suggested finalization of the sale be subject to the approval of the Airport Authority.

Mr. Hentges stated we want to get the land on the tax rolls and out of the airport's inventory. He stated he feels the Authority should provide an incentive to PRACS to purchase the land. He stated PRACS apparently needs the lot.

Mr. Parmer stated the Airport Authority has always taken the position of requiring its approval on anything locating in the Airport First Addition. He stated we have never wanted to sell the land for speculation..

Mr. Hentges moved to approve the sale of Lot 1, Block 1, Airport First Addition to PRACS Institute, Ltd. for a purchase price of \$70,787.08, with the previous option payment of \$2,000 to apply to the purchase price, with the transaction to have a closing date of October 31, 1994, and to grant a six month option on the North 1/2 of Lot 2, Block 2 for a non refundable payment of 5%.

Second by Mrs. Stanton.

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

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

Received Communication Reviewing Vestibule Heating Westside Terminal:

Mr. Parmer stated at the meeting of March 8, 1994, the Airport Authority discussed the problem experienced with the automatic doors during winter months and especially on those days when the wind comes from the south. He stated at that time he was directed to refer the matter to a mechanical engineer for review and recommendation. Mr. Parmer stated he received a letter from Mr. Gerald Hartford, mechanical engineer with Henning, Metz, Hartford & Associates, Inc. In his letter,

Received Communication Reviewing Vestibule Heating Westside Terminal: (Continued)

Mr. Hartford indicates he does not think installing additional heaters will solve the problem. He stated it is their opinion that the fundamental solution to this issue is to make the vestibules larger such that the inside door is not open when the outside door is open. The vestibule must serve as a trap. Due to the short distance between the doors, when both doors are open the strong southerly wind simply blows through and displaces the air in the vestibule, whether heated or not.

Mr. Bill Cowman, Foss Associates, was recognized and stated he also questions whether additional heat will solve the problem. He stated if you look at how the vestibules are operated, pumping more heat into them will not solve the problem. He stated with the type of use this building gets you are always going to have periods when both sets of doors are open. Mr. Cowman stated the doors are set up on a time delay to give everyone ample time to get through the doors but because of the short distance between doors both doors will be open at once.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated a lot of airports have air curtains at their entrances and asked why that solution would not be considered.

Mr. Cowman stated Mr. Hartford makes reference to air curtains in his letter but he stated he is not sure that system could be installed in an existing building.

Mr. Hentges stated he recalls the Airport Authority discussing the addition of another vestibule. He stated that is the approach he would take if he owned this building. He stated the outer vestibule could have the entrances at the side so it would not create the vacuum during a south wind.

Mr. Cowman stated that would be a better solution than additional heat.

Mr. Williams stated the Airport Authority received a quotation from Glass Unlimited some years ago for a glass enclosure with side doors and at the time we discarded that approach and went with more heat. He stated we are never going to totally eliminate the cold air because this happens to be North Dakota. He stated he feels building an outside vestibule would be the best solution and feels we should get a sketch and quote.

Mr. Williams moved the Airport Authority commission Foss Associates to come up with some options on an outer vestibule.

Second by Mr. Gallagher.

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

Reviewed Progress of Weather Modification Incorporated and Valley Aviation Building Projects:

Mr. Bill Cowman, Foss Associates, stated the WMI project is under way as of last Friday. They started excavation and had planned to pour footings but were forced to delay due to bad weather.

Mr. Cowman stated they were scheduled to start on the Valley Aviation administration building as of yesterday but were also delayed due to weather.

Mr. Cowman stated we are still waiting for the approval from the FAA on the shadow study. He stated the FAA has some concern about the hangar door and its affect on radar, but he added that construction is underway.

Mr. Parmer stated he has talked to the FAA on the matter and they are not sure the doors will cause a problem but if we go ahead and build the hangar as specified and they do cause a problem it would be our responsibility to correct the situation. Mr. Parmer stated he is going to meet with the FAA Airway Facilities people as they are the ones who feel there may be a problem.

Reviewed Progress of Weather Modification Incorporated and Valley Aviation Building Projects:
(Continued)

Mr. Wes Schon, Ulteig Engineers, stated that these two buildings are further away from the radar than some of the Guard's buildings. He stated there was a similar question when we installed the runway surface sensor and they were concerned about overlapping of radio frequencies. The system was installed and there has not been any problem.

Chairman Cichy stated it does not appear that there is too much concern from our point but since the FAA is concerned we will follow their procedures.

Received Notice of Creation of Improvement District for Road Construction on 16th Street North, from 19th Avenue North to Airport Access Road:

Mr. Parmer stated he received notice of creation of improvement district for road construction of 16th Street North, from 19th Avenue North to the Airport Access Road. He stated a number of years ago there was a request from the Air National Guard for this extension of 16th Street in order to relieve some of the traffic from the main entrance to the airport off University Drive but it never materialized. The Guard now has its own entrance at 28th Avenue North. Mr. Parmer stated there is some new development activity in the area.

Mr. Hentges asked how this will benefit the airport. He stated if the airport plans to put the land on the market and develop it then we would benefit.

The diagram provided by the City Engineer shows 21st Avenue North running from North University Drive to 16th Street North and 16th Street North extending from 19th Avenue North, ending at 21st Avenue North. Mr. Williams asked if 16th Street ends there or if it extends through the lot numbered seven (7) all the way up to the airport access road. The memorandum to property owners from the Engineering Department indicates 16th Street runs from 19th Avenue to the Airport Access Road but the diagram shows otherwise. Mr. Williams stated if 16th extends all the way to the access road it would benefit the airport by opening access from 19th Avenue North and then he would have no problem with the assessment.

Mr. Hentges agreed with Mr. Williams. He stated unless they extend 16th Street over Lot 7 so it extends from 19th Avenue to the Airport Access Road we should protest the improvement.

Chairman Cichy asked how much the airport will be assessed.

Mr. Parmer stated he is not sure as the project has not been bid yet.

Mr. Williams moved the Airport Authority protest Improvement District No. 4538 unless the improvement includes Lot 7 as continuation of 16th Street North to the Airport Access Road.

Second by Mr. Hentges.

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

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

Received Notice of Meeting With Frontier Airlines Officials in Their Denver Corporate Offices:

Mr. Parmer stated a meeting has been scheduled with officials of Frontier Airlines in Denver and the airport managers from cities in the state which are served by Frontier. Items on the agenda include the possible return of one of the flights to Grand Forks which was cancelled, and one of the biggest items, improving relations with other carriers which with they have agreements for passengers flying beyond Denver. Mr. Parmer stated another items will be the discussion of service to Winnipeg. Frontier has applied to the Department of Transportation for a route from Grand Forks to Winnipeg. He stated he is not sure of the time element on this.

Received Notice of Meeting With Frontier Airlines Officials in Their Denver Corporate Offices:
(Continued)

Mrs. Stanton moved the Executive Director be authorized to attend the meeting with Frontier Airlines in Denver on Tuesday, October 18, 1994.

Second by Mr. Gallagher.

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

Changed Date of Next Airport Authority Meeting from Tuesday, October 18 to Monday, October 17, 1994:

Mr. Parmer stated since he will be attending the Frontier meeting in Denver on Tuesday, October 18, the meeting for that date would have to be rescheduled.

After discussion on possible alternate meeting dates it was decided the Airport Authority would hold its regular meeting on Monday, October 17, 1994, at 10:30 a.m.

Considered Request of Airfield Maintenance Staff for the Purchase of an 18' Ramp Plow:

Mr. Parmer stated we presently have two front end loaders with buckets and one has a snow plow attachment. Mr. Parmer stated the maintenance staff feels if the second loader also had a plow attachment it would help them a great deal and he indicated he agrees with them. Mr. Parmer stated we received an estimate of \$9,000 from General Equipment.

Mr. Parmer stated his only hesitation in approving this request is that this type of equipment is eligible for AIP funding but our next request for snow removal equipment is not for two years. He added that equipment replacement has a very low priority for funding and feels this is the appropriate time to move ahead on this.

Chairman Cichy asked if we need to get bids on this item.

Mr. Parmer stated he is not sure how many suppliers make this particular type of equipment.

Mr. Gallagher stated he feels we should get more than one quote.

Mr. Hentges moved the Executive Director be authorized to get quotes for a 18' snow plow attachment and that award be at the judgement of the Executive Director.

Second by Mrs. Stanton.

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

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

Other Business:

Mrs. Stanton stated the Airport Authority should again discuss the matter of some chairs for the passengers in the United Express gate area on the lower level.

Mr. Parmer stated he and Attorney Stewart have attempted to get Great Lakes to execute a lease which includes the area on the lower level which they are presently using and once that lease has been executed we can make some changes.

Mr. Steve Dahl, United Express Station Manager, was recognized and stated his first request to the Airport Authority was back in March and the last time he talked to Attorney Stewart he indicated a lease has not yet been presented to Great Lakes.

Other Business: (Continued)

He stated he has waited six months since his first request for some chairs. He stated he can understand why the Authority would want the lease finalized but does not understand the reason for the delay.

Mrs. Stanton stated notwithstanding that she cannot understand why we cannot provide some more chairs for the passengers.

Chairman Cichy indicated both the matter of the chairs and the lease will be looked into expediently.

Mr. Parmer stated he feels the Airport Authority, in order to protect itself, must include in its lease with United Express the gate area they are using.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Monday, October 17, 1994, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Hentges.

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

Time at adjournment was 11:31 a.m.

Regular Meeting

Monday

October 17, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Monday, October 17, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Williams, Hentges, Cichy

Absent: Stanton

Others: Stewart, Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 4, 1994:

Mr. Williams moved to approve the minutes of the regular meeting of the Municipal Airport Authority held October 4, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$46,125.70:

Mr. Gallagher moved to approve the airport vouchers totaling \$46,125.70.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Manning Mechanical:

Mr. Williams moved to approve the individual voucher in the amount of \$900.00 to Manning Mechanical for Payment Request No. 1 for hangar construction, Weather Modification Incorporated hangar complex.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical, Inc.:

Mr. Williams moved to approve the individual voucher in the amount of \$630.00 to Grant's Mechanical, Inc. for Payment Request No. 1 for hangar development, Valley Aviation hangar complex.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved Individual Voucher to Gast Construction:

Mr. Williams moved to approve the individual voucher in the amount of \$8,550.00 to Gast Construction for Payment Request No. 1 for hangar construction, Valley Aviation hangar.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Williams moved to approve the individual voucher in the amount of \$807.40 to Foss Associates for payment request for professional services for construction administration phase, Weather Modification Incorporated.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Northern Electric Construction:

Mr. Williams moved to approve the individual voucher in the amount of \$13,709.61 to Northern Electric Construction for Partial Payment Request No. 1 for work on Runway 3/21 Conversion to Taxiway D, Project No. 3 38 0017 14.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Williams moved to approve the individual voucher in the amount of \$28.00 to Midwest Testing Laboratory for field density testing for Northeast General Aviation Area Watermain and Sewer Project.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Williams moved to approve the individual voucher in the amount of \$628.00 to Midwest Testing Laboratory for field density testing for the Northeast General Aviation Area Development, Project No. 3 38 0017 15.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

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 \$5,569.05 to Ulteig Engineers, Inc. for professional services on AIP Projects 3 38 0017 12 and 3 38 0017 13.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

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 \$4,214.97 to Ulteig Engineers, Inc. for professional engineering services for Aircraft Parking Apron, Taxiway and Access Road Project No. 3 38 0017 15.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

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 \$4,728.04 to Ulteig Engineers, Inc. for professional services for Northeast General Aviation Area Watermain and Sewer Project.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Received Communication from Federal Aviation Administration on Aeronautical Study of Weather Modification Incorporated Office/Hangar Complex:

Mr. Parmer read a communication dated October 5, 1994, from Irene Porter, Manager, FAA Bismarck Airports District Office, stating they have completed an aeronautical study for the proposed Weather Modification Incorporated hangar. The location of the hangar is approximately 3481.55 feet at an azimuth of 3.2 degrees from the radar site. Based on their analysis, if the proposed hangar door facing the radar site is constructed of metallic exterior material, they anticipate that reflection will occur on the Air Traffic Control Tower Radar Beacon system thus disrupting the primary means of aircraft separation and control. They will remove their objection provided that the hangar doors are constructed of non metallic materials.

Received Communication from Federal Aviation Administration on Aeronautical Study of Weather Modification Incorporated Office/Hangar Complex: (Continued)

Mr. Parmer stated since receiving this information the architect has found an alternate type of door so the FAA's objection should be removed.

Mr. Parmer stated the FAA is conducting the same study on the proposed Valley Aviation hangar. He stated the only information he has received on that study so far is a memo he received by fax this morning. This memo was addressed to the ADO in Bismarck and stated they find the proposal objectionable from an airspace utilization standpoint. The proposed hangar will shadow the approach surface, future Runway 17L. The preliminary line of sight analysis shows that the shadow will exceed the approach surface by 3.8 ft. at the point where it first touches the approach surface. Since the approach surface is considered a movement area, the shadowing from the proposed hangar will have an objectionable adverse effect on the Air Traffic Control Tower line of sight operations.

Mr. Parmer stated 3.8 feet sounds very minor to him. Mr. Parmer added that the shadow study was based on the floor elevation of the tower cab. He stated if the line of site elevation from the tower were raised to a level higher than the floor maybe that would erase the objection. Mr. Parmer stated the location of the proposed north south runway can still be adjusted. He added that another solution would be to raise the height of the control tower.

Mr. Hentges asked if there was any clause in the leases with WMI and Valley making them invalid by virtue of the results of these studies.

Mr. Parmer stated there is no such clause in the leases.

Mr. Parmer stated the FAA will not stop the development of the general aviation area due to the findings of these studies but this would affect future development. He added that these issues will be resolved before that time. Mr. Parmer added that the FAA's objection to the WMI project was the metal door yet they did not object to the same type of door being used on the Valley hangar.

Mr. Larry Miller, FAA Airway Facilities, stated that is not entirely true. He stated the report on the objection Mr. Parmer read was a response from the air traffic division of the FAA only and did not include the response from the Airway Facilities branch.

Mr. Williams moved to receive and file the communications from the Federal Aviation Administration.

Second by Mr. Hentges.

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

Reviewed Progress on Hangar Development in General Aviation Area:

Mr. Parmer stated that Mr. Bill Cowman, Foss Associates, is not here today to give a report on progress on the hangars in the general aviation area. Mr. Parmer stated there has not been too much work accomplished other than getting materials to the site. He stated there also has been some dirt work started.

Mr. Parmer stated as far as a change order for the different type of door on the hangars, Mr. Cowman had indicated to him the new doors should cost the same or even slightly less.

Reviewed Progress on Aircraft Parking Apron, Taxiway and Access Road Project in General Aviation Area:

Mr. Parmer asked the project engineer, Mr. Wes Schon, Ulteig Engineers, to give a progress report on the project.

Mr. Schon stated Northern Improvement has laid the lime base and prepared to put down the cement treated base. Mr. Schon stated he and Mr. Parmer met with Northern Improvement representatives last week and they requested that we not do any

Reviewed Progress on Aircraft Parking Apron, Taxiway and Access Road Project in General Aviation Area: (Continued)

more work this year. Mr. Schon stated they had some concerns about putting down the cement treated base but he convinced them they should go ahead with that and fulfill at least that much of the contract as that was the portion that was awarded.

Mr. Schon stated they discussed the supplemental agreement adding the remainder of the money to the contract. They indicated everyone with the exception of their cement supplier was willing to hold their prices until next year. Mr. Schon stated cement has gone up in price and in some areas of the country it has been in short supply. He stated the cement supplier estimated the price will increase \$4.50 per ton and with the project calling for approximately 3,000 tons we are looking at about \$12,000 \$14,000. Mr. Schon stated he has discussed this with Irene Porter in Bismarck and she acknowledged they understand that when project are postponed they expect some problems.

Mr. Schon stated he did come up with a brief summary on this project and none of the delays have been the fault of the Airport Authority. He stated we opened bids on April 19, 1994, but we were not able to offer a contract until the end of June. The project was awarded on July 5 and a Notice to Proceed was issued on July 11 and that was for less than half of the contract. Because of funding we had to issue a change order taking out all of the paving. Mr. Schon stated we completed the earthwork basically by the end of July and first part of August. That is when we ran into a problem with the water/sewer project and the test plots so that project was suspended July 28. He stated even if we had wanted to move ahead with work on the road we could not until the sewer and water had gone through the roadways. Mr. Schon stated that work was completed by the end of September.

Mr. Schon stated this project has been delayed and postponed for a variety of reasons and the contractor was unwilling to write subcontracts for \$800,000 for materials until they had a written document in their hands from the Airport Authority. Mr. Parmer stated it does not appear the contractor is going to get the pavement in this year. He stated he feels they could have if they would have proceeded with the first phase.

Mr. Williams stated it is not critical anyway.

Mr. Schon stated the buildings will not be done until next summer. He added that the completion date for this project is July 31, 1995, and if the cement treated base goes in yet this year we will be able to go to work next May.

Mr. Hentges stated he is more concerned about the access road.

Mr. Schon stated he would like to see the road go in also but as long as we have had these other delays he would like to allow the area to settle over the winter as the water and sewer runs along the road and allowing it to settle will give us a better product next summer. Mr. Schon added that the rain this summer has also added to the difficulty of maintaining a schedule.

Mr. Parmer asked if the storm drain project would be completed this year.

Mr. Schon stated the change order has been turned in and we will definitely get that project done this year.

Mr. Parmer stated Northern Improvement had some concerns about leaving the cement treated base over the winter.

Mr. Schon stated it is either that or leave the lime base over the winter and he would rather see the cement base completed this year. He stated he has left a cement base over the winter before with no problem.

Mr. Parmer stated Northern Improvement stated in a letter that they would not be responsible for the cost if any problems occur.

Mr. Schon stated the background of their concern was a problem they had on a project down in Oklahoma. He stated they feel they had a problem with cracking in the concrete pavement because of cracking in the concrete base. He stated it is

Reviewed Progress on Aircraft Parking Apron, Taxiway and Access Road Project in General Aviation Area: (Continued)

sometimes difficult to pinpoint the cause of a problem. He stated they put down cement treated base in Grand Forks last year and finished the paving by June this year and they have had no problems.

Chairman Cichy stated the Airport Authority will assume Mr. Schon will stay on top of the situation.

Approved Assignment of Lease of T Hangar Unit in West Winds Condominium:

Mr. Parmer stated a unit in the West Wind Condominium hangar has changed ownership from Aero Partnership to Mr. Bradley Eid. Mr. Parmer stated our lease with the condominium association calls for the Airport Authority's approval on lease assignments.

Attorney Stewart stated he has reviewed the document and it is a standard assignment of lease.

Mr. Gallagher moved to approve the assignment of lease in the West Wind Condominium Association from Aero Partnership to Mr. Bradley Eid.

Second by Mr. Williams.

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

Approved Transfer of 1953 FWD Snowblower to the City of Fargo Central Garage for Salvage Purposes:

Mr. Parmer read a request from Mr. Bill Rohrich, City of Fargo Central Garage Superintendent, requesting the Airport Authority turn over its 1953 FWD Snowblower to them. The Street Department has a snowblower about the same vintage and they would like to use ours for parts. It is their intention to dismantle the unit for parts and then dispose of the vehicle.

Mr. Parmer stated this particular unit was turned over the Airport Authority by the Air National Guard a number of years ago. He stated we have been having problems with the transmission and have not been able to get parts so it has just been taking up space. Mr. Parmer stated he does not see any problem with the transfer of the unit but would check with the Air National Guard to make certain the transfer is acceptable since it was their unit.

Mr. Hentges moved to approve the transfer of the 1953 FWD Snowblower to the City of Fargo Central Garage for salvage purposes.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Mr. Parmer added that the Airport Authority acquired another rotary from the North Dakota Air National Guard this summer.

Adopted Resolution of Sympathy to the Family of William "Nick" Nicoloff:

Mr. Hentges 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 tragic airplane accident on October 7, 1994, which claimed the life of Mr. William "Nick" Nicoloff, and

WHEREAS, Aviation Resources, Ltd. and the aviation community has lost a dedicated and conscientious pilot, and

Adopted Resolution of Sympathy to the Family of William "Nick" Nicoloff: (Continued)

WHEREAS, his co workers at Hector Airport have lost a friend who will be deeply missed;

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt condolences to the family of William Nicoloff.

NOW, THEREFORE, BE IT FURTHER RESOLVED, That this resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority and that a certified copy be forwarded to the family of Mr. William Nicoloff.

Seconded by Mr. Gallagher.

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

Absent and not voting: Stanton

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

Adopted Resolution of Sympathy to the Family of Clif S. Hamilton III:

WHEREAS, It is with profound sorrow that the Municipal Airport Authority of the City of Fargo, North Dakota, learned of the tragic airplane accident on October 7, 1994, which claimed the life of Mr. Clif S. Hamilton III, and

WHEREAS, Aviation Resources, Ltd. and the aviation community have lost a valuable member, and

WHEREAS, his co workers at Hector Airport have lost a friend who will be deeply missed;

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt condolences to Dr. Clif and Yvonne Hamilton and family.

NOW, THEREFORE, BE IT FURTHER RESOLVED, That this Resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority and that a certified copy be forwarded to the family of Mr. Clif S. Hamilton III.

Seconded by Mr. Gallagher.

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

Absent and not voting: Stanton

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

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, November 1, 1994, 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 11:00 a.m.

Regular Meeting

Tuesday

November 1, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 1, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Hentges, Cichy

Absent: None

Others: Stewart, Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 17, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held October 17, 1994.

Second by Mr. Williams.

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

Approved the Airport Vouchers Totaling \$47,140.10:

Mr. Hentges moved to approve the airport vouchers totaling \$47,140.10.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Hentges moved to approve the individual voucher in the amount of \$140.00 to Midwest Testing Laboratory for payment request for field density tests, Water and Sewer Main Project, Northeast General Aviation Area.

Second by Mr. Gallagher.

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

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

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Hentges moved to approve the individual voucher in the amount of \$282.00 to Midwest Testing Laboratory for payment request for field density tests, Aircraft Parking Apron, Taxiway and Access Road Project No. 3 38 0017 15.

Second by Mr. Gallagher.

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

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Hentges moved to approve the individual voucher in the amount of \$241,015.32 to Northern Improvement Company for Partial Payment Request No. 3 for construction of Aircraft Parking Apron, Taxiway and Access Road Project No. 3 38 0017 15.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Gast Construction:

Mr. Hentges moved to approve the individual voucher in the amount of \$5,400.00 to Gast Construction for Partial Payment Request No. 2 for construction of Valley Aviation hangar project.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to CB & Sons Electric:

Mr. Hentges moved to approve the individual voucher in the amount of \$409.50 to Partial Payment Request No. 1 for electrical portion of Valley Aviation hangar project.

Second by Mr. Gallagher.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy voted aye. No member being absent and none voting nay the motion was declared carried.

Received Communication from Federal Aviation Administration on Aeronautical Study for Aviation Resources, Ltd./Valley Aviation Hangar/Office Complex:

Mr. Parmer stated he received a letter on October 20, 1994, from Irene Porter, Manager of the Bismarck Airports District Office. He stated this letter contained basically the same information as we discussed at our last meeting. Their study has determined that the proposed hangar will shadow the approach surface, future Runway 17L. The preliminary Line of Sight analysis shows that the shadow will exceed the approach surface by 3.8 feet at the point where it first touches the approach surface. The approach surface is considered a movement area, the shadowing from the proposed hangar will have an objectionable adverse affect on air traffic control tower line of sight operations.

Mr. Parmer stated he feels this is a very minor thing and we should have no problem taking care of this. He stated the study was based on the elevation at the tower cab floor rather than the line of sight from the controller, which would add about 5.2 feet. Mr. Parmer stated there are some other options that can be considered, such as raising the elevation of the proposed runway. Mr. Parmer stated he talked with Mrs. Porter this morning and the findings of this study do not deny the airport the right to put the hangar up but they will address the matter when we request a grant for the future runway.

Mr. Parmer stated this study did not object to the use of a metal door on the hangar as they did with the Weather Modification hangar. He asked Mr. Larry Miller, FAA Airway Facilities to comment.

Mr. Larry Miller was recognized and stated their objection to the metal door on the WMI hangar was because that structure is in the approach path to an active runway. He added the Valley Aviation hangar is far enough to the east so that it will not cause the same problem. Mr. Miller stated that even with the modification in the door

Received Communication from Federal Aviation Administration on Aeronautical Study for Aviation Resources, Ltd./Valley Aviation Hangar/Office Complex: (Continued)

on the WMI hangar they still may get some reflection but it will be a much smaller amount of signal and will be a correctable problem.

Mrs. Stanton moved to receive and file the communication from the FAA Airports District Office.

Second by Mr. Williams.

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

Received Notice of Retirement Luncheon for FAA Employees, Milton Heupel and Hazel Blum:

Mr. Parmer stated he received notice of a luncheon to be held for Mr. Milton Heupel and Mrs. Hazel Blum, employees retiring from the Bismarck FAA Airports District Office. The luncheon will be Wednesday, November 9 in Bismarck. Mr. Parmer stated an invitation was extended to the Airport Authority and he plans to attend.

Mr. Gallagher moved to receive and file the notice.

Second by Mrs. Stanton.

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

Authorized Execution of Change Order No. 4 to Project No. 3 38 0017 12, Project Cost Reduction of \$809.25:

Mr. Parmer stated AIP Project No. 3 38 0017 12 is the first phase for the Runway 8/26 Project. He stated this is basically a balancing change order for the final report resulting in a reduction of \$809.25.

Mrs. Stanton moved to authorize execution of Change Order No. 4 to Project No. 3 38 0017 12.

Second by Mr. Williams.

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

Received Progress Report on Current Projects:

Mr. Parmer stated Northern Improvement has installed the cement treated sub base for the ramp project. This was completed for the ramp only and did not extend to the connecting taxiways or the roadway.

Mr. Hentges asked if that base will deteriorate over the winter.

Mr. Parmer indicated it will not.

Mr. Parmer stated the water and sewer project in the northeast general aviation area will be completed this year. Mr. Parmer asked Mr. Bill Cowman, Foss Associates, to give an update on the hangar projects.

Mr. Cowman stated both the Valley Aviation and Weather Modification projects are under construction and are both at about the same point. He stated last Saturday the footings were poured for both administration buildings. He stated they will continue with the concrete work as long as the weather will permit.

Mr. Cowman stated Gast Construction, the contractor for the Valley complex, is at the point where they would like to pour the footings for the hangar tomorrow and it does not look like there will be anything to hold them up.

Mr. Cowman stated progress on both projects is on schedule and we will even be getting the pre cast concrete panels ahead of estimated delivery date by the supplier. He stated the fiberglass door on the WMI hangar will be less than the metal door but they are still working on the paperwork to identify cost difference.

Adopted Resolution of Congratulations to the North Dakota Air National Guard Happy Hooligans:

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

WHEREAS, The 119th Fighter Group of the North Dakota Air National Guard, "The Happy Hooligans," recently competed in the William Tell Competition held in Florida at the Tyndall Air Force Base, and

WHEREAS, The Happy Hooligans have participated in past William Tell competitions with outstanding success, and

WHEREAS, The Happy Hooligans again won the Overall Team Winner Award at this prestigious competition.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo does hereby congratulate the Happy Hooligans on their achievement at the William Tell Competition.

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 forwarded to the Happy Hooligans.

Second by Mrs. Stanton.

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

No member being absent and none voting nay 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 of the Municipal Airport Authority to be held Tuesday, November 15, 1994 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 10:48 a.m.

Regular Meeting

Tuesday

November 15, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, November 15, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Williams, Hentges, Cichy

Absent: Stanton

Others: Stewart, Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 1, 1994:

Mr. Williams moved to approve the minutes of the regular meeting of the Municipal Airport Authority held November 1, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$35,155.65:

Mr. Gallagher moved to approve the airport vouchers totaling \$35,155.65.

Second by Mr. Williams.

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

Absent and not voting: Stanton, Hentges

The motion was declared carried.

Mr. Hentges now present.

Approved the Individual Voucher to Foss Associates:

Mr. Williams moved to approve the individual voucher in the amount of \$815.62 to Foss Associates for Partial Payment Request No. 5 for professional services for design and construction of WMI hangar.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Williams moved to approve the individual voucher in the amount of \$1,165.00 for Partial Payment Request No. 4 for professional services in connection with design and construction of Valley Aviation hangar facility.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

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 \$1,676.36 to Ulteig Engineers, Inc. for partial payment request for engineering service 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, Hentges and Cichy voted aye.

Absent and not voting: Stanton

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 \$11,437.95 to Ulteig Engineers, Inc. for Partial payment Request No. 10 for engineering services in connection with the General Aviation Aircraft Parking Apron, Taxiway and Access Road Project No. 3 38 0017 15.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

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 \$4,617.96 to Ulteig Engineers, Inc. for Partial Payment Request No. 8 for engineering services in connection with Water Main and Sanitary Sewer Project in Northeast General Aviation Area.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton.

The motion was declared carried.

Approved the Individual Voucher to KBW Associates:

Mr. Williams moved to approve the individual voucher in the amount of \$126,207.00 to KBW Associates for Partial Payment Request No. 1 for general construction work on the Weather Modification Incorporated hangar.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Manning Mechanical:

Mr. Williams moved to approve the individual voucher in the amount of \$5,040.00 to Manning Mechanical for Partial Payment Request No. 2 for mechanical construction on Weather Modification Incorporated hangar.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Rick Electric:

Mr. Williams moved to approve the individual voucher in the amount of \$3,960.00 to Rick Electric for Partial Payment Request No. 1 for electrical construction on the Weather Modification Incorporated hangar.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Received and Filed Statement of Operations for the Month of September 1994:

Mr. Hentges moved to receive and file the Statement of Operations for the Month of September 1994.

Second by Mr. Williams.

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

Received Plot Plan from Mr. Don Hanson, NDSU, Identifying Research Plots:

Mr. Parmer explained that when the Fargodome was built there was an agreement involving NDSU, Fargodome Authority and the Airport Authority, that the airport would identify a 40 acre site for NDSU's research plots. This site would not be disturbed for a minimum of 10 years and the Fargodome would pay the lease amount to the Airport Authority in exchange for the land NDSU gave up. Mr. Parmer explained that NDSU leases additional farm land from the Airport Authority but we have not yet been able to identify the 40 acres for the research plots.

Mr. Parmer stated he has met with Mr. Don Hanson and they have identified a site for 1995 which is in the area of the proposed north/south runway. He stated that area will not be disturbed by construction next year but we would not be able to give them a ten year lease. Mr. Hanson has identified another site for a ten year lease but that is presently under lease to another tenant but could be considered after 1995, which is the last year on the current lease.

Mr. Gallagher moved to approve the 40 acre site for the NDSU research plots for 1995.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Mr. Mark Bittner, City Engineer, Reviewed Proposals to Improve North University Drive from 19th Avenue North to 40th Avenue North:

Mr. Mark Bittner, Fargo City Engineer, was recognized and stated the City of Fargo has been working with the Metropolitan Council of Governments over the past year on the North University Drive corridor from 19th Avenue North to 40th Avenue North. He stated the City has programmed funding in its Capital Improvement Plan for reconstruction from 19th Avenue North to 32nd Avenue North. The City plans to utilize some of its federal dollars and in order to do that a project concept report must be completed. He stated this report evaluates existing conditions, safety issues, present traffic, projected traffic, etc., and comes up with possible solutions to the problems. He stated right now we are getting to the end of the study and have come up with possible recommendations.

Mr. Bittner stated one recommendation is to turn that section of North University into a road similar to 32nd Avenue South or 45th Street South, which is basically five lanes, two each direction and one lane in the center for left turn lanes.

Mr. Bittner stated as far as the impact on the airport, under the present plan the traffic projections on the corridor from 32nd to 40th are about 3,000 cars per day currently and by 2015 should go up only to about 4,000 cars per day. A two lane facility can handle about 10,000 cars per day so their recommendation initially is that the portion of North University Drive from 32nd to 40th really only needs an asphalt overlay, which is scheduled for next year.

Mr. Bittner stated when you do traffic projections you have to estimate what development will be and their present model does not show significant development on the north side. He stated he would like to ask the Airport Authority members if they are comfortable with their plans for that portion of North University Drive adjacent to the airport's land. He stated one of the other possibilities for the section of North University from 32nd to 40th would be a standard urban section which is a 40 foot pavement, three lane street with two driving lanes and one center turning lane, along with curb and gutter. Mr. Bittner stated one of the major considerations is funding for road construction of that type. He stated the City plans to use a combination of federal funds, city sales tax, street rehab funds and special assessments.

Mr. Bittner stated since the airport does not own any land adjacent to the section of University Drive between 19th and 32nd they would not be involved in special assessments. He stated that the Airport Authority's share of the overlay for the section from 32nd to 40th would be approximately \$50,000. Mr. Bittner stated there is a public hearing next Tuesday, November 22 at 4:30 6:30 p.m. at McKinley School and the options will be presented at that time.

In a response to a question about traffic signals, Mr. Bittner stated that right now with present traffic projections the intersections of 28th Avenue and 32nd Avenue do not warrant signals. He stated their projections do not indicate a need until possibly the year 2000 and they anticipate taking another look at that time. He stated they are presently constructing 16th Street between 19th Avenue and the old airport entrance road so traffic exiting the airport will have that option.

Chairman Cichy reminded everyone of the hearing on the matter next Tuesday.

Foss Associates Reviewed Various Vestibule Heating Designs:

Mr. Bill Cowman, Foss Associates, stated at the request of the Airport Authority they have looked at two or three options for expanding the size of the vestibule and changing door orientation in order to provide a barrier from the south winds.

Mr. Cowman stated Plan A expands the vestibule south onto the current sidewalk area with the entrance doors at the east and west ends rather than a straight south orientation. He stated this plan also gives more distance between the exterior doors

Foss Associates Reviewed Various Vestibule Heating Designs: (Continued)

and interior doors so that during off peak times there is an opportunity for the outer doors to close before the interior doors open. He added that they propose extending the metal panel systems so there is continuity for the vestibule. The same type of automatic doors would be used on the east and west ends and the south side would be glass. If we were to go with this option there would be some safety items that would need to be addressed such as a rail system around the existing columns. Mr. Cowman stated this option could be easily accommodated and they estimate the cost to be in the area of \$100,000.

Mr. Cowman explained that Plan B shows the vestibule extending into the lobby space. He stated this can be done but he does not feel this is necessarily a good option. He stated this option would not necessarily disrupt the flow for boarding passengers but people coming off a flight would have to go around the vestibule in order to exit the building. He stated in terms of its impact on circulation in the building they would look at this as more negative than positive. He stated this option would, however, be the most economical at approximately \$50,000.

Mr. Cowman stated that for Plan C they did some research on current revolving door technology and whether or not that type of technology could be applied to the situation here. He stated they found that there is a revolving door system on the market that is designed to accommodate this very type of situation. Mr. Cowman stated this is an elongated revolving door scheme involving approximately three revolutions every minute. These doors are activated by a motion detector. He stated in terms of controlling air flow into the building this would be a positive solution but also the most costly. He stated the cost of the door itself is \$110,000 and along with other costs associated it would be approximately \$200,000 to go with this option.

Chairman Cichy asked how long this type of revolving door has been on the market.

Mr. Cowman stated it has been on the market approximately ten years and he has provided Mr. Parmer with a reference list of other airports who have installed this system. Mr. Cowman stated he suggested to Mr. Parmer that he contact some of these other airports and see what type of history they have had with these doors. Mr. Cowman stated when they first started looking at these as an option they considered a set of doors for both entrance and exit but they now feel one door will accommodate the traffic.

In answer to a question regarding whether the option of a heat curtain was out of the picture, Mr. Cowman stated a heat curtain could not be installed in this building because of the mechanical system required.

Mr. Parmer stated that whatever option the Authority should chose, if any of them, there will be additional heat required in the vestibule.

Mr. Williams asked Mr. Cowman if additional heat would be required with Option A.

Mr. Cowman stated that Mr. Parmer is suggesting that if the Airport Authority wants to take this a step at a time we could go ahead with the additional heating at this time and if it does not accomplish everything we want then go ahead with one of the other options.

Mr. Williams stated he questions whether it will help at all.

Mr. Cowman stated Plan A would call for some additional heating.

Mr. Parmer stated we had received an estimate earlier in the year for \$15,000 for additional heat in the three vestibules.

Mr. Williams suggested we get a figure on the additional heat for the center vestibule but he feels we will eventually have to go ahead with Plan A.

Mr. Hentges asked Mr. Cowman for a breakdown of the \$100,000 estimate for Plan A.

Mr. Cowman stated he could provide a copy of the breakdown.

Chairman Cichy asked Mr. Cowman if we could expect Plan A to cost between \$115,000 and \$120,000, including engineering fees.

Foss Associates Reviewed Various Vestibule Heating Designs: (Continued)

Mr. Cowman stated that would be a safe figure.

Mr. Williams stated he feels the Airport Authority should think in terms of proceeding with Plan A. He stated he feels we are going to have to do it eventually as it is a problem. He stated we should get some firm figures. He added that we could add all the heat we wanted but it is not going to solve the problem.

Mr. Gib Bromenschenkel stated he feels the terminal building is a first class building and feels Plan A changes the face of the building. He stated Plan C is more expensive but does the Airport Authority want to change the face of the building.

Mr. Williams stated he feels Plan A may even improve the looks of the building. He added the thought of automatics doors scares him.

Mr. Hentges stated the outer vestibule will match the exterior of the building and be mostly glass.

Mr. Cowman stated the major difference brought about by Plan A will be the traffic flow for people walking from the parking lot to the building as they will have to enter from the sides.

Mr. Williams stated the parking is strung out now as it is. He stated the area right in front of the doors is handicapped parking and the crosswalks.

Mr. Hentges moved the Airport Authority proceed by getting preliminary bids and costs to consider implementing Plan A, and that we authorize the installation of the additional heating previously proposed, as the additional heat will be required with Plan A.

Second by Mr. Williams.

Mr. Parmer asked if this eliminates the other two options.

Mr. Hentges stated he would not be opposed to further evaluation of the options but we have discussed the matter for some time and we are going to have to make some modification.

Chairman Cichy asked Mr. Cowman if we could move ahead with construction of Plan A this year.

Mr. Cowman stated it would be difficult to construct Plan A at this time of the year.

Chairman Cichy asked about Plan C.

Mr. Cowman stated Plan C would be a little less involved in terms of concrete, etc. and could probably be started soon.

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

Absent and not voting: Stanton

The motion was declared carried.

Requested Attorney Stewart to Review Renewal of Concession Leases Expiring December 31, 1994:

Mr. Parmer stated the leases expiring December 31, 1994 are those for the car rental agencies, the restaurant/lounge and the giftshop. Mr. Parmer stated a number of matters have come up over the past year and he has some questions to address to Attorney Stewart regarding these leases. He stated we have four good car rental tenants now. We had five agencies at the beginning of the year but the fifth left and after several requests from other agencies and much discussion on the part of the Airport Authority we decided to stay with the four agencies. He stated he would like to discuss with Attorney Stewart whether or not the Airport Authority can extend the leases with the existing four agencies and then in the future if the Airport Authority decides to approve a fifth agency have interested parties submit proposals, or if the Authority has to start from ground zero.

Requested Attorney Stewart to Review Renewal of Concession Leases Expiring December 31, 1994: (Continued)

Mr. Parmer stated he would also like to look at the provisions in the other leases. He stated the Barnstormer has had a downturn in its business since the loss of the airline catering business.

Mr. Hentges moved the Executive Director and Attorney Stewart address the issues of the concessionaire leases expiring December 31, 1994, and report to the Airport Authority.

Second by Mr. Gallagher.

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

Reviewed 1995 Airport Improvement Fund Construction:

Mr. Parmer stated in our meetings with the FAA Airports District Office representative in Bismarck, the FAA has indicated they would like us to get our request for 1995 in as soon as possible. Mr. Parmer stated it is possible that we will not be getting any discretionary funds for 1995. Mr. Parmer stated we do have the balance of our 1995 enplanements funds. We had to use a portion of our 1995 fund to finance the final phase of our ramp, connecting taxiway and roadway into the general aviation area. Mr. Parmer stated we can still submit an application for a project in excess of the balance of our enplanement funds but we will not be assured of getting it.

Mr. Parmer stated that basically we have \$400,000 for the 1995 construction season. He stated the Airport Authority has discussed T hangar development in the general aviation area and we have received a commitment from Aviation Resources, Ltd. to build T hangars in the area. He stated we have also known of Mr. Paul Bernabucci's interest in T hangar development in the new general aviation area.

Mr. Parmer stated he is looking for approval from the Airport Authority to move ahead with plans for the 1995 construction. Part of the process is to interview engineering firms for the next phase. Mr. Parmer stated the last selection of an engineer was for a three year period. Mr. Parmer stated that the FAA is approving that method rather than engineer selection for each project. Mr. Parmer stated that we will advertise and invite engineering firms to advise us of their interest and we will then set the date for interviews.

Mr. Gallagher asked Mr. Parmer where the funds would come from for the modification to the vestibule entrance.

Mr. Parmer stated that would have to come from the airport improvement fund.

Mr. Gallagher asked if funds from a Passenger Facility Charge (PFC) could be used for the vestibule project.

Mr. Parmer stated if we did assess a Passenger Facility Charge it could be used only for projects on an approved Airport Layout Plan. Mr. Parmer stated this type of project would not meet that criteria.

Mr. Parmer stated he has discussed the matter of a PFC with Irene Porter, FAA, last week and she advised that we are able to assess a PFC in order to go back and recapture our 10% participation in past projects. He stated he does not know how many years we could go back but he will continue to look into the matter.

Mr. Ron Balvitsch, Northwest Airlines, asked the Authority members if they are aware that the airlines in Fargo are already collecting the PFC but the money goes to other cities.

Mr. Hentges stated he feels we need to identify our needs and move forward with installing the PFC.

Mr. Williams stated he would agree that we should move ahead with the PFC.

Reviewed Proposals Received for the Furnishing of One 18' Ramp Dozer Plow:

Mr. Parmer stated that by action of the Airport Authority on October 4, 1994, he was authorized to proceed with the purchase of an 18' ramp dozer plow. He stated at that meeting he had only an estimated cost and was asked by the Airport Authority to get additional quotes. He stated he has received two quotes as follows:

- General Equipment.....\$10,120.00
- Midwest Industrial Machinery.....\$12,250.00

Mr. Parmer stated a third supplier was contacted but did not provide a quote.

Mr. Parmer stated the reason he brought this back to the Authority for approval was that when he brought the request to the Airport Authority he had been given a rough estimate of \$9,000 and since the quotes came in higher he thought the Authority should be aware of this. Mr. Parmer added this plow would be a good addition to our snow removal equipment.

Mr. Hentges moved to adopt the recommendation of the Executive Director and accept the proposal from General Equipment in the amount of \$10,120.00.

Second by Mr. Williams.

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

Absent and not voting: Stanton

The motion was declared carried.

Adopted Resolution of Sympathy to the Family of Matthew L. Larkin:

Mr. Gallagher 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, learned of the passing of retired long time employee of Hector Airport, Mr. Matthew L. Larkin, and

WHEREAS, Mr. Matthew L. Larkin began his employment with Hector Airport in 1945 and served Hector Airport in a very conscientious and dedicated manner until retiring in 1979.

NOW THEREFORE, BE IT RESOLVED, that the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt condolences to the family of Matthew L. Larkin.

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 herein Resolution be forwarded to the family of Matthew L. Larkin.

Seconded by Mr. Williams.

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

Absent and not voting: Stanton

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

Mr. Hentges moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, December 6, 1994.

Second by Mr. Gallagher.

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

Time at adjournment was 11:33 a.m.

Regular Meeting

Tuesday

December 6, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, December 6, 1994, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Cichy

Absent: Williams, Hentges

Others: Stewart

Chairman Cichy presiding.

Approved the Minutes of the Regular meeting of the Municipal Airport Authority Held November 15, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held November 15, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$42,167.49:

Mr. Gallagher moved to approve the airport vouchers totaling \$42,167.49.

Second by Mrs. Stanton.

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 Electric Construction:

Mrs. Stanton moved to approve the individual voucher in the amount of \$36,670.50 to Northern Electric Construction for Partial Payment Request No. 2 for electrical construction in connection with the Runway 8/26 Project No. 3 38 0017 14.

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 Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$2,465.49 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services 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 Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$5,484.45 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with Aircraft Parking Apron, Taxiway and Access Road Project No. 3 38 0017 15.

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 Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$541.70 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with Water/Sewer and Parking Lots in the Northeast General Aviation Area.

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 Fargo Electric Construction:

Mrs. Stanton moved to approve the individual voucher in the amount of \$55,468.80 to Fargo Electric Construction for partial payment request for electrical construction in connection with lighting portion of Aircraft Parking Apron, Taxiway and Access Road Project No. 3 38 0017 15.

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.

Received and Filed Statement of Operations for the Month of October 1994:

Mr. Gallagher moved to Receive and File the Statement of Operations for the Month of October 1994.

Second by Mrs. Stanton.

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

Received Report from Attorney Stewart on Renewal of Concessionaire Leases:

Mr. Parmer stated that at the last meeting the Airport Authority turned the matter of the renewal of concessionaire leases over to Attorney Stewart.

Attorney Stewart stated he does not have anything in writing regarding the auto rental agency leases. He stated the Airport Authority has received a number of inquiries from agencies interested in operating on the airport. Attorney Stewart stated we do have space for agencies and presently have four operating. He stated the space previously occupied by Thrifty is now being used by United Express.

Mr. Parmer asked Attorney Stewart should the Airport Authority decide to go with five agencies could we extend the leases of the existing four and accept proposals for the fifth spot.

Attorney Stewart stated there are a number of interested parties seeking spots. He stated rather than extending the existing leases the board should consider taking proposals for all five spots, taking into consideration a number of factors such as years in business, experience, type of equipment to be furnished, etc. He stated

Received Report from Attorney Stewart on Renewal of Concessionaire Leases: (Continued)

there are a number of factors involved so it is more than just a bidding process. He stated the statute does not say we have to do that but he feels that would be the fairest method.

Mr. Parmer stated he does not feel the inquiries we had were to replace the current operators but to fill the vacant spot.

Mr. Stewart stated he feels to accept proposals on all available spots would be the fairest way so it could not be said the Airport Authority cut out competition. He added that the existing operators have excellent track records.

Mrs. Stanton stated she would agree and since we deal with tax dollars we have to be fair.

Attorney Stewart stated the Airport Authority could establish criteria but all would be required to pay the same rate.

Mr. Parmer asked the Airport Authority if it is their intent to go back to five agencies given the fact that the fifth agency was not able to be successful.

Mrs. Stanton stated we cannot presume another operator in the fifth spot would not be successful. Mrs. Stanton asked if we have space for five car rental agencies.

Mr. Parmer stated we added space for the fifth agency when Thrifty began operating.

Attorney Stewart stated that physically with United Express using the former Thrifty space we do not have space for a fifth car rental agency.

Mr. Bernie Ness, Avis Rent a Car, was recognized and stated when you look at the numbers for an airport this size four car rental agencies is a good amount. This airport does not have enough people getting off the airplanes to warrant five car rental agencies. Mr. Ness stated the Airport Authority has to establish the number of car rental agencies that will be allowed to operate and it has been shown in this airport and other airports this size that five is too many. He stated he does not feel the Airport Authority wants a bunch of second rate operators if they want to maintain quality service. He stated all of their customers are impressed with the quality of this facility and in order to maintain that quality in the operation of the car rental agencies the Authority is going to have to limit the number of operators.

Chairman Cichy asked how many operators Bismarck has.

Mr. Maury Lamb, National Car Rental, was recognized and stated he operates in Bismarck also and there are four agencies at the airport. Mr. Lamb added that Sioux Falls has four car rental agencies and 100,000 more passengers a year than Fargo.

Mrs. Stanton stated if Bismarck's boardings are less than Fargo's yet they also have four car rental agencies it could be argued either way. She asked when this has to be decided.

Mr. Parmer stated this does not have to be decided right away. He stated the leases expire December 31, 1994, but the Airport Authority can extend them until a decision is made.

Mrs. Stanton stated she would not like to see a decision made today with two members gone.

Mr. Parmer asked if this means the Airport Authority is going to put the other leases up for proposals as well (giftshop and restaurant/lounge).

Attorney Stewart stated to his knowledge no one else has shown interest in those operations.

Mr. Parmer stated he feels the Airport Authority should consider the cost to the operators and if they feel they are going to be here for only five years we may see a deterioration in service.

Mrs. Stanton stated she does not see why that would lead to a deterioration in service.

Received Report from Attorney Stewart on Renewal of Concessionaire Leases: (Continued)

Mrs. Stanton moved the matter of the renewal of concessionaire leases be tabled until the next meeting when it can be discussed by full board.

Second by Mr. Gallagher.

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

Attorney Stewart stated he would write a letter to the board members summarizing the situation so they have it before the next meeting.

Reviewed Current Airport Improvement Projects:

Mr. Parmer stated the paving projects have shut down for the year but the building projects are continuing. Mr. Parmer stated representatives of Weather Modification Incorporated met with KBW and they have decided to concentrate their efforts on the administration portion for the next few weeks.

Mr. Parmer stated one matter that has come up is telephone service to the site. He stated Mr. Wes Schon, Ulteig Engineers, has talked to US West Communications on the project and asked him to give an update.

Mr. Schon stated sometime ago he wrote a letter to US West regarding telephone service and NSP for power and gas. He stated power service has already been brought to the site and the gas should be completed soon. He stated these services are installed free of charge. He stated telephone service is not the same case. He reviewed the situation when we constructed the maintenance shop facility. He stated US West still considered that part of the airport property but they will provide only a one point entrance free of charge but anything beyond that is the responsibility of the owner.

Mr. Schon stated we could bring the phone service to the northeast general aviation area from the service on Township Road 31. US West gave us estimates on 300 or 400 pair cable and the 400 pair cable was \$22,000. He stated since that time we reviewed the route they were going to take and suggested some adjustments which were acceptable to them and will save the airport about 25%. He stated the \$22,000 would also include 50 pair cables to both the Valley Aviation and Weather Modification buildings, which was roughly \$2,000 each. He stated whether or not the individual owners want 50 pair would be between them and US West.

Mr. Schon stated the Airport Authority has to determine if it is their responsibility to purchase the cable.

Mrs. Stanton stated she does not know why we would not be responsible for the cable as it is our property.

Mr. Parmer stated the cable we are talking about is far in excess of the needs of the first two tenants but is planned to serve the entire development area. He stated he would assume the Airport Authority is responsible for bringing the cable to a certain point and then the lessee would take it from there.

Mr. Schon stated US West is looking for some direction from the Airport Authority as far as proceeding and the financial responsibility. He stated they would like a letter from the Airport Authority authorizing them to proceed.

Mrs. Stanton asked if we foresee enough activity to require the 400 pair cable.

Mr. Schon stated in discussing the project with an associate at Ulteig who used to work for US West he stated they look at this as a distribution cable and to install adequate cable in the first place is better than having to come back and add more cable in the future. Mr. Schon stated with communication the way it is today with not only telephones but computers maybe the 400 pair cable is not out of line.

Mr. Larry Miller, Manager of the FAA Airway Facilities, was recognized and stated changes in technology may require different cable in the future such as fiber optic. He stated for example when they built the control tower they brought in 200 pair cable and they paid for 200 pair cable. He stated they are using 17 pair. He stated it sounds to him like that is a lot of overkill.

Reviewed Current Airport Improvement Projects: (Continued)

Mr. Schon stated he is not positive but he thinks US West has run some fiber optic cable through airport property.

Mr. Parmer stated he recalls when the eastside general aviation was developing and the telephone cable was installed. He stated it did not take too many years before the supply was inadequate and they had to add cable. He stated he feels US West is looking into the future.

Chairman Cichy directed Mr. Parmer and Mr. Schon to continue to explore the matter with US West and the two tenants and report back to the Airport Authority.

Other Business:

Mr. Parmer stated we have heard on the news about the plans of Capital Air to begin service to Fargo. He stated representatives of Capital Air will be meeting with him on Wednesday, December 7.

Mrs. Stanton moved to adjourn the meeting until the next regular meeting to be held Tuesday, December 20, 1994 at 11:00 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 11:03 a.m.

Regular Meeting

Tuesday

December 20, 1994

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, December 20, 1994, at 11:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Gallagher, Williams, Hentges, Cichy

Absent: None

Others: Bromenschenkel

Chairman Cichy presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held December 6, 1994:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held December 6, 1994.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$73,130.72:

Mr. Hentges moved to approve the airport vouchers totaling \$73,130.72.

Second by Mr. Williams.

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

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

Approved the Individual Voucher to Northern Electric Construction:

Mr. Hentges moved to approve the individual voucher in the amount of \$62,601.40 to Northern Electric Construction for Partial Payment Request No. 3 for electrical construction on Taxiway D Conversion Project No. 3 38 0017 14.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to KBW Associates:

Mr. Hentges moved to approve the individual voucher in the amount of \$38,283.30 to KBW Associates for Partial Payment Request No. 2 for general construction on 120' x 100' hangar, Weather Modification Incorporated.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Manning Mechanical:

Mr. Hentges moved to approve the individual voucher in the amount of \$5,310.00 to Manning Mechanical for Partial Payment Request No. 3 for mechanical construction on 120' x 100' hangar, Weather Modification Incorporated.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Gast Construction:

Mr. Hentges moved to approve the individual voucher in the amount of \$60,660.00 to Gast Construction for Partial Payment Request No. 3 for general construction work on 208' x 144' hangar, Valley Aviation.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Cass County Treasurer:

Mr. Hentges moved to approve the individual voucher in the amount of \$3,704.27 to the Cass County Treasurer for 1994 special assessments on remaining lots in the Airport First Addition.

Second by Mrs. Stanton.

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

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

Approved the Individual Voucher to Ole's Nursery & Garden Center:

Mr. Hentges moved to approve the individual voucher in the amount of \$3,225.00 to Ole's Nursery & Garden Center for partial payment of airport tree planting project.

Second by Mrs. Stanton.

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

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

Reviewed Plans for PRACS Institute Building in Airport First Addition:

Mr. Parmer stated PRACS Institute recently purchased one and a half lots in the Airport First Addition. He stated it has been the Airport Authority's policy to review and approve plans for buildings constructed in the Airport First Addition. Mr. Parmer presented building plans submitted to him for the PRACS building.

After review of the plans Mrs. Stanton moved to approve the plans for the building to be constructed by PRACS Institute in the Airport First Addition.

Second by Mr. Williams.

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

Reviewed Carpeting Proposals for Barnstormer Restaurant/Lounge:

Mr. Parmer stated the Barnstormer recently presented a list of improvements needed in the restaurant/lounge. He stated one of those items was new carpeting. Mr. Parmer stated the manager, Renee Noehre, obtained estimates for new carpet and he presented those to the Authority members.

Mr. Pete Haug was recognized and stated he knew they were in the process of looking for new carpet but was not aware it was going to be on the agenda for today's meeting. He asked the matter be delayed until he has had time to review the proposals.

Mr. Hentges moved the matter of carpet proposals for the Barnstormer be delayed until the second meeting in January.

Second by Mr. Gallagher.

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

Received Communication from Attorney Stewart on Car Rental Concessionaires Request for Proposals:

Chairman Cichy stated the Airport Authority members received a communication from Attorney Stewart summarizing his recommendation concerning the auto rental concessionaires.

Mr. Parmer stated since the last meeting he has received letters from Enterprise Rent a Car indicating their continued interest in space at the airport, as well as a copy of a letter from the Hertz Corporation disputing information appearing recently in USA Today regarding the largest car rental agencies in the country. Mr. Parmer read the letter from Attorney Stewart. His letter indicated in view of the fact that there have been inquiries and interest expressed in the existing four rental locations and suggested that a request for proposals be sent out to the existing providers, all persons expressing interest, and also published. Attorney Stewart indicated he would work with Mr. Parmer in drafting a format for the request. This request for proposals will include certain items provided by the proposer. These could include length of time in the business, relevant experience, are they present providers of such services, location, type of equipment to be provided, and the like. Attorney Stewart also stated in his letter that the Airport Authority should also discuss whether a minimum guarantee is to be included as a part of the request for proposals. The present minimum is woefully inadequate and should be reviewed.

Mrs. Stanton asked how we would go about determining the minimum.

Mr. Parmer stated the present minimum is \$10,000 and should be substantially more than that as it is far below the average received from the agencies.

Chairman Cichy asked for comments from representatives of the four current agencies.

Mr. Bernie Ness, Avis, was recognized and stated he feels Attorney Stewart's recommendation sounds very realistic. He stated he has indicated many times he feels five car rental agencies is too many for an airport this size. He stated four would be the right amount for which to request proposals. Mr. Ness stated there are operators who would come in, service only the cream of the crop customers coming in between 8:00 a.m. and 5:00 p.m. and not be available to the customers on the fringe. He stated some of the major considerations as far as minimum standards would be type of equipment used and adequate liability insurance. He added a request for proposals would be a good opportunity to include all interested parties.

Mrs. Stanton stated the Airport Authority will have to put together a request for proposals and establish a minimum guarantee.

Mr. Parmer stated Attorney Stewart was not able to be here today but he talked to him on the matter yesterday.

Received Communication from Attorney Stewart on Car Rental Concessionaires Request for Proposals: (Continued)

Mrs. Stanton moved the Executive Director and Attorney Stewart draft a request for proposals for review at the next meeting.

Second by Mr. Hentges.

Mr. Hentges stated he assumes the current leases provide for a continuation of the leases on a month to month basis until the new leases are in force.

Mr. Parmer indicated the current leases will be in force until new leases are effective.

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

Received Update on Capitol Air Service:

Mr. Parmer stated he does not have a great deal of information at this time but he did meet with representatives of Capitol Air on December 7. He stated they intend to start service between Fargo and St. Paul on January 9, 1995, using the 19 passenger Metroliner. He stated he is not sure they have finalized their operational requirements but they are going to attempt to work through Frontier Airlines. He stated they are planning to operate two flights a day but he does not yet know the times of the flights.

Mr. Parmer stated since our last meeting Frontier Airlines has announced they are going to discontinue service to Minot and Grand Forks. He stated their two flights a day to Denver will stop in Bismarck.

Received Update on Current Airport Improvement Projects:

Mr. Parmer stated he did talk with Mr. Bill Cowman, Foss Associates, this morning regarding the progress on a solution to our vestibule problem. He indicated he would have some information for the next meeting. Mr. Parmer stated as far as progress in the general aviation area the only activity right now is on the buildings. He asked Mr. Wes Schon, Ulteig Engineers, to comment of the status of other items.

Mr. Schon stated they are working on the ongoing electrical project converting Runway 3/21 to Taxiway D. He stated as of last Friday all of the lights and signs had been installed and were operating. He stated Runway 3/21 is officially closed and is now Taxiway D. He stated there is still some clean up that will need to be done next spring but other than that they should finish this week.

Mr. Parmer stated our construction plan for 1995 is to proceed with pavement into the T hangar and corporate hangar area. He stated we did have to use some of our 1995 entitlement money toward the general aviation ramp, taxiway, and access road projects. He added that we still have approximately \$400,000 remaining in our 1995 entitlement fund. He stated our request for funds for 1995 will be about \$1 million which will probably be more than the FAA will be willing to fund but we are going to submit the pre application anyway.

Mr. Parmer stated the Airport Authority has discussed this at length but has never officially authorized the preapplication. He asked the Airport Authority for that official authorization.

Mr. Gallagher moved the Executive Director be authorized to submit a pre application to the Federal Aviation Administration of the 1995 construction year.

Second by Mr. Williams.

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

Authorized Executive Director to Proceed with Application Process to Implement Passenger Facility Charge:

Mr. Gallagher asked Mr. Parmer about the status of his research on the passenger facility charge (PFC). Mr. Gallagher stated if Fargo passengers are already paying the maximum charge at other airports Fargo should be getting some of those funds.

Mr. Hentges stated the Airport Authority needs to define a justifiable use for the funds and proceed with implementation of the charge.

Mr. Parmer stated the application process is long but if the Airport Authority decides it wants to implement the fee he will begin the process.

Mr. Williams moved the Airport Authority authorize the Executive Director to proceed with the application process to implement the Passenger Facility Charge.

Second by Mrs. Stanton.

On the call of the roll, members Stanton, Gallagher, Williams, Hentges and Cichy 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 stated they are getting an increased number of complaints from passengers about no porter service and no luggage carts. He stated they have a couple of two wheel carts they let passengers use but he would like to see the Airport Authority check into a Smarte Carte system again.

Mr. Parmer stated the last time we checked into Smarte Carte their monthly minimum was quite high but since then they have come up with another program for smaller airports and he indicated he would check with Smarte Carte again.

Mr. Balvitsch stated we certainly want a customer friendly airport and luggage carts would be a big help. He added we are still in need of additional wheelchairs but they are not disappearing as they have in the past.

Chairman Cichy directed Mr. Parmer to look into a luggage cart system and report back at the next meeting.

Mr. Hentges moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, January 3, 1995, 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 11:29 a.m.