

Regular Meeting

Tuesday

January 9, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 9, 1996, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Cichy, Hentges, Gallagher

Absent: Myers

Others: Stewart, Bromenschenkel

Chairman Gallagher presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held December 19, 1995:

Mr. Hentges moved to approve the minutes of the regular meeting of the Municipal Airport Authority held December 19, 1995.

Second by Mrs. Stanton.

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

Approved the Airport Vouchers Totaling \$41,333.52:

Mr. Cichy moved to approve the airport vouchers totaling \$41,333.52.

Second by Mrs. Stanton.

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

Absent and not voting: Myers

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 \$12,547.18 to Northern Improvement Company for Partial Payment Request No. 5 (Final) for construction of General Aviation Parking Ramp, Taxiway and Access Road Project No. 3 38 0017 16.

Second by Mr. Cichy.

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

Absent and not voting: Myers

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 \$25,149.16 to Northern Improvement Company for Partial Payment Request for construction of Aircraft Parking Apron, Taxiway and Access Road Project No. 3 38 0017 15.

Second by Mr. Cichy.

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

Absent and not voting: Myers

The motion was declared carried.

Authorized Execution of Balancing Change Orders for Projects 3 38 0017 14, 3 38 0017 15, and 3 38 0017 16:

Mr. Wes Schon, Ulteig Engineers, explained that the Balancing Change Orders for these three project simply close out the project as required by the FAA. He stated even though the projects are bid, most of the time the final cost is different, sometimes it is more, sometimes less. This balancing change order shows the agreement on behalf of all contractual parties involved on final amounts and final payments.

Mr. Schon stated the grant for Project 3 38 0017 14 is still open and goes back to the Runway 8/26 project. He stated there are some funds remaining in the project and we hope to use those remaining funds. He added that this change order does not involve any more money to the contractor, it simply closes the project.

Mr. Schon stated it is the same situation with Projects 3 38 0017 15 and 3 38 0017 16. He stated the change order for Project 15 also includes some money for fencing under a bridge to keep wildlife out of the airport, obstruction lights for Runway 8/26 and an electrically operated turnstile gate located by the Valley Aviation facility on the southeast side. There is a turnstile there presently which allows access off the ramp only. That turnstile will be equipped with a card reader for access on and off the ramp.

Mr. Schon stated there is no additional work in the 16 project but there was a penalty for the pavement on a portion of the apron. He stated the FAA requires tests of the pavement be taken and there was one section of the pavement that did not meet specifications. He stated the penalty amounted to about \$15,806. He stated Northern Improvement has signed the change order. He stated the net decrease in that project is \$9,452.00.

Mr. Schon stated the deficiency was only four tenths of an inch but the FAA is looking for uniformity. Mr. Schon stated the FAA has changed their rules somewhat and now they will also be allowing bonuses to contractors under certain conditions.

Mr. Schon stated some of the strengths in this project were excellent and if the FAA had their bonus program in effect Northern probably would have received a bonus for pavement strength on this project. He stated the current standards and specifications for this project have been in effect for over 15 years. He added that Northern Improvement has done an exemplary job on projects over the years and this just happens to be one of those times when specifications were not met.

Mrs. Stanton moved to authorize the execution of the balancing change orders for Projects 3 38 0017 14, 3 38 0017 15, and 3 38 0017 16.

Second by Mr. Cichy.

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

Absent and not voting: Myers

The motion was declared carried.

Received Communication from Federal Aviation Administration Increasing the Grant Agreement for T Hangar Taxiway and Lighting Project No. 3 38 0017 17 by \$451,473.00:

Mr. Parmer stated he received a communication from Irene Porter, Manager of the Bismarck Airports District Office that the FAA's current Fiscal Year 1996 statement of the maximum obligation for the multi year grant agreement for Project No. 3 38 0017 17 is \$451,473.00.

Mr. Parmer explained that when we bid this project we were not able to award the entire project because of a lack of FAA funding. He stated we awarded the project to the low bidder, Northern Improvement Company, and executed a change order reducing the total project by \$451,473. Mr. Parmer stated this communication from the FAA puts that amount back into the project which will bring it back up to full funding. Mr. Parmer stated this does not mean a separate grant agreement as they have done in the past. Mr. Parmer stated this amount comes out of our 1996 entitlement money, which leaves us with only \$200,000 in our entitlement funds for 1996.

Mr. Cichy moved to receive the communication from the Federal Aviation Administration increasing the multi year grant agreement for Project No. 3 38 0017 17.

Second by Mrs. Stanton.

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

Authorized Execution of Change Order No. 2 for T Hangar Taxiway and Lighting, AIP Project No. 3 38 0017 17:

Mrs. Stanton moved to authorize execution of Change Order No. 2 for T Hangar Taxiway and Lighting, AIP Project No. 3 38 0017 17, increasing the project by \$451,473.00.

Second by Mr. Hentges.

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

Absent and not voting: Myers

The motion was declared carried.

Received Communication from US Customs Service Advising of Inspection Services Increase:

Mr. Parmer stated he received a communication from the US Customs Service advising that the current fee for inspection services performed at existing small airports is being increased from \$50,112 to \$74,905 for each inspector assigned to the airports on a full time basis. Mr. Parmer stated the fee is paid by the Board of City Commissioners and he has forwarded this information on to them. Mr. Parmer asked Mr. Bromenschenkel if they had been informed of this increase.

Mr. Bromenschenkel indicated he was not aware of this information. Mr. Bromenschenkel stated this letter indicates the increase will be effective April 1, 1996 but the City's budget has already been set. Mr. Bromenschenkel indicated the County had been paying a portion of this fee but it was cut out of their budget as well as being cut from the Economic Development Corporation's budget. Mr. Bromenschenkel indicated the City Commission would have to take a look at it.

Mr. Cichy moved to receive and file the communication from US Customs Service.

Second by Mrs. Stanton.

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

Received Report from Fire Prevention Inspector:

Mr. Parmer stated that Mr. John Arens, Fargo Fire Department and Mr. Jerome Miller, Building Inspector, conducted an inspection of the terminal building and maintenance shop recently. He stated we have received a list of code violations which

Received Report from Fire Prevention Inspector: (Continued)

were noted and need to be corrected. Mr. Parmer stated some of these items are the responsibilities of the tenants and hopefully we will get their cooperation on these items. He added that none of the items were too serious.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated he was distressed by the report. He stated it seems Mr. Arens makes his inspection each year in December, writes his report, and then goes on vacation for a month so you are not able to contact him. He stated he did this same thing with the inspection of their fuel farm last year. He stated with respect to the doors he wants closed, he stated those doors are between the counter and the operations area and his employees are going through that door constantly. Mr. Balvitsch stated as far as the window he noted as broken, that window has been broken since about one month after moving into this building and it not bothered anyone and now ten years later he feels it should be replaced. Mr. Balvitsch stated he does not plan to replace the window.

Mrs. Stanton moved to receive and file the report from the Fargo Fire Department
Second by Mr. Cichy.

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

Received Air Carrier Traffic Report for 1995:

Mr. Parmer distributed a report provided by the North Dakota Aeronautics Commission on passengers for the four major airports in North Dakota. He stated Fargo's boardings were 222,645, which is a 4.7% increase over 1995.

Mrs. Stanton moved to receive and file the traffic report for 1995.
Second by Mr. Cichy.

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

Other Business:

Mr. Parmer stated he would like to review with the Airport Authority a personnel matter. He stated that the most recent classification study downgraded the positions of our building maintenance staff and we have been attempting to get this corrected for two years. Mr. Parmer stated there are four employees whose present salary is higher than the pay scale in their present classification so they will not be receiving the two percent cost of living increase in salary. Mr. Parmer stated there were a total of 13 employees in the City that did not receive the increase and four of those were airport employees.

Mr. Parmer stated at the last meeting of the City Commission they rescinded their previous action of not increasing their salary the two percent and voted to give a one percent increase. Mr. Parmer stated our maintenance staff feels they are being stepped on and should have been placed in a higher classification and Mr. Parmer indicated he agrees. Mr. Parmer stated these employees have drafted a letter to the Members of the City Commission and asked he and Mr. Dobberstein to also sign the letter. Mr. Parmer stated he did not feel they should get involved without the approval of the Airport Authority.

Mr. Parmer stated we have met with the new Personnel Director for the City and he indicated he would look into the classification of these positions. He stated they have also discussed the matter with Commissioner Bromenschenkel and he does not understand why other positions have been upgraded but these have not. Mr. Parmer stated he requested of the Civil Service Commission that someone involved in this study make a visit to the airport to review these positions but no one ever came to the airport.

Mr. Bromenschenkel stated he agrees with Mr. Parmer and the reason a firm was hired to conduct the study was so that politics were left out of the decisions but it does not seem that is the case and he is disappointed that this firm has included politics in its decisions.

Other Business: (Continued)

Mrs. Stanton stated she has dealt with the Civil Service Commission on this matter and it does not seem they want to hear the case.

Commissioner Bromenschenkel stated the auditorium and airport building attendants

were grouped together in one classification but the positions are different. He stated he feels the auditorium employees are classified right but not the airport employees. He also stated that he voted no on the one percent increase only because he felt it should be two percent.

Chairman Gallagher stated we will need to wait for the report and then proceed from there.

Commissioner Bromenschenkel stated that the Building Engineer's position at the airport is similar to another position in the City and that other position has been upgraded two steps.

Mrs. Stanton moved to receive and file the letter from the building maintenance employees and that we wait to receive the report from the Personnel Director.

Second by Mr. Cichy.

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 Annual Meeting to be held Tuesday, January 23, 1996 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 11:18 a.m.

Annual Meeting

Tuesday

January 23, 1996

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, January 23, 1996 at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Stanton, Cichy, Myers, Hentges, Gallagher

Absent: None

Others: Bromenschenkel, Stewart

Chairman Gallagher presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 9, 1996:

Mr. Hentges moved to approve the minutes of the regular meeting of the Municipal Airport Authority held January 9, 1996.

Second by Mr. Cichy.

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

Mr. Myers stated he was not at the last meeting but read the minutes and wished to comment on the inspection report from the Fire Department. He stated it is imperative that this board follow the building codes and if those codes call for certain doors to be closed then those doors should be closed. He stated keeping certain doors closed also keeps air from going out of the building. He stated the system has to be pressurized in order for the heating and cooling system to operate properly. He stated if the doors are opened we cannot heat the building.

Mr. Myers stated the codes dictate and we live by the codes and he does not think the Airport Authority wants to back off from that report. Mr. Myers stated he is very interested in how we can keep the terminal at a comfortable temperature level for the people working here and one way of doing that is to keep the building pressurized.

Mr. Parmer stated the FAA security agents have also commented on those doors being open and the ease with which someone could gain access to the back area.

Mr. Myers stated we should comply with the regulations and administration needs to take responsibility to enforce them.

Mr. Shawn Dobberstein stated we have taken care of most of the items on the inspector's list.

Approved Airport Vouchers Totaling \$39,700.77:

Mr. Hentges moved to approve the airport vouchers totaling \$39,700.77.

Second by Mr. Myers.

On the call of the roll, members Stanton, Cichy, Myers, Hentges and Gallagher 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 \$280.95 to Foss Associates for Partial Payment Request (Final) for professional services in connection with the Valley Aviation hangar project.

Second by Mr. Myers.

On the call of the roll, members Stanton, Cichy, Myers, Hentges and Gallagher 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 November 1995:

Mr. Cichy moved to receive and file the Statement of Operations for the Month of November 1995.

Second by Mrs. Stanton.

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

Approved Contract Amendment No. 3 to Engineering Services Agreement for FAA Project No. 3 38 0017 14:

Mr. Parmer stated there is a proposed Contract Amendment No. 3 to the Engineering Services Agreement for Runway 8/26 and Parallel Taxiway Project No. 3 38 0017 14. Mr. Parmer stated this contract amendment simply transfers engineering costs in the amount of \$4,869.11 from Project 3 38 0017 12 to 3 38 0017 14. He stated there are no additional fees.

Mrs. Stanton moved to approve the Contract Amendment No. 3 to the Engineering Services Agreement for FAA Project No. 3 38 0017 14.

Second by Mr. Myers.

On the call of the roll, members Stanton, Cichy, Myers, Hentges and Gallagher voted aye. No member being absent and none voting nay the motion was declared carried.

Approved Payment to Ulteig Engineers in the Amount of \$4,869.11 for Final Payment Request for Engineering Services in Connection with the Runway 8/26 and Parallel Taxiway Project No. 3 38 0017 14:

Mr. Parmer stated this is the final payment in connection with the contract amendment discussed in the previous item.

Mrs. Stanton moved to approve the payment to Ulteig Engineers, Inc. in the amount of \$4,869.11 for Final Payment Request for engineering services in connection with the Runway 8/26 and Parallel Taxiway Project No. 3 38 0017 14.

Second by Mr. Myers.

On the call of the roll, members Stanton, Cichy, Myers, Hentges and Gallagher voted aye. No member being absent and none voting nay the motion was declared carried.

Received Communication from Valley Aviation Reviewing Repairs to hangar No. 3 Addition (Flight Training, Ltd.):

Mr. Parmer read a communication from Mr. Robert Hamilton, Valley Aviation, thanking the Airport Authority for the recent repairs to the old Valley Aviation facility which now houses Flight Training, Ltd. His letter also invited the members of the Airport Authority to view the newly remodeled facility which was completed the first part of December.

Mr. Hentges indicated he appreciated Valley's letter.

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

Second by Mr. Hentges.

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

Discussed Supplemental Agreement Between the Municipal Airport Authority and Operators in the Northeast General Aviation Area: (Continued)

Mr. Hentges stated he does not know specifically to what Dr. Hamilton is referring.

Dr. Hamilton stated the first meeting he had regarding locating in the new general aviation area was with Mr. Hentges and some of the items that have been discussed have not come to fruition. Dr. Hamilton stated the contracts don't seem to end up the way they were talked about originally. He stated initially Mr. Hentges talked about the Airport Authority building a hangar and Valley leasing it with a 15 year lease purchase with the transfer at the end of 15 years for one dollar. Dr. Hamilton stated he didn't pay more attention to it because as the thing evolved the Airport Authority was talking about financing the construction of the hangar with bond money in which case they could not purchase the hangar. He stated he was not aware of the arrangements made between the Airport Authority and WMI for the purchase of their hangar until theirs was put up with airport money and he feels if WMI has the option to buy their hangar Valley should have the same option.

Dr. Hamilton stated there were different options such as at the end of five years they would have the option to purchase the building with 90% of the principal payments applied to the purchase price with that percentage going down 5% each year. He added that somewhere along the line someone talked about an interest rate of 4.1% with no principal payment for the first five years and he does not know what happened to that.

Dr. Hamilton stated that nothing was said about the operators purchasing the parking lots. He stated he is not aware of any FBO around here paying for their own parking lot. Dr. Hamilton stated it was also discussed in Attorney Stewart's office that the contracts would be changed once the foot print of the building was complete.

Dr. Hamilton stated he was astonished last Friday at 4:00 p.m. to learn that the Airport Authority is not going to be removing snow from their parking lot. He stated he called Mr. Parmer and he indicated his people had been working all week and he did not want them to have to come back on Saturday and Sunday. He stated they were left with a 20' drift in their parking lot while they had their people on the south side of the airport helping the Airport Authority move snow. He stated they then received a call on Monday morning at eight o'clock from the Airport Authority advising that they could now help with the parking lot but they had already contracted for the snow removal. Dr. Hamilton stated the Airport Authority has been removing the snow from the two parking lots all winter but this time both Valley and WMI had to pay to have their parking lots cleaned.

Mr. Hentges stated he recalls having a meeting with Dr. Hamilton after we were underway with plans for WMI. He stated he certainly would not and could not have made any commitments on behalf of the Authority as far as financing or lease arrangements and all of that was discussed at regular meetings. He added that in the past there were a lot of things done in the southeast general aviation area that were never directly charged to the tenants. He stated the development up north is a different situation. He stated if there are some questions then let's get out the lease and have a meeting.

Mr. Cichy stated there seems to be about four or five major items Dr. Hamilton is concerned about and he assumes WMI has the same concerns.

Mr. Jim Sweeney, WMI, was recognized and stated he does share some of Dr. Hamilton's concerns.

Mr. Cichy stated he feels these items should be addressed as soon as possible.

Mr. Sweeney stated he spoke to Mr. Parmer on Friday afternoon regarding snow removal and they agreed that we need to get together and set a policy. He stated the Airport Authority has cleaned the lots in the past but he was not going to push the issue since there was a lot of snow on the airport to be removed. He stated they did

Discussed Supplemental Agreement Between the Municipal Airport Authority and Operators in the Northeast General Aviation Area: (Continued)

have drifts that went up to the roof of their buildings and the Airport Authority does have the equipment to handle that very efficiently. He stated as Dr. Hamilton indicated snow removal on the airport has always been taken care of by the Airport Authority and both of the parking lots are public use lots.

Mr. Sweeney stated in August of 1993 the Airport Authority spent \$100,000 on parking lot improvements for the eastside terminal area and the viewing park. He stated to his knowledge the tenants on the eastside were never assessed for those improvements.

Mrs. Stanton stated we need to establish a policy.

Mr. Parmer stated he is not sure we are lacking policy because before we started the construction in the northeast area Attorney Stewart drafted an agreement signed by the two operators outlining their responsibilities and also indicating that the distribution of costs for utilities would be addressed at a later date. Mr. Parmer stated as far as snow removal we have never been in the business of removing snow from parking lots even though we have done it in the past. He stated when we first went to a pay parking lot APCOA wanted us to handle the snow removal but the Airport Authority advised them that they would have to contract the snow removal with a company that will put them first on their list. Mr. Parmer stated the Airport Authority cannot pull its operators off the runways and taxiways to clean parking lots. Mr. Parmer stated we have attempted to cooperate with snow removal as much as we can.

Mr. Parmer stated as far as the operators' participation in some of the costs for improvements, there was a lot of money spent to develop that area. Not all of the improvements directly benefit the occupants but a great deal of it was for their use.

Mr. Myers asked Dr. Hamilton and Mr. Sweeney if they have signed leases.

Dr. Hamilton stated they are paying the Airport Authority but they have no lease. He stated there is a letter of understanding but it does not go into detail.

Mr. Myers stated if some of the members are going to be gone in February we need to resolve these issues this week.

Attorney Stewart stated we do have leases in place.

Dr. Hamilton stated he does not have a lease.

Dr. Hamilton stated when the telephone service was brought into the area they did not have to pay 20% of the cost to bring service to the area so why are they paying 20% of the water and sewer. He stated he is not a developer, the Airport Authority is the one who is developing the area.

Mr. Jim Sweeney stated it is his understanding that they have a lease in place for the property including the hangar. He stated at the time the lease was signed no one knew the final amounts.

Mr. Myers stated the matter of the assessments for these utilities were turned over to the City Special Assessment Committee for an objective analysis and recommendation.

Dr. Hamilton stated originally there was talk that the water and sewer were going to be paid for with tax increment financing because WMI was bringing economic development to the airport and all of a sudden the tenants are to pay for the utilities. Dr. Hamilton stated he has invested a lot of money up there too and he needs some help from the Airport Authority for these things that are a benefit to the airport.

Attorney Stewart read Article II, Section C and Section E of the signed Lease Agreement and Option between the Airport Authority and Aviation Resources, Ltd.:

"In addition to the foregoing rentals, LESSEE shall pay a sum sufficient (prorated fair share) to repay LESSOR for LESSOR'S cost to provide utilities to the subject property including, without limitation, water and sewer service."

"Parking for the subject premises shall be handled by a separate agreement between the parties."

Discussed Supplemental Agreement Between the Municipal Airport Authority and Operators in the Northeast General Aviation Area: (Continued)

Dr. Hamilton stated these are general statements.

Attorney Stewart told Dr. Hamilton he signed the agreement and asked him considering the nature of things what else these statements could mean.

Dr. Hamilton stated he has disagreements with the way things have been done and he would like to discuss them with the board before things get any further along.

Mr. Myers asked if all of the final figures are in so all of these items can be addressed.

Mr. Parmer stated he feels the agreements cover what the Airport Authority had in mind when the development was being discussed.

With regard to snow removal, Attorney Stewart read Item 20 in the Ground Lease between the Airport Authority and Aviation Resources, Ltd., signed by Dr. Hamilton, which states:

"LESSOR reserves the right, but shall not be obligated to LESSEE, to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the LESSEE in this regard. LESSOR agrees to use reasonable efforts to keep the aircraft landing and parking areas reasonably clear of snow."

Mr. Myers stated Mr. Sweeney had a good point about a lot of people using their parking lots that are not revenue generators for their business.

Mr. Parmer asked when the parking lots should be cleaned.

Mr. Myers stated the aircraft areas should be cleaned as soon as possible so that we can maintain operations because we have medical emergencies, freight operations, etc. He stated the aircraft operating areas have priority and then probably get to the parking lots two days later.

Mr. Sweeney stated he was at the airport at 3:00 a.m. on Friday and the Airport Authority had done an excellent job of snow removal at that time. Mr. Sweeney stated after his conversation with Mr. Parmer on Friday afternoon he was under the impression that they would get to the parking lot when they had time.

Dr. Hamilton stated he understands there are priorities for the snow removal but Mr. Parmer's answer to him was that they could not clean any of the automobile parking lots because everyone would want to be first. Dr. Hamilton stated there are people with aircraft parking who want to be first also. He stated in the past if someone in a T hangar needed to get out right away they would send someone over and it never seemed to be a problem. Dr. Hamilton stated he was flabbergasted when he was told at 4:00 pm on Friday that the parking lot was their responsibility.

Mr. Parmer stated this was not an average snowfall.

Dr. Hamilton stated that 95% of the time they plow their own parking lot otherwise it would not get done for three or four days. He stated that when there are 10' drifts and the Airport Authority has the equipment to handle that type of job he feels it is unreasonable for the Airport Authority to withhold that from them.

Mr. Hentges stated he feels a meeting should be set up but it should be with all of the members, not just he and Mr. Cichy. Mr. Hentges stated we should gather all of the information needed so that all of these items can be discussed.

After further discussion, a special meeting was set for Thursday, January 25 at 9:00 a.m. to discuss the utilities (water, sewer, telephone), parking lot construction, road, and policy on snow removal and maintenance of parking lots with the operators in the northeast general aviation area.

Elected Mrs. Jeannette Stanton Chairman of the Municipal Airport Authority for Calendar Year 1996, As Per Bylaws:

Mr. Myers moved to elect Mrs. Jeannette Stanton Chairman of the Municipal Airport Authority for calendar year 1996, as per bylaws.

Second by Mr. Cichy.

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

Elected Mr. Richard Hentges Vice Chairman of the Municipal Airport Authority for Calendar Year 1996, As Per Bylaws:

Mr. Myers moved to elect Mr. Richard Hentges Vice Chairman of the Municipal Airport Authority for calendar year 1996, as per bylaws.

Second by Mr. Cichy.

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

Adopted Resolution of Appreciation to Outgoing Chairman of the Municipal Airport Authority, Mr. Paul Gallagher:

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

WHEREAS, Mr. Paul "Buck" Gallagher 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. Gallagher's chairmanship the Municipal Airport Authority moved steadily and successfully forward in improving the aviation facilities at Hector International Airport, and

WHEREAS, Mr. Gallagher 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. Paul Gallagher 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. Gallagher.

Second by Mrs. Stanton.

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

Mr. Cichy moved to adjourn the annual meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, February 13, 1996 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 11:37 a.m.

Special Meeting

Thursday

January 25, 1996

A special meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Thursday, January 23, 1996, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Cichy, Myers, Hentges and Stanton

Absent: None

Others: Stewart

Chairman Stanton presiding.

Reviewed Leases for New General Aviation Development and Assignment of Utility Costs:

Attorney Stewart distributed an agenda for the discussion and asked that we stay close to the subject outline:

1. Building Construction
2. Utility Installation
 - Water
 - Sewer
 - Telephone
3. Parking Lot Construction
4. Entrance Road
5. Policy Matters
 - Snow removal
 - Apron parking
 - Others

Attorney Stewart stated he has sent Mr. Parmer a proposed Supplemental Agreement between the Municipal Airport Authority and the two tenants in the northeast general aviation area. The parties have entered into a Development Agreement (dated April 4, 1994), a Ground Lease (Dated August 2, 1994) and a Lease Agreement and Option (dated August 2, 1994). These agreements provided in part that the cost of construction would be handled by a supplemental agreement between the parties. The facilities are now complete and this Supplemental Agreement reflects the final cost of construction and the amount to be paid to the Airport Authority by the lessees as a lease payment, as well as to provide a repayment amount and schedule of repayment of the Authority's cost of utilities and parking lot construction. This agreement covers the following:

1. Ground Rental Charges
2. Hangar Lease Payment
3. Utility Costs
4. Road Access
5. Parking Lots

Mr. Parmer stated when he and Attorney Stewart reviewed these agreements yesterday, as well as the discussion at the meeting on Tuesday, it seemed to be the opinion at the meeting that these things had never been discussed until now and that is not the case. There has been considerable discussion and the minutes reflect that. He stated the only item that was not firm was the method of payback to the Authority. Mr. Parmer stated it is very clear from the minutes that there would be utility costs paid by the tenants. Mr. Parmer stated when final figures for the utilities were in the Airport Authority decided to turn the matter over to the City Special Assessment Committee for a fair and impartial method of assessing the costs.

Mr. Parmer stated as far as snow removal it can be provided on a delayed bases and that is included in the lease.

Attorney Stewart read Section 12.05 of the Lease Agreement and Option:

"Airport Maintenance and Snow Cleaning LESSOR reserves the right, but shall not be obligated to LESSEE, to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the LESSEE in this regard. LESSOR agrees to use reasonable efforts to keep the aircraft landing and parking areas reasonably clear of snow."

Dr. Hamilton stated the Airport Authority has always owned and cleaned out the parking lots.

Mrs. Stanton asked if it has been the policy of the Airport Authority to clear the snow from parking lots.

Mr. Parmer stated we have always handled parking lots on a delayed basis.

It was noted that discussion was straying from the agenda and discussion on Building Construction was resumed.

Attorney Stewart stated the Airport Authority now know the final cost of the two hangar buildings. He stated the two leases are different, JP Development's lease is for a 20 year term with an option to buy and Dr. Hamilton's lease is a 15 year lease including no option to buy because initially we thought construction would be with bond money in which case he could not have the option to purchase.

Dr. Hamilton stated there are two ways to figure what he will pay for the lease on the building, the first being even payments such as a mortgage payment, or the second using the total cost of the building divided by 180 payments with the principal payment staying the same and the interest based on the unpaid balance with decreasing payments. He stated he would prefer the level payments over the decreasing as the level payments are easier on the lessee. He stated the other option would be better for the Airport Authority because they would get their money back quicker.

Dr. Hamilton stated he assumed that the option to buy would be a dollar for dollar or greater incentives such as \$1.25 on the dollar but the Authority is now talking about ninety cents on the dollar.

Mr. Hentges stated his recollection was that this matter was resolved with a reduction to a 4.1% interest rate.

Attorney Stewart indicated the trade off was that we affix the low interest rate of 4.1% for five years, at the request of the tenants. He stated as far as a level vs. decreasing payment it was intended that we be on a level payment and he has no problem with that. Attorney Stewart stated when the agreement for Dr. Hamilton's hangar was drafted we were contemplating using bond funds and that is the reason for the 15 year term. He asked Dr. Hamilton if he would prefer level payments.

Dr. Hamilton stated he feels it would be easier both for the Airport Authority and himself if the payments were level then they would know each month how much they would be rather than Mr. Parmer calculating the interest and sending them a bill.

Attorney Stewart stated the agreement does say amortized and amortized means level payments. He asked Mr. Jim Sweeney and Mr. Pat Sweeney if they were satisfied with the payment terms of their lease.

Mr. Jim Sweeney stated when he looks at the lease entered into in August 1994 there is a set term for payback and they prefer the level payments over 20 years. He stated the options are clear cut. Mr. Sweeney stated the reason the two leases are different is that back in August 1994 the Airport Authority had a certain amount of money to spend on hangar construction and the reason Valley's lease does not have an option to purchase is that there was the possibility of using bond funds. He stated from day one they have wanted the option to purchase their hangar. He stated it was clear from the Airport Authority they did not have sufficient funds to construct two hangars and had they known the Authority did have sufficient funds they would have requested a larger building. He stated if the Airport Authority is going to renegotiate a lease today because the Airport Authority decided to use their own funds for the second hangar they are going to request funds for a second hangar. He stated it is his question how the Airport Authority decided that bond funds were not going to be used.

Mr. Myers stated he does not want future buildings to be part of today's discussion. He stated today's meeting is to take care of the details on the existing buildings. He stated hind site is 20 and we don't want to go back and wonder how things would be if we had done things differently.

Chairman Stanton stated she does not disagree but some of these things do fit together.

Mr. Parmer stated he sent both tenants bills using the identical method of payments. He stated if Dr. Hamilton wants to change his lease to 20 years rather than 15 years he has no problem with that.

Mr. Pat Sweeney stated their project was limited and they limited the size of their hangar because of limited funds available from the Airport Authority.

Attorney Stewart stated that is a misstatement. He stated we have gone through this for three years and the minutes are replete. WMI was interested in a facility. He stated that was then and this is now and he agrees with Mr. Myers that this discussion should not include talk of future buildings.

Mr. Sweeney stated he is looking for fair and equal treatment.

Attorney Stewart stated that is what they will get.

Mr. Gallagher asked what Dr. Hamilton wants.

Dr. Hamilton stated whether the term is 15 years or 20 years depends on if the option to buy will be based on dollar for dollar or ninety cents on the dollar. He stated if it is a dollar for dollar payback he wants a 15 year term but if it is anything else he wants 20 years.

Mr. Parmer stated that payback feature has already been set.

Attorney Stewart stated if we are going to renegotiate the payback feature maybe the tenant should move out and renegotiate everything. These items are in the agreement.

Dr. Hamilton stated it is not in his agreement and if that is the way it is going to be he wants the level payments over 20 years.

Attorney Stewart stated if the term has changed should an option to buy be included.

Dr. Hamilton stated he will probably never exercise the option but he wants the lease the same as WMI.

Mr. Hentges stated options benefit only the tenant.

Mr. Myers asked Mr. Parmer if both leases tracking the same would be a problem.

Mr. Parmer stated he has no problem with that. He stated as far as financing of the hangars with the Airport Authority's funds or a bond issue that was strictly up to the Airport Authority. He stated his position was that he did not want to zero out our improvement fund under any circumstances.

Attorney Stewart stated at this point the Lease Agreement and Option for Dr. Hamilton will be under the same terms as the WMI lease.

Attorney Stewart stated the next matter on the buildings would be the cost of the buildings. He stated total costs for both buildings have been determined and he is not aware of any argument on that matter.

Discussion moved to Item 2 Utility Installation.

Mr. Parmer stated the total cost for running water and sewer service to the northeast general aviation area was \$411,000. He stated the cost to run the water line from the west to the east, as this is on a loop system now, was \$73,000 and that amount was not included in the amount assessed to the tenants. Mr. Parmer stated the cost to run the water and sewer from the road to the point of service for each facility was not included either. He stated the Assessment Commission figured a 20% assessment of the cost to each tenant would be equitable. Mr. Parmer stated the Assessment Commission came up with the following figures for assessments to the two tenants:

Weather Modification Incorporated	\$33,000
Aviation Resources, Ltd.	\$28,000

Mr. Parmer stated these assessments would total \$61,000 to be applied to the cost of \$411,000 for the cost of the utilities. He stated it is up to the Airport Authority whether or not they wish to accept these recommendations or do they wish to negotiate.

Mr. Jim Sweeney asked about future development in the area tying off those lines how much will be assessed to those tenants.

Mr. Parmer stated any other development tying into that line would also have to pay a fee to tie into the line.

Attorney Stewart stated the tenants are not being charged anything for the loop system and the extension of the sewer to the area, the 20% is the assessment for the trunk line from the road to serve the area.

Mr. Hentges stated the Airport Authority paid for bringing utilities to the development and the 20% assessment to the tenants is for the trunk line only. He stated the other assessment amounts were the costs to extend the service from the trunk to their facilities. He stated if a future tenant would go up to next to WMI's hangar and tie into that line then the City Assessment Committee would take another look at that time and reallocate the assessment.

Dr. Hamilton stated would it not be better for the Airport Authority as far as development in the northeast general aviation area to pay for the whole thing coming in and for the tenants to pay only for their service as it was done on the south side.

Dr. Hamilton stated he has had a lot of cost involved in moving to the new general aviation area and they are looking for support from the Airport Authority.

Mr. Myers stated if he understands this the matter of dispute at this time is \$7,500. He stated he wants everyone to understand that we are not talking about hundreds of thousands of dollars but just \$7,500.

Mr. Hentges stated Fargo is in a part of the country where cities have been involved in the financing of improvements and assesses them back to the lots for payment over a term. He stated in many other parts of the country the developer pays for all of the improvements and when the property is purchased that is in the price. He stated maybe the Airport Authority should have included the cost of utilities in the price of the building and not referred to them as special assessments. He stated we have made agreements favorable to the tenants and if the Airport Authority is recapturing only \$61,000 of about \$500,000 he feels that is favorable for them.

Mr. Parmer stated he does not think we have a problem with assuming the cost of the line coming into the area. He stated there will be a lot of development in the future.

He stated he does not have a problem with that either but he wants to make sure that in the future when others are tying on we don't have these two tenants complaining that the Airport Authority did not charge the others and they are getting an advantage they did not get.

Mr. Parmer stated the tenants now are being charged the same as future tenants, the cost to tie into the line.

Attorney Stewart stated as far as the access road is concerned, this project was part of a federally funded project and the Airport Authority paid 10% of the cost. He stated it is his understanding that the Airport Authority is going to fund this and no assessment will be made to the tenants.

Item 3 Parking Lot Construction

Mr. Hentges asked if these two parking lots are exclusive to the tenants and serving those respective buildings. He asked if someone builds next to these facilities will they also use these parking lots or are they exclusive.

Mr. Parmer stated the two parking lots basically cover the present sites and are for those facilities.

Mr. Jim Sweeney stated there is some public use of their parking lots. He stated they have cars dropping off or picking up people who are not necessarily their customers or even people just coming out to watch airplanes much like the viewing parks on the airport.

Mr. Pat Sweeney stated there are people using both parking lots and coming through their buildings to get on an airplane who never spend a nickel in their facility. One example would be someone flying into Fargo, getting off the airplane on the ramp near one of the facilities, walking through their building to get to a hotel courtesy van waiting for them in the parking lot.

Mr. Parmer stated what confuses him about this is that when we were having discussions on developing the area there did not seem to be any question about assessment for the parking lots and now there seems to be.

Attorney Stewart asked Mr. Sweeney if these people are not their customers then whose customers are they.

Mr. Hentges stated a lot of people use parking lots and come into facilities without buying anything. He stated the FBO's have the opportunity of selling something.

Mr. Myers stated the arguments he has been hearing today have bothered him for the reason that the very fact that airplanes are landing here represents a multi million dollar expense to the taxpayers of the city of Fargo which these operators have not physically put up other than their tax dollars into it. He stated the argument that they are coming through their facilities without spending any money is not a good one because the reason these operators are in business is a ton of money that has been spent on this airport to service not only their facilities but others on the airport. He does not think the matter of people using the parking lots for nothing should be an issue in this discussion.

Mr. Parmer referred to minutes of the February 7, 1995 meeting where at the request of the operators we discussed the increase in size of the parking lots. The minutes read as follows:

"Mr. Gallagher stated these parking lots will add quite a bit to their monthly lease rate.

Mr. Parmer stated he feels the Authority should authorize Ulteig Engineers to proceed with the plans and specifications and advertise for bids.

Mr. Williams asked if the tenants are agreeable to this kind of money.

Mr. Parmer stated the tenants are aware that the agreements would be renegotiated after the parking lots have been finalized.

Chairman Gallagher asked representatives of Valley Aviation and Weather Modification Incorporated if they had any comments.

Dr. Clif Hamilton, Valley Aviation, was recognized and stated the plans look fine to him and as far as paying for it that's the way it goes.

Mr. Jim Sweeney, WMI, was recognized and stated this causes him some concern. He stated he does not know if any other tenant on the airport in general has been required to pay specifically for parking."

Chairman Stanton asked for the final figures on the parking lots.

Mr. Parmer stated final cost for Valley's parking lot was \$108,000 and WMI's parking lot was \$54,000.

Dr. Hamilton stated as far as parking lots on the airport are concerned, the only time he is aware of that a tenant participated in the cost of a parking lot was in 1984 when Executive Aviation agreed to participate in the cost of improvements to the lot. He stated he does not know if Dakota Aero Tech paid any portion of improvements to the lot.

Mr. Parmer stated Dr. Hamilton is making reference to charges the Airport Authority made many years ago in the southeast general aviation area. He stated if the Airport Authority had adopted the same types of arrangements for the northeast general aviation area we would not have been up there today as we would not have had the money. Mr. Parmer stated when we first started talking about developing the northeast general aviation area of the airport it was with the understanding that the people developing up there would have to assume some of the costs associated with the development.

Mr. Parmer stated he has a breakdown of the construction costs for the parking lots, Weather Modification \$59,952.90, Aviation Resources \$92,911.30. He added that this is the construction costs only, this does not include any engineering costs. Chairman Stanton asked what other airports in the country do when with their development. She stated she wants us to be as fair as possible.

Mr. Hentges stated the minutes reflect what the understanding was between the Airport Authority and the tenants. He stated the parking lots were put in to serve those businesses.

Dr. Hamilton stated if there are more tenants locating up there they will also use their parking lots and if they have to build their own they probably won't locate there. Dr. Hamilton stated originally the parking lots were further north of their buildings and there wasn't any question about whose it was going to be on the airport drawing. It was only after they requested the parking lots be closer to their buildings that this became a point. Otherwise the Airport was going to build them 100' or 200' north of their buildings.

Chairman Stanton asked Mr. Hentges if he feels the tenants should pay 100% of the parking lots.

Mr. Hentges stated it was the understanding that the parking lot was part of the project and the tenants should have the right to control the parking.

Dr. Hamilton stated anything decided here it will have to be the same for future developers. He stated that when Mr. Bernabucci presented his request to the Airport Authority for a T hangar development he said the only way he could keep the monthly rental at \$125 \$150 a month would be if the Airport Authority prepare the landside and put in concrete structures on which the building would be constructed. He asked how the Airport Authority could expect anyone to build a T hangar if it is not economically feasible.

Mr. Myers stated the money has to come from somewhere to pay for the parking lot. He stated the City built a parking lot to service the Civic Auditorium but the parking is for a fee and that is how the City is getting their money back on that. He asked if the Airport Authority has money to build parking lots indiscriminately. Mr. Myers suggested if the parking lots are too big for these tenants and they want to back off part of the lot and control a specific portion for their business operation then the Airport Authority would control the rest and it would be fee based parking.

Mr. Gallagher asked the tenants if they have too much parking.

Dr. Hamilton indicated the parking lot is not too large. He stated they pay a fuel flowage fee of two cents per gallon and one and a half percent fee to the Airport Authority he asked what that money goes for.

Attorney Stewart stated when negotiating with airlines in the past they feel they are paying the whole shot at the airport and general aviation is getting by for nothing.

Mr. Hentges now absent.

Dr. Hamilton stated he does not know what the airlines pay but he knows he pays a lot every year.

Mr. Jim Sweeney stated any future parking will be connected to their parking lots and extended. He stated secondly that with any of the other general aviation parking lots on the field none of the tenants have made direct payments for them. He stated in the past two years the Airport Authority has spent \$50,000 on a parking lot for a viewing park and improvements in the existing general aviation area for which none of the tenants were assessed. Mr. Sweeney stated he has always felt that since no one else is paying for parking why should it be different up north.

Attorney Stewart asked if the FBOs are going to allow T hangars tenants to parking in their parking lots.

Mr. Jim Sweeney stated absolutely they will. He stated if their parking lot is full some of their people will park in Valley's parking lot.

Attorney Stewart stated as far as the Airport Authority spending money on a viewing park, the taxpayers pay a two mill levy to the airport for improvements and he feels we should have something for the public.

Mr. Pat Sweeney stated there is an awful lot of public viewing going on in their parking lot and their facility and they are welcome.

Mr. Myers asked Mr. Parmer for his recommendation.

Mr. Parmer stated he feels there should be an assessment for parking and whether or not the Airport Authority feels it should be 100% that is up to them.

Mr. Cichy stated we are looking at a total of \$151,000 without engineering costs.

Mr. Parmer stated the engineering costs were tied in with the water and sewer project.

Chairman Stanton asked if any of the other airports in North Dakota have a similar situation.

Dr. Hamilton stated Waypoint Avionics and Excalibur Aviation are located at the Bismarck Airport and he is not aware that either of them have ever been assessed for parking.

Mr. Parmer stated there are a lot of airport agreements that may not have a specific item such as parking identified but it could be included in their payments.

Dr. Hamilton stated their agreement in Bismarck covers square footage.

Mr. Parmer asked Dr. Hamilton if there are any other airports in the state that have a fuel flowage fee of only two cents.

Dr. Hamilton states some airports have no flowage fee and some have up to five cents.

Mr. Jim Sweeney stated there is no question Fargo's flowage fee is reasonable.

Attorney Stewart stated since the board is now one member short and it is not crucial that a decision be made today he suggested that the members consider the parking lot issue and decide whether they want to charge the tenants for all or just part of the cost of the parking lots. He added that we need to bear in mind that there will be other parking lots in the future and those will have to be handled the same.

Mr. Myers stated another consideration is the maintenance on the parking lots every five or ten years. He stated whatever is decided we need to take maintenance into consideration on the parking lots as well as on the sewer and water.

Mr. Myers stated it will be a while before the Airport Authority has a quorum available and if a decision is needed it should be made today.

Attorney Stewart stated it is not critical that we make a decision today but we have come a long way today.

Mr. Gallagher stated we have decided today that the Airport Authority will not assess the 20% trunk fee of approximately \$7500 to each tenant and that there will be no assessment to the tenants for the road.

Mr. Myers stated with regard to the parking lot on the eastside, the terminal building caused much of the parking lot to be in that area. Mr. Myers stated the main issue at this table is that we are dealing with tax payers' dollars and we need to make sure that we are not criticized for mismanaging their money.

Mr. Cichy proposed the solution of the Airport Authority paying for 50% of the cost of the parking lot and the other half to be paid by the two tenants.

Mr. Gallagher stated that would be fine with him but the responsibility for maintenance should be the tenants'.

Dr. Hamilton asked how the Airport Authority would want them to pay for it.

Mr. Gallagher suggested tying it to the hangar mortgage payment.

Mr. Myers stated as long as we have been discussing T hangars, he asked why we want T hangars to be built in the new general aviation area and why we would not encourage them to go to West Fargo or Hawley.

Mr. Cichy stated we are trying to help the fixed base operators get business.

Mr. Myers stated that is exactly right and we are losing site of that issue. He stated T hangars bring business to the airport. He stated it was mentioned earlier that if the cost for building T hangars at the airport are not economically feasible people will not build at the airport in Fargo. He stated there is a reason to have T hangars built at Hector Airport and that is to bring business to the airport he supports that issue. He stated, however, that there is a limit to the funds we have available.

Mr. Jim Sweeney stated he has no problem with the proposals put forth today but he also feels the future needs to be considered.

Mr. Myers stated if the Airport Authority were to create a document with the terms discussed today and that at the end of the first five years the interest rate would be tied to the City's bond rate. He stated from everything he is reading today the City's bond rate in five years will be lower than 4.1% because they are talking about 30 year bonds dropping like a rocket. He stated why postulate about what tomorrow is going to bring and why even get involved in the past because it was such a jungle. He stated we need to get some meaningful dialogue going here that will take care of the buildings, the parking lots, as well as any expansion and maintenance.

Chairman Stanton stated we need to have some policy so that when these leases come up for renewal we have some guidelines.

Mr. Parmer suggested turning this over to Attorney Stewart to draft an agreement for final approval.

Mr. Myers stated he doesn't have a problem with using 4.1% for the interest rate if it helps the operators but he wants to get all of this bickering behind us.

Mr. Cichy stated he would second Mr. Myers' motion about the bickering.

Mr. Myers stated in any agreements on the parking lots he wants included that tenants will be responsible for maintenance and that required maintenance be conducted based on an engineer's recommendation.

Attorney Stewart asked Mr. Myers if the option to purchase is exercised on either building what happens to the parking lots.

Mr. Myers stated the Airport Authority retains ownership of the parking lot. He stated the tenants portion is in lieu of rent or lease payments on the parking lot.

Mr. Jim Sweeney asked if it would then be fair to assess other airport tenants for improvements to parking lots.

He stated he feels improvements benefiting tenants should be factored into rent along with all other expenses.

Mr. Gallagher stated he feels these two tenants are getting a good deal and we should not always be referring to other tenants on the eastside.

Mr. Myers asked the tenants if they are satisfied with these proposals before Attorney Stewart goes to the trouble of drafting a document they are going to have problems with.

Dr. Hamilton stated if everything he has heard so far today occurs he is satisfied.

Mr. Jim Sweeney asked if these changes would be incorporated into the supplemental agreement.

Attorney Stewart indicated the changes would be incorporate into the supplemental agreement.

Mr. Myers asked if Dr. Hamilton's lease would have to be changed considering the change in terms and the option to purchase.

Attorney Stewart stated he had considered including those changes in the supplemental agreement as well.

Mr. Cichy moved the Airport Authority incorporate the following changes to the supplemental agreements with Aviation Resources, Ltd. and Weather Modification Incorporated:

1. Change the term of the Aviation Resources, Ltd. lease to 20 years with level payments and the option to purchase (same terms as WMI lease and option)
2. The Airport Authority will pay the entire cost of the trunk utility line to the northeast general aviation area and the tenants will not be assessed the 20% trunk fee as recommended by the City Special Assessment Committee
3. The Airport Authority will fund 50% of the construction costs for the parking lot with the two tenants paying the other 50%, with the repayment to follow the building payment schedule and the tenants having the responsibility of maintenance and repair of the parking lots according to an engineer's recommendation
4. The Airport Authority will assess no charge to the tenants for the access road serving the northeast general aviation area

Second by Mr. Gallagher.

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

Mr. Myers asked Dr. Hamilton if all of the items on his agenda were covered.

Dr. Hamilton indicated they were all addressed.

Chairman Stanton stated we will address the matter of snow removal at a later date.

Mr. Myers moved to adjourn the special meeting of the Municipal Airport

Authority.

Second by Mr. Cichy.

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

Time at adjournment was 10:52 a.m.

Regular Meeting

Tuesday

February 13, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, February 13, 1996. at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Myers, Hentges, Stanton

Absent: Cichy

Others: Stewart, Bromenschenkel, MacLeod

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 23, 1996 and the Special Meeting Held January 25, 1996:

Mr. Hentges moved to approve the minutes of the regular meeting of the Municipal Airport Authority held January 23, 1996 and the Special Meeting held January 25, 1996.

Second by Mr. Myers.

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

Approved the Airport Vouchers Totaling \$59,260.22:

Mr. Hentges moved to approve the airport vouchers totaling \$59,260.22.

Second by Mr. Gallagher.

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

Absent and not voting: Cichy

The motion was declared carried.

Received and Filed the Statement of Operations for the Month of December 1995:

Mr. Hentges moved to receive and file the Statement of Operations for the Month of December 1995.

Second by Mr. Gallagher.

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

Received Improvement Fund Report for 1995:

Mr. Parmer distributed a report of activity in the Airport Improvement Fund for 1995 showing total receipts and disbursements for the year.

Mr. Parmer stated our present commitments for 1996 will call for about \$700,000, which is just about the amount we have coming from the FAA under the AIP Program. He stated as far as Project 3 38 0017 18 there is still some question about how much the FAA will fund this year but if they were to fund the entire project it would cost the Airport Authority another \$150,000.

Mr. Hentges asked Mr. Parmer where we should be in the next four or five years as far as a running balance.

Mr. Parmer stated that depends a great deal on the revenue sources. He stated we are in the process of applying for authorization for a Passenger Facility Charge and if Congress continues to treat the AIP Program as they have they are almost forcing airports to go with a PFC. Mr. Parmer stated the tax on airline tickets has not been collected since January 5, 1996 as Congress has no budget and it is estimated the airport fund is losing \$13 million a day. He stated airports have had problems getting money out of that trust fund even though there is a \$5 billion surplus.

Mr. Hentges asked the approximate annual payback into the fund from the two new hangars.

Mr. Parmer stated for both hangars it is approximately \$140,000 per year.

Mr. Myers stated he could see down the pike where if the Airport Authority assesses the PFC the City might look at the airport's mill levy and take that away.

Mr. Gallagher stated there is nothing wrong with eliminating the mill levy in the future if we don't need it. He stated that under state law the Airport Authority has the liberty to levy up to four mills.

Mr. Myers stated if the mills were ever eliminated we would never get them back.

Mr. Myers stated his concern was would the Airport Authority lose other funding sources once the PFC was in place and we should be aware that the PFC may go off at some time in the future.

Mr. Parmer stated the PFC funds will be used for projects eligible for AIP funding for but for which funds are not available.

Mr. Myers moved to receive and file the Improvement Fund Report for 1995.

Second by Mr. Hentges.

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

Reviewed Interspace Airport Advertising Sales Progress:

Mr. Parmer stated representatives from Interspace Airport Advertising were here the past two weeks for their sales blitz and the last total he heard was over \$100,000 in annual sales.

Mr. Parmer stated one of the items Interspace brought up was the fact that most of the hotels/motels in the area have brochures at the information center but not all of them have purchased advertising. He stated the Airport Authority needs to decide if they are going to allow any of the hotels to have brochures at the Information Center or if that should be strictly for non profit and public service organizations.

Mr. Hentges stated he thought the Airport Authority gave Interspace Airport Advertising exclusive rights to all of the advertising in the terminal building and any advertising should go through them. He stated that Interspace has provisions for non profit organizations in their program and a certain amount of space will be allocated for public service on a rotating basis.

Mr. Hentges moved the Airport Authority adopt the policy that any advertising in the terminal building go through Interspace Airport Advertising.

Second by Mr. Myers.

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

Received Report on Terminal Building Cooling Tower Repairs:

Mr. Parmer stated the reason we have not been able to do anything with the cooling tower repairs is that we have not been able to get final figures on repairs. He stated Mr. Shawn Dobberstein has been working with the insurance carrier (Hartford Steam Boiler) and they have finally given us approval to proceed with the repairs. He stated the estimated total cost of repairs (parts and labor) will be \$50,000 with the Airport Authority's share being the \$2,500 deductible. He stated the insurance carrier has indicated they have no preference on whether the bids are formal or informal. Mr. Parmer asked Attorney Stewart even though the repairs are covered by insurance less the \$2,500 deductible and it does not make any difference to the insurance carrier whether the bids are formal or informal, are we able to go with informal bids. Mr. Parmer stated we need to proceed with the project soon as delivery of the materials will take some time and we will be into the cooling season before too long.

Mr. Myers asked which firm we have been dealing with on the repairs.

Mr. Parmer stated we have been working with Robert Gibb & Sons as they have our HVAC maintenance contract. He stated as far as the unit itself there is only one supplier in the country.

Attorney Stewart stated he and Mr. Dobberstein discussed this the other day and it sounds like the insurance company is satisfied either way.

Mr. Dobberstein stated he talked to the insurance company again this morning and they authorized us to go ahead and have Gibb do the repairs.

Mr. Stewart stated the Authority could certainly get informal contracts as there is nothing in our maintenance contract with Gibb that would prohibit us from doing so.

Mr. Myers stated if we are going to take bids on the project he feels we should involve a mechanical engineer since Gibb is the only firm that knows that system inside and out. He stated he does not know why we would not go with the firm that is knowledgeable of the system.

Mr. Parmer stated Hartford Steam Boiler does not care about the bidding process, they just want the repairs done right and so do we.

After further discussion, Mr. Hentges moved the Executive Director be authorized to proceed with the repair of the cooling tower following legal approval by Attorney Stewart.

Second by Mr. Myers.

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

Absent and not voting: Cichy

The motion was declared carried.

Received Communication from Dakota Aero Tech Requesting Lease Extension:

Mr. Parmer read a communication from Yvonne Barney, President of Dakota Aero Tech, Inc., requesting a lease extension to accommodate their lender so that the lease will be for a period of twenty years from the date on which they will receiving financing for improvements on their hangar. The present lease expires December 31, 2011 and she is asking for an extension through February 2017.

Attorney Stewart stated he would have no problem with adding another option to this lease.

Mr. Hentges moved to receive and file the request from Dakota Aero Tech and authorize extension of the lease as requested.

Second by Mr. Gallagher.

Mr. Myers asked if there is any possibility of getting the terms of the leases on the hangars in the southeast general aviation area to track alike. He stated if the

Received Communication from Dakota Aero Tech Requesting Lease Extension: (Continued)

Airport Authority decides in the future to do something else in that area there will not be a staggered lease situation. Mr. Myers asked if we are going to continue to give anyone that comes in a future date for leasing or are we going to try to have some type of plan. He stated he would like to see some long range planning for that area as ultimately we want to have all general aviation located on the north end.

Mr. Hentges stated he believes there are provisions in the leases giving the Airport Authority cancellation rights.

Attorney Stewart as far as the Airport Authority stopping any of these leases during their terms we would be faced with taking of leases.

Mr. Myers stated any action taken by this board today may incumber board members in the future unless there are provisions that could be written into the lease. He stated he has no objection to Dakota Aero Tech's request but he is talking about the next person's request.

Mr. Hentges stated we recently had a request for the undeveloped parcel of land in that area and the Airport Authority claimed that land not available.

Mr. Parmer stated we have no plans for hangar development in the southeast area but there is a lot of general aviation activity down there now and will be for some time.

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

Absent and not voting: Cichy

The motion was declared carried.

Reviewed Passenger Facility Charge Application:

Mr. Parmer stated he and Mr. Wes Schon have been working on the Passenger Facility Charge Application and have submitted it to the FAA and they have just recently come with some more updates they want us to furnish. Mr. Parmer stated in our past discussions on the PFC we talked about collecting the charge to cover projects from March 5, 1990 up through our most recent project, AIP 3 38 0017 17. He stated our project for this year, AIP 3 38 0017 18 (Rehabilitation of Taxiway A Shoulder/Runway 13/31 and Drainage Improvements) has a total estimated cost of \$1.5 million but we are not sure we will get it all funded this year.

Mr. Wes Schon, Ulteig Engineers, stated he visited with Irene Porter in Bismarck last week to review the PFC application. He stated it was suggested to him that we may want to consider adding Project 18 to the PFC application. He stated with the entitlement money presently available to us we will be able to rehabilitate Taxiway A and some drainage work. We are hoping to receive some discretionary money and our best shot at receiving that would be for the rehabilitation of Runway 13/31, which is estimated to cost \$400,000. He stated the way it was explained to him is that including this project in the PFC application would be a secondary backup so if we did get discretionary money the bottom line would stay the same, the only change is the vehicle used to fund the projects.

Mr. Schon stated the Airport Authority is looking to recover the money it has spent since March 1990, or approximately \$800,000. If the PFC goes into effect we may collect in the neighborhood of \$600,000 a year, which is \$3 per passenger with 200,000 plus passengers and there will be some deduction for expenses. He stated that if the PFC is in effect for a little over a year the Authority will be able to get back the \$800,000 it has spent since March 5, 1990. He stated at that point we would have to reapply for another project or the PFC would stop.

Mr. Parmer stated once the PFC is in place it can be amended each year.

Chairman Stanton asked the history of the PFC and how it started.

Mr. Schon stated some of the larger airports were looking for other ways of funding projects and generate their own money. He stated there are probably 50

Reviewed Passenger Facility Charge Application: (Continued)

airports in the country who would opt out of the AIP Program because they have the potential of making so much more money on their own. He stated he is not sure that it will not be a requirement at some time in the future that airports of this size will be required to levy the PFC and the government will decide to fund all of the FAA with the AIP funds rather than just a portion. He stated airports that can support themselves may be required to do so.

Chairman Stanton stated this is basically a user tax and a user tax is not a bad idea.

Mr. Schon stated the question today is does the Airport Authority want to consider including the work for Project 18 in the PFC application. He stated then instead of collecting about \$800,000 with the PFC it would be amended to \$1.7 million to include the portion of the project that would not be funded by either entitlement funds or discretionary dollars this year. He stated it is his understanding that the FAA regional managers are meeting this week to decide on the distribution of the discretionary funds that have been allotted. Mr. Schon stated we certainly anticipate getting some entitlement funds again in 1997 if a new AIP bill is passed, but the history of this program has been that they have continued to decrease the amount of funds to airports even though the income to the trust fund has increased.

Mr. Myers stated he does not see any reason to delay the PFC application if Project 18 would be handled the same whether the PFC were in place or not. Then we would not have to amend the application in the future.

Mr. Schon stated the next step in the application process is to mail notice to the airlines that have used this airport in the past year and we then have 45 days to schedule a meeting at which the airlines can voice their opinion.

Mr. Myers moved the Airport Authority approve the addition of funding for AIP Project No. 3 38 0017 18 to the Passenger Facility Charge application.

Second by Mr. Gallagher.

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

Received Communication from United Parcel Service Requesting Space for Letter Drop Box:

Mr. Parmer stated he has received a request from United Parcel Service to place a letter drop box in the terminal building near the mail box in the front entry. He stated he has forwarded the agreement to Attorney Stewart for his review.

Mr. Gallagher moved the request be referred to Attorney Stewart for his review and recommendation.

Second by Mr. Hentges.

Mr. Hentges stated we need to keep in mind that we are going to get similar requests from others as well and we do not want to conflict with the Interspace advertising program.

Mr. Parmer stated we will include an adequate cancellation clause in the agreement.

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

Considered Supplemental Agreement Between the Municipal Airport Authority and Operators in the Northeast General Aviation Area:

Mr. Parmer stated following the special meeting on January 25, Attorney Stewart drafted the supplemental agreements between the Municipal Airport Authority and the operators in the northeast general aviation area. He stated he just received them this morning from Attorney Stewart and everything seems to be in accordance with our discussion at the special meeting.

Considered Supplemental Agreement Between the Municipal Airport Authority and Operators in the Northeast General Aviation Area: (Continued)

Attorney Stewart stated he has not yet given copies to the operators.

Mr. Parmer stated he talked to Mr. Jim Sweeney this morning and he faxed a copy of the agreement to him since he was not able to be here this morning.

Attorney Stewart stated he still needs to add one item to the agreement and that pertains to the parking lots and the requirement that the tenants maintain the parking lots in accordance with an engineer's recommendation.

Attorney Stewart stated WMI's monthly lease for the hangar will be \$3,855.03 and Valley's will be \$7,520.26. The Airport Authority agreed to change Valley's lease to a 20 year period with the option to purchase. He stated Valley's monthly lease on the parking lot will be \$359.00 and WMI's will be \$170.00. He stated there was no assessment for the access road.

Attorney Stewart stated the special assessments for each are follows:

Weather Modification Incorporated	\$180,000
Aviation Resources, Ltd.	\$162,000

Attorney Stewart stated the interest rate used for the parking lots and utilities was 7%.

Mr. Parmer asked Attorney Stewart if the tenants exercise their option to purchase the hangars what would happen to the unpaid portion of the utilities and parking lots.

Attorney Stewart stated the tenants could continue those payback agreements at 7% for 20 years.

Mr. Myers suggested Attorney Stewart draft a one page synopsis of the terms of each of these leases for easy reference in the future.

Attorney Stewart agreed that was a good idea and indicated he would include that.

Mr. Gallagher asked Dr. Hamilton if he was satisfied with the final terms of the agreement.

Dr. Hamilton stated this was the best that could be negotiated.

Mr. Myers moved to authorize execution of the Supplemental Agreements between the Municipal Airport Authority and Weather Modification Incorporated and Aviation Resources, Ltd.
Second by Mr. Gallagher.

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

Absent and not voting: Cichy

The motion was declared carried.

Authorized Attendance at the Upper Midwest Aviation Symposium, Bismarck, March 3 6, 1996:.

Mr. Parmer stated the Upper Midwest Aviation Symposium will be held in Bismarck, March 3 6, 1996. He stated he and Shawn Dobberstein plan to attend.

Mr. Hentges moved to authorize attendance at the Upper Midwest Aviation Symposium in Bismarck, March 3 6, 1996.

Second by Mr. Gallagher.

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

Mr. Myers moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, February 27, 1996 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Gallagher.

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

Time at adjournment was 11:28 a.m.

THE MEETING ON TUESDAY, MARCH 12, 1996 WILL BE THE ONLY MEETING IN MARCH.

Regular Meeting

Thursday

February 29, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Thursday, February 29, 1996 at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Myers, Stanton

Absent: Cichy, Hentges

Others: Stewart

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 13, 1996:

Mr. Gallagher moved to approve the minutes of the regular meeting of the Municipal Airport Authority held February 13, 1996.

Second by Mr. Myers.

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

Approved the Airport Vouchers Totaling \$76,538.32:

Mr. Myers moved to approve the airport vouchers totaling \$76,538.32.

Second by Mr. Gallagher.

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

Absent and not voting: Cichy, Hentges

The motion was declared carried.

Received Communication from Valley Aviation Releasing Office Space in the Eastside Terminal:

Mr. Parmer stated he received a communication from Valley Aviation advising that they will be vacating the office space in the Eastside Terminal effective February 29, 1996.

Mr. Gallagher moved to receive and file the communication from Valley Aviation and that their request to vacate the space in the Eastside Terminal be approved.

Second by Mr. Myers.

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

Absent and not voting: Cichy, Hentges

The motion was declared carried.

Received Communication from Sioux Falls Aviation Requesting Adjustment in Landing Fees:

Mr. Parmer read a communication from Sioux Falls Aviation dated February 15,

1996. This letter is requesting the Airport Authority adjust the landing fees for Sioux Falls Aviation from the \$5.00 minimum per landing to the 50 cents per 1,000 lbs. Sioux Falls Aviation feels that with the volume of flights they have into Fargo and the amount of fuel and services purchased in Fargo that they are entitled to a fee structure that is charged as per weight of aircraft to make the fees fair and equal to the fees they are charged in the surrounding states.

Mr. Parmer stated all of the other general aviation operators are paying the \$5 minimum, which was set when the landing fees were established.

Mr. Myers moved to receive and file the communication from Sioux Falls Aviation and recommended that we maintain the present landing fees and that an appropriate response be forwarded to Sioux Falls Aviation.

Second by Mr. Gallagher.

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

Chairman Stanton asked how our landing fees compare with other airports.

Mr. Parmer stated our landing fees are probably less than other airports and the flowage fee is also quite a bit lower.

Received Communication from Mayor Furness Discussing Policy on Lease Extensions for Airport Tenants:

Mr. Parmer stated all Airport Authority members had received a copy of a letter from Mayor Furness dated February 20, 1996, stating it has come to his attention that the Airport Authority is not following current City practices regarding the solicitation and/or extension of contracts. The specific instance he is referring to is the extension of the APCOA contract.

Mr. Parmer stated that any time the Airport Authority has any questions on leases the matter is turned over to the Airport Authority attorney before any action is taken. He stated the Mayor may not be getting the complete story.

Chairman Stanton stated she ran into the Mayor on Tuesday and she advised him that the Airport Authority always gets advice from its legal counsel, who is the City's attorney also. She stated the problem is someone is leaning on the Mayor.

Mr. Gallagher stated apparently the situation was not explained properly to the Mayor.

Mr. Myers stated since this lease extension took place before he was on the board he is not aware of all of the details.

Mr. Parmer stated the Airport Authority negotiated a lease extension with APCOA and built into that was an improvement fund of \$75,000 that APCOA was going to invest in improvements to the parking lot.

Chairman Stanton stated the Mayor's letter asked that the Airport Authority implement procedures to assure that such policy violations do not occur in the future. She stated she does not think this was a violation.

Mr. Myers stated correspondence should be directed to the Mayor indicating that no violation occurred. Mr. Myers stated it has been suggested to him that the Airport Authority run the parking lot itself.

Chairman Stanton indicated this is an excellent revenue source for the airport and there is no guarantee that we could run it any better.

Mr. Parmer stated as far as leasing is concerned maybe we should enter into longer term leases with our concessionaires.

Mr. Myers asked about the relationship between the City Commission and the Airport Authority, which is an autonomous body, and whether the Mayor would be correct to refer this matter directly to the Airport Authority.

Received Communication from Mayor Furness Discussing Policy on Lease Extensions for Airport Tenants: (Continued)

Attorney Stewart stated the Airport Authority is an autonomous body but through the years we have always tried to work through the same channels as the City in order to remove any possible friction between the Airport Authority and the City of Fargo. He stated he talked to the Mayor on this matter and showed him the city ordinance on leasing which states that leasing of real or personal property will be on such terms as the Airport Authority decides. He stated there have been situations, such as our land leases with NDSU, where the lease has not gone out on a request for proposals. Attorney Stewart stated it is the Mayor's intent to give everyone a fair shot at contracts.

Mr. Myers stated his comments about the Airport Authority being an autonomous body were not intended to be divisive because he feels the Airport Authority should work in concert with the City of Fargo.

Chairman Stanton stated we have always done that.

Mr. Myers stated he feels there should be some informal discussion with the Mayor as we don't seem to know where he is coming from on this matter.

Attorney Stewart stated it is his recollection that this lease extension was built into the APCOA lease and tied to the improvement fund that was accumulated.

Mr. Myers stated he would like to see Mr. Gallagher and Chairman Stanton meet with Mayor Furness as this lease extension was before his time on the board.

Attorney Stewart stated one example of situations at the airport where leases are extended without requests for proposals would be such as Dakota Aero Tech, Inc., where the Airport Authority just extended their lease at the request of their lender and they own the building on that property. He stated another example would be the land lease with NDSU where the Airport Authority agreed to provide land to replace the land they lost when the Fargodome was built.

Mr. Parmer read two paragraphs from Article 3 0105 of the Fargo Municipal Code, Sale or leasing of city owned property:

"Leasing or renting of real or personal property by the city or the municipal airport authority of the city of Fargo, shall be on such terms and conditions as the city or the municipal airport authority may establish."

"Sales of real or personal property owned or held in the name of the Municipal Airport Authority of the City of Fargo shall not be subject to the provisions of this ordinance. Sales of such property may be made by proper action of a majority of the qualified and existing members of said Municipal Airport Authority on such terms and conditions as may be deemed necessary."

Attorney Stewart stated the provision in the second paragraph was to address the sale of property in the Airport First Addition because of the restrictive covenants and the Airport Authority's desire to control the use of the land.

Mr. Parmer stated the Airport First Addition turned out well.

Mr. Myers suggested we receive and file the communication from Mayor Furness and that Chairman Stanton and Attorney Stewart visit with the Mayor and address his concerns.

Mr. Gallagher stated that in the future complaints with the Airport Authority should be directed to the Airport Authority and that should be suggested to the Mayor.

Mr. Myers indicated he agreed with that and the Mayor should not have to shoulder alleged problems that arise with the Airport Authority.

Mr. Parmer stated this lease extension was granted over a year ago and he does not understand if there was a problem why this was not brought up before now.

After discussion of the purchasing policy procedures, Attorney Stewart stated it should be pointed out to the Mayor that the Airport Authority exceeds the City's purchasing policy as all purchases come before the Airport Authority for approval.

Chairman Stanton stated she knows that in all of the years she has been on this board we have always bent over backwards to be fair and have always sought legal advice.

Received Communication from Mayor Furness Discussing Policy on Lease Extensions for Airport Tenants: (Continued)

Mr. Myers moved to receive and file the communication from Mayor Furness and that Chairman Stanton and Attorney Stewart visit with the Mayor and address his concerns and suggest to the Mayor that in the future matters concerning the Airport Authority be referred to the Airport Authority.

Second by Mr. Gallagher.

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

Other Business:

Mr. Myers asked that the Airport Authority be given a report on the proposed generator for the Westside Terminal at the next meeting on March 12.

Mr. Myers moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, March 12, 1996, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Gallagher.

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

Time at adjournment was 11:00 a.m.

Regular Meeting

Tuesday

March 12, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 12, 1996, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Cichy, Myers, Gallagher

Absent: Hentges, Stanton

Others: Stewart, Bromenschenkel

Acting Chairman Gallagher presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 29, 1996:

Mr. Myers moved to approve the minutes of the regular meeting of the Municipal Airport Authority held February 29, 1996.

Second by Mrs. Stanton.

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

Approved the Airport Vouchers Totaling \$59,202.67:

Mr. Cichy moved to approve the airport vouchers totaling \$59,202.67.

Second by Mr. Myers.

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

Received Copy of North Dakota Aviation System Plan Executive Report:

Mr. Parmer explained the North Dakota Aeronautics Commission has prepared and distributed a report called the North Dakota Aviation System Plan Executive Report including information on airport statistics, airport funding, airline boardings, airline history, airport service areas, etc. Copies of the report were distributed to Authority members.

Mr. Cichy moved to receive and file the North Dakota Aviation System plan Executive Report.

Second by Mr. Myers.

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

Received Revised Terminal Advertising Plan from Interspace Airport Advertising:

Mr. Parmer stated he received a revised terminal advertising plan from Interspace Airport Advertising which proposes using some new areas for advertising displays such as in the departure lounge. Mr. Parmer stated the last report he received from Interspace showed the annual sales figure to be approximately \$134,000 and the Airport Authority will receive 30% of that.

Mr. Parmer stated he is receiving proposed layouts from Interspace on a daily basis and each of these requires approval from the Airport Authority. Mr. Parmer distributed copies of the proposed layout plan and asked the members to review the plans.

Mr. Myers moved to receive the correspondence from Interspace Airport Advertising and that the Executive Director be granted authority to approve advertising layouts, displays, locations, etc.

Second by Mr. Cichy.

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

Mr. Parmer stated when Interspace Airport Advertising was awarded the advertising

contract it was done subject to Attorney Stewart's approval of the contract documents. He stated Attorney Stewart has reviewed the documents and there is one clause with which he did not agree. Mr. Parmer stated the clause in question provided that if anything were to happen that would require Interspace to leave, the Airport Authority would be required to pick up the unamortized portion of their investment on improvements.

Attorney Stewart stated essentially what Interspace was looking at was if there was a drastic reduction in enplanements they would be allowed to pull out and the Airport Authority would pick up the unamortized cost of improvements. He stated if the Airport Authority wanted to buy the improvements that would be a matter of negotiation.

Mr. Myers stated he would agree that we would be better off to stay away from that type of clause.

Mr. Bromenschenkel stated if the Airport Authority were to even consider including that clause in the lease we should obtain an amortization schedule.

Mr. Bromenschenkel stated he would like to bring up another matter relative to advertising. He stated he would hope that the Airport Authority would not preclude any of the hotels from having brochures available in the Information Center if they do not advertise in the terminal. He stated the information booth was created as a service to the public.

Mr. Parmer stated at the last meeting the Airport Authority passed a resolution that we would not allow hotels that do not advertise in the terminal to have free advertising by placing their brochures in the information center.

Mr. Myers stated if we did allow hotels to continue to display their brochures in the information center there would be no incentive for any of them to advertise. He stated he feels the information center's responsibility is to point people in the direction of the advertisements and the brochures in those displays.

Mr. Bromenschenkel stated people come to the information center for help and information. He stated the brochures do not have to be displayed but they should have some there in the event that the hotels with advertising displays are all full.

Mr. Myers stated in that situation the Yellow Pages are available.

Mr. Parmer stated he would agree that if the advertisers are selling ads to some of the hotels then we should not allow free advertising space available at the information center.

In addressing Mr. Bromenschenkel's concerns, Mr. Myers asked if the Airport Authority was going to let its action of the last meeting stand.

Mr. Parmer stated the Information Center is for information on non profit organizations and events.

Mr. Bromenschenkel stated he was somewhat involved in establishing the information center and it was instituted to serve people, not advertisers.

Received Revised Terminal Advertising Plan from Interspace Airport Advertising:
(Continued)

Mr. Myers added that when the information center was established the advertising program in the terminal building was not nearly the scope of what it is going to be this year.

After further discussion it was the consensus of the Airport Authority that the action taken at the last meeting stand and that we not allow hotels that do not advertise in the terminal to have free advertising by placing their brochures in the information center.

Authorize the Drafting of Specifications and Calling for Bids for a Tractor/Mower:

Mr. Parmer stated we need a new mower unit and he would like authorization to draft specifications for the unit and advertise for bids.

Mr. Cichy moved the Executive Director be authorized to prepare plans and specifications for a tractor/mower and advertise for bids.

Second by Mr. Myers.

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

Reviewed Report on Power Generator:

Mr. Parmer stated we have been working with Ulteig Engineers and NSP on evaluating our power requirements and a recommendation for a generator for the terminal building.

Mr. Joel Kath, Ulteig Engineers, was recognized and stated after an extended power outage this winter we have been evaluating the need for additional generator power during a power outage. The present generator powers only life safety equipment such as emergency lighting, etc. He stated it does not power computer terminals, heating system, etc. He stated the purpose of this report was to investigate how much additional equipment essential to the operation of the airport could be connected to the existing generator.

Mr. Kath stated they came up with two options.

Option 1 The existing generator is large enough to handle enough equipment essential to the facility to continue operations (computer terminals, jetways, automatic doors). He stated it cannot handle enough of the heating system load to make it worth its while. He stated the existing generator could not keep the building from freezing up. Mr. Kath stated it would cost approximately \$40,000 to run miscellaneous circuitry to connect these additional functions.

Option 2 Install a new generator large enough to handle the entire facility. He stated this is obviously more money but then we would be eligible for a rate reduction from NSP which would pay for itself between six to eight years. He stated we would also be able to salvage the existing generator and do what we want with it. Budgetary estimate for the installation of total backup generation is \$245,000.

Mr. Parmer stated that Mr. Myers had suggested using the existing generator as a backup generator for the field lighting.

Mr. Kath stated there is not adequate room in the electrical vault building for the second generator but we could enclose the second generator in a portable enclosure and since it would be portable it could be used for other purposes on the airport or could also be made available to the City for backup for lift stations.

Mr. Myers asked if that generator were portable how long would it take to get that generator to a given location.

Mr. Kath stated that would depend on how available the appropriate people were.

Mr. Parmer stated his understanding of NSP's financing arrangement is that the generator would be installed at no cost to the Airport Authority and NSP would then recoup their expenditure by retaining the energy rebate.

Mr. Kath stated NSP does have a program available but he has not fully investigated the details at this point. He stated what NSP has done in the past with other customers is pay for the complete installation of the generator and then NSP will continue to bill the customer on the regular basis but retain any savings that

Reviewed Report on Power Generator: (Continued)

would have been passed on to the customer until they have recouped the cost of the generator.

Mr. Myers asked if that loan is interest free.

Mr. Bromenschenkel stated he believes the interest rate is 9%.

Mr. Myers stated the report showed a salvage value of \$45,000 for the present generator and that is not enough. He stated that generator is worth a lot more.

Mr. Kath stated that number was just an estimate and may not be accurate.

Mr. Kath stated that the generator in the electrical vault for the field lighting did fail on that occasion and while the possibility of it failing again chances are great that it will not happen again. He stated the airfield lighting is a safety issue.

Mr. Myers stated making the unit portable would be a good option provided that it stays in that location, permanently attached, and that we have a well defined list of emergency uses for it.

Mr. Kath stated the City has a handful of small generators and one large one to accommodate the lift stations.

Mr. Bromenschenkel stated if the City ever needed a portable generator for a lift station it would be the one on 19th Avenue by the airport as that is an important lift station.

Mr. Kath stated NSP has done an estimate on what the energy cost savings to the airport would have been for the period of August 1994 to August 1995 with a generator in place. He stated they estimated savings for that period would have been in the neighborhood of \$24,000 \$30,000.

Mr. Kath stated if the Airport Authority decides to go with full back up generation we will have to enter into an agreement with tenants having meters on our service. He stated NSP will provide only one meter for the generator and the Airport Authority will charge the tenants for their kilowatt usage and we are able to do that as long as the Airport Authority is not making money. He stated this should be no problem to negotiate with the tenants as the rates we will be on ultimately will be lower than current rates so everyone will end up paying less.

Mr. Gallagher suggested we get further information from NSP on their financing program and have someone from NSP available at the next meeting.

Mr. Kath stated he could contact NSP and have a representative attend the next meeting.

Mr. Parmer stated that over the past year we have talked about using a generator for field lighting under certain conditions and it was estimated we could save \$8,000 a year.

Mr. Bromenschenkel asked if the cost savings takes into consideration the cost of operating the generator.

Mr. Kath stated there are costs associated with the use of the generator but NSP would require us to use the generator no more than 200 hours per year.

Mr. Cichy moved to receive and file the report on the generator and that a representative from NSP attend the next meeting to give us more information on their finance program.

Second by Mr. Myers.

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

Mr. Myers stated he still feels we should check into any access the Guard may have to surplus generators.

Mr. Cichy moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, April 2, 1996, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Myers.

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

Time at adjournment was 11:13 a.m.

Regular Meeting

Tuesday

April 2, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 2, 1996, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Cichy, Myers, Hentges, Stanton

Absent: None

Others: Stewart, Bromenschenkel, Macdonald, Pawluk

Vice Chairman Hentges presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 12, 1996:

Mr. Myers asked that the minutes be amended to clarify the discussion on hotel advertising in the information center to indicate it was the consensus of the Airport Authority it would let its action of February 29 stand. That action being the Airport Authority passed a resolution that we would not allow hotels that do not advertise in the terminal to have free advertising by placing their brochures in the information center.

Mr. Myers moved to approve the minutes of the regular meeting of the Municipal Airport Authority held March 12, 1996, as amended.

Second by Mr. Cichy.

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

Approved the Airport Vouchers Totaling \$43,403.29:

Mr. Cichy moved to approve the airport vouchers totaling \$43,403.29.

Second by Mr. Myers.

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

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Gallagher moved to approve the individual voucher in the amount of \$7,041.64 to Ulteig Engineers, Inc. for professional services in connection with Passenger Facility Charge Development.

Second by Mr. Cichy.

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

Absent and not voting: Stanton

The motion was declared carried.

Received and Filed the Statement of Operations for the Month of January 1996:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of January 1996.

Second by Mr. Myers.

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

Received Updated Report on Installation of Emergency Generator for Terminal Building:

Mr. Parmer stated we met the other day with representatives from Ulteig Engineers and Northern States Power on the installation of an emergency generator for the Westside Terminal. Mr. Myers was also present at that meeting. Mr. Parmer stated our present generator provides backup for only certain areas and we are looking at a generator to handle the entire building.

Mr. Joel Kath, Ulteig Engineers, was recognized and reviewed the generator options. He stated we can utilize the existing generator and pick up some additional load but this will not handle the heating system and cannot keep the building from freezing up. He stated the estimated cost for this option would be approximately \$50,000.

Mr. Kath stated if we replaced the generator with a larger generator that could handle the whole system we would be looking at a cost of \$250,000 but we would also be eligible for a rate reduction from NSP which would pay for the project in a period of seven to eight years. He stated at the last meeting the only question the Authority had was on financing available from NSP. Mr. Kath stated since that time he has found out that NSP gets their financing through a local bank and they charge two points over prime.

Mr. Kath stated if the Airport Authority would chose to finance the project through NSP they would pay the up front construction costs and take out the loan for us. NSP then bills us the normal rate and they retain any savings we would have realized.

Mr. Myers stated the estimated time our generator would be required to operate would be a maximum of 300 hours per year. He stated NSP anticipates asking us to operate the generator about 50 hours in the winter and 100 hours in the summer. He added that the peak hours are from 7:00 a.m. to 10:00 a.m. and 3:00 p.m. to 6:00 p.m. Mr. Myers stated he thinks it is interesting that the weather in Fargo does not dictate the call for us to go on line with our generator, it depends on the load in Minneapolis.

Mr. Myers stated the other matter that came out in that meeting was that we could save about \$10,000 a year by paying cash rather than financing.

Mr. Kath stated right now prime is about 8.5% and the financing would be two points over that so we would be borrowing at 10.5%. He stated the advantage of the NSP financing would be that the Airport Authority would have no up front costs for the project.

Mr. Myers stated if the Airport Authority can finance a fuel farm we can finance our own generator and we can make money doing that.

Mr. Gallagher asked the estimated cost of the generator project.

Mr. Kath stated the budgetary figure is \$250,000.

Mr. Parmer stated the plans and specifications will have to be drafted and we will have to advertise for proposals.

Mr. Kath stated there are still quite a few details that need to be worked out.

Mr. Myers stated there is also some work involved in converting the existing generator to a portable generator that can be moved around handily. He stated he wants to make certain that the list of acceptable uses is limited because its main purpose will be a backup generator for the field lighting.

Received Updated Report on Installation of Emergency Generator for Terminal Building:

Mr. Parmer stated he has made some contacts regarding a surplus generator about the same size that may be available to us.

Mr. Doug Straus, NSP, was recognized and stated as far as the financing goes. NSP would much rather have the customer finance the project themselves. He stated the reason they offer the financing is because some customers do not have the capital resources to invest in a generator. He stated they handle the financing through Norwest Bank and the rate at which they borrow is the rate they charge the customer.

Mr. Kath stated that Mr. Straus checked into the generator for the field lighting and that also qualifies for a rate reduction.

Mr. Hentges asked Mr. Parmer what action he would like the Airport Authority to take today.

Mr. Parmer stated if the Airport Authority wishes to proceed with the installation of a new generator we can direct Ulteig Engineers to draw up plans and specifications and advertise for proposals.

Mr. Myers stated if the Airport Authority is considering borrowing money is it possible to borrow the money from the City.

Mr. Parmer stated the Airport Authority would finance the project from the airport's improvement fund.

Mr. Gallagher moved the Airport Authority authorize Ulteig Engineers to proceed with drafting plans and specifications for the installation of a new generator and that we proceed with advertising for proposals.

Second by Mr. Cichy.

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

Absent and not voting: Stanton

The motion was declared carried.

Received Report on Passenger Facility Charge Application:

Mr. Parmer stated we now have the passenger facility charge application in a form which is acceptable to the FAA. He stated the next step is to have a meeting with all of the air carriers and they will have an opportunity to comment.

Mr. Wes Schon, Ulteig Engineers, stated that we mailed out a total of 24 copies of the draft PFC application on March 25 to all businesses enplaning passengers into Fargo and to date he has received a return receipt on 22 of them so we are waiting for two more. The meeting has been scheduled for April 30 to go over the project with the airlines.

Mr. Schon stated we are asking for \$1.72 million under this PFC which takes us into 1999. He stated about half of that amount is to recover money that has been spent on projects already completed and the remaining amount is to be used to install the storm sewer in order to extend Runway 8/26.

Mr. Schon stated following this meeting the airlines have 60 days to give written comment and then we have to respond to any protest or disagreement on what the airport intends to do with the money. After the Airport Authority has responded in writing to any protests we then forward the application to the FAA. He stated it is his understanding there are only three people in Washington who work on PFC's so they allow themselves 120 days to process the applications. Mr. Schon stated we are looking at November 1, 1996 as the possible start up date but it could be likely that would be adjusted.

Mr. Parmer stated since a portion of the PFC will go to refund the Airport Authority for money spent on past projects we will be able to put about \$1 million back into our airport improvement fund. He stated no further action can be taken now until the meeting with the airlines and their responses are received.

Received Report on Passenger Facility Charge Application: (Continued)

Mr. Myers moved to receive and file the report on the passenger facility charge application and that we proceed with the application process.

Second by Mr. Cichy.

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

Absent and not voting: Stanton

The motion was declared carried.

Received Notice of Proposed Reconstruction of BAK 14 North by the North Dakota Air National Guard:

Mr. Parmer stated last summer we had a problem with the south barrier and the NDANG and the Airport Authority participated in a joint project to replace the barrier. He stated the Guard now wants to replace the north barrier but they will be paying the entire cost.

Mr. Parmer stated during construction of the project the runway will be shortened by a couple thousand feet and the air carriers have all been advised. He stated the actual construction time on the project will be 21 calendar days. Mr. Parmer stated the Airport Authority needs to approve the project.

Mr. Schon stated the south barrier project was completed in 21 days last October so we may even be able to complete the project in less than 21 days.

Mr. Parmer stated the Guard has met all of the Airport Authority's requirements as far as this project is concerned.

Mr. Cichy moved to receive and file the notice of the proposed reconstruction of BAK 14 North by the North Dakota Air National Guard and to approve the project.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton

The motion was declared carried.

Received Updated Report on Cooling Tower Repair:

Mr. Parmer stated that at a recent meeting the Airport Authority directed him to solicit proposals on the repairs of the cooling tower, even though the majority of the cost is covered by insurance and the Airport Authority's share will be only \$2,500. He stated we engaged the services of a mechanical engineer, David Obermiller, to draft specifications on what would be required to adequately insure that the proper repairs would be done.

Mr. Parmer stated we received three proposals and after review the mechanical engineer discovered that the low bidder did not include everything in his bid and therefore withdrew his bid. Mr. Parmer stated the second low bidder was Robert Gibb & Sons at approximately \$15,000. He stated this is labor only and the cooling unit itself will be about \$30,000, making the entire cost of the project \$45,000.

Mrs. Stanton now present.

Mr. Cichy moved to receive the bids and authorized Mr. Parmer to proceed with the installation of the cooling tower unit.

Second by Mr. Myers.

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

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

Received Report on Airport Improvement Project No. 3 38 0017 18:

Mr. Parmer stated a great deal of engineering work has been done for Project 3 38 0017 18 even though we have not approved the engineering contract. The reason this was done is that we were not sure what funding would be available. He stated we have talked about the overlay of Runway 13/31, the rehabilitation of the shoulders on Taxiway A, as well as covering about 1000' of County Drain 10 for future expansion of Runway 8/26.

Mr. Parmer stated the drain project will not be fully funded and we will receive only \$270,000 of entitlement funds toward that project. Mr. Parmer stated we have been unofficially advised that we will be receiving about \$400,000 in discretionary funds to apply to this project.

Mr. Parmer stated this will allow us to do the runway overlay and rehabilitation of the taxiway shoulders, as well as some small selected drainage projects. Mr. Parmer stated we can advertise for bids for this project but we cannot award the contract until the funds are secure.

Mr. Parmer stated the FAA requires us to have an independent engineer review the engineering contract and we have received a letter from City Engineer, Mr. Mark Bittner, approving the engineering contract with Ulteig Engineers.

Mr. Cichy moved to approve the engineering agreement between Ulteig Engineers, Inc. and the Municipal Airport Authority for AIP Project No. 3 38 0017 18, subject to the approval of the Airport Authority attorney.

Second by Mrs. Stanton.

On the call of the roll, members Gallagher, Cichy, Myers, Stanton and Hentges voted aye. No member being absent and none voting nay the motion was declared carried.

Mr. Parmer stated we have received a communication dated March 14, 1996 from the FAA advising an allocation of \$270,087.00 in federal funds under the terms of the 1996 Airport Improvement Program for the rehabilitation of Taxiway A and to grade and improve airport drainage (Phase I).

Mrs. Stanton moved to receive and file the communication dated March 14, 1996.

Second by Mr. Gallagher.

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

Mr. Schon stated a large portion of the construction project this year will be to overlay and upgrade the condition of Runway 13/31. He stated the runway is in poor condition right now so we are going to put down some fiberglass mesh and overlay it with 2" of bituminous pavement, as well as new paint and markings.

Mr. Schon stated we are going to rehabilitate the shoulders of Taxiway A, joint seal the cracks that have occurred on the asphalt, miscellaneous patching, and then give it a slurry seal, which is a combination of oil, sand and cement.

Mr. Schon stated we are also going to construct a short service access road from Taxiway A to the electrical vault. He stated this will be not only for the convenience of access to the electrical vault from the field but is also a safety issue as it will cut down on traffic on the air carrier ramp.

Mr. Schon stated the project also involves some drainage work on the north side of the field to improve the drainage in the area.

Mr. Schon stated we are looking at opening bids May 7, which is the Authority's first meeting in May.

Mr. Myers moved to approve the project plans and specifications and authorize advertising for bids for AIP Project No. 3 38 0017 18.

Second by Mrs. Stanton.

On the call of the roll, members Gallagher, Cichy, Myers, Stanton and Hentges voted aye. No member being absent and none voting nay the motion was declared carried.

Mr. Gary Ness, Director, North Dakota Aeronautics Commission, Reviewed Pending Federal and State Legislation:

Vice Chairman Hentges welcomed Mr. Gary Ness, Director of the North Dakota Aeronautics Commission, along with his associates, Mr. Roger Pfeifer and Mr. Mark Holzer.

Mr. Ness was recognized and stated that right now the federal government is not collecting the airline ticket tax or fuel tax which means the Airports and Airways Trust Fund is not receiving its \$18 million per day. He stated that fact, along with the fact that \$450,000,000 is going out of the fund per month, the trust fund will be zeroed out by October.

Mr. Ness reviewed Senate Bill S.1239, Air Traffic Management System Performance Improvement Act of 1995, known as the McCain Bill. He stated one point that makes this a bad bill for aviation is the fact that the fee structure stays in place but it takes the money to run the air traffic control system out of the trust fund. He stated it is his understanding that this bill is on hold in the senate and probably will not be moving anytime soon.

Mr. Ness reviewed Senate Bill 1399 Rural Air Service Survival Act (Dorgan, Exon, Rockefeller, Kerrey, Conrad). He explained that funding for this bill would come from a foreign overflight fee from foreign air carriers. He stated estimated collections are \$40 \$50 million. Any excess funds over the \$35 million required to run the essential air service program would be allocated to non primary commercial service airports for construction.

Mr. Ness reviewed H.R. 2276 Federal Aviation Revitalization Act of 1995, which passed the house (otherwise known as the Duncan Lightfoot Bill). He stated this bill gets very specific in its methodology about how the FAA should act and its regulatory action within the nation's transportation system. He stated this bill has been endorsed by all of the aviation associations across the board and it does not create new taxes and fees to finance the FAA. He explained that S.928, the Federal Aviation Administration Reform Act of 1995 is a companion bill to Duncan Lightfoot.

Mr. Ness stated that S.729 Trust Fund Restoration Act of 1995 is going to be debated when congress resumes on April 15 they are going to have debate and discussion about taking the Highway Trust Fund, the Airport and Airway Trust Fund, the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund off budget.

Mr. Ness stated his recommendation to the Airport Authority is that they support the following actions:

- Reinstatement of the Airport and Airways Trust Fund
- Take the trust fund off budget
- Support the Duncan Lightfoot Bill
- The McCain financing is not needed if the trust fund is in place
- Push for a \$2 billion AIP fund level
- Simplify the formula base and bring it back to the local level

In summary, Mr. Ness stated the Airport and Airways Trust Fund works, right now it is out of balance, but we need to balance it again, take a good look at it and make it work again.

Mr. Myers moved to receive and file the report and to thank Mr. Ness for his presentation.

Second by Mr. Cichy.

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

Received Notice of Award of Government Fuel contract to Fargo Jet Center:

Mr. Parmer stated we received a copy of the government fuel contract awarded to Fargo Jet Center. He stated this is just a matter of information for the Airport Authority.

Mr. Gallagher moved to receive and file the notice of award of the government fuel contract to Fargo Jet Center.

Second by Mrs. Stanton.

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

Received Request from Aviation Student, Jennifer Slack, to Participate in Unpaid Internship During Summer 1996:

Mr. Parmer distributed a copy of a letter from Jennifer Slack, a student at St. Cloud State, indicating her desire to participate in an unpaid internship this summer. Mr. Parmer stated we had an unpaid intern a few years ago and that individual spent some time on all aspects of the airport (control tower, FBO's, fire station, our maintenance shop, etc.).

Mrs. Stanton moved to approve the request of Jennifer Slack for an unpaid internship during the summer of 1996.

Second by Mr. Gallagher.

Mr. Gallagher asked if we have opportunity for more than one intern as there would probably be students from UND interested.

Mr. Myers stated he would support Mr. Gallagher's question. He asked if in the future UND should be advised of these opportunities.

Mr. Parmer stated we have talked with them a number of times regarding internships and they prefer to place their students in paid positions and we do not have money in our budget to pay an intern.

Mrs. Stanton stated if anyone else was interested they could have expressed interest as this student did.

On the call of the roll, members Gallagher, Cichy, Myers, Stanton and Hentges voted aye. No member being absent and none voting nay the motion was declared carried.

Mr. Myers stated he would like to see Mr. Parmer correspond with UND and advise them that we are allowing this student to participate in this internship.

Mr. Parmer stated he visits on a regular basis with Mr. Bill Jackson at UND and he brings student groups from the aviation school to our airport regularly.

Authorized Execution of Assignment of Lease for Dakota Aero Tech, Inc.:

Mr. Parmer stated this Assignment of Lease for Dakota Aero Tech, Inc. is to satisfy requirements of their financial institution. He stated the Airport Authority previously approved an extension to their lease.

Mr. Myers moved to authorize the execution of the Assignment of Lease for Dakota Aero Tech, Inc.

Second by Mr. Gallagher.

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

Authorize Attendance at the AAAE Annual Conference, June 10 13, Las Vegas

Mr. Parmer stated the AAAE Annual Conference will be held June 10 13 in Las Vegas.

Mrs. Stanton stated when she started on the Airport Authority we authorized only one board member, usually the chairman, other than the Executive Director to attend these conferences. She indicated she feels the cost of these conferences is excessive. Mr. Parmer stated he feels this conference has been very beneficial for the airport.

Mr. Gallagher moved to authorize attendance at the AAAE Conference, June 10 13, Las Vegas, with those attending to be determined later.

Second by Mr. Cichy.

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

Mrs. Stanton voted no.

The motion was declared carried.

Adopted Resolution of Appreciation to Mr. S.F. "Sid" Cichy:

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

WHEREAS, Mr. S.F. "Sid" Cichy has served as a member of the Municipal Airport Authority of the City of Fargo, North Dakota since his appointment in 1978, and;

WHEREAS, Mr. Cichy's appointment to the Airport Authority comes to an end on April 8, 1996, and;

WHEREAS, Mr. Cichy has served as Chairman on several occasions and in other capacities during his tenure on the Airport Authority, and;

WHEREAS, The Municipal Airport Authority has accomplished many improvements and adopted a positive approach to future developments of airport facilities during the terms of Mr. Cichy, and;

WHEREAS, Mr. Sid Cichy, as a member of the Airport Authority, has rendered valuable and dedicated service and has given unsparingly of his time and energies to meet and exceed the requirements of his appointment.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota does hereby thank and commend Mr. S.F. Cichy for his effective efforts and support of the Municipal Airport Authority.

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 of said resolution be forwarded to Mr. S.F. Cichy.

Second by Mrs. Stanton.

All members present voted aye and the resolution was declared to have been duly passed and adopted.

Adopted Resolution of Appreciation to Mr. Richard Hentges:

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

WHEREAS, Mr. Richard A. Hentges has served as a member of the Municipal Airport Authority of the City of Fargo, North Dakota since his appointment in 1984, and;

WHEREAS, Mr. Hentges' appointment to the Airport Authority comes to an end on April 8, 1996, and;

Adopted Resolution of Appreciation to Mr. Richard Hentges: (Continued)

WHEREAS, Mr. Hentges has served as Chairman on two occasions and in other capacities during his tenure on the Airport Authority, and;

WHEREAS, The Municipal Airport Authority has accomplished many improvements and adopted a positive approach to future developments of airport facilities during the terms of Mr. Richard Hentges, and

WHEREAS, Mr. Richard Hentges, as a member of the Airport Authority, has rendered valuable and dedicated service and has given unsparingly of his time and energies to meet and exceed the requirements of his appointment.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota does hereby thank and commend Mr. Richard Hentges for his effective efforts and support of the Municipal Airport Authority.

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 of said resolution be forwarded to Mr. Richard Hentges.

Second by Mrs. Stanton.

All members present voted aye and the resolution was declared to have been duly passed and adopted.

Mr. Hentges stated he wanted to express his appreciation for the opportunity to work with all of the members of the Authority, staff, Commissioner Bromenschenkel, airport tenants and others who have attended the meetings over the years. He stated he found it interesting that Alex Macdonald is one of the new members because when he was Mayor he appointed General Macdonald to the Airport Authority and when General Macdonald resigned from the Airport Authority Mayor Lindgren appointed him to take his place. He stated he has been privileged to see a lot of projects accomplished during his time on the Authority, the new terminal building, the new general aviation area and the two beautiful new facilities, and the start of an airport industrial park. He stated he has appreciated working with everyone and he knows the successors to he and Mr. Cichy will do well.

Mr. Cichy stated he felt Mr. Hentges covered everything and reflected his feelings as well.

Commissioner Gib Bromenschenkel presented Mr. Cichy and Mr. Hentges with plaques commemorating their service to the City of Fargo as members of the Municipal Airport Authority.

Commission Bromenschenkel also extended a welcome to the new members, A.P. Macdonald and Ken Pawluk.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, April 16, 1996 at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Myers.

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

Time at adjournment was 12:08 p.m.

Regular Meeting

Tuesday

April 16, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 16, 1996 at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk, Stanton

Absent: None

Others: Stewart, Bromenschenkel

Acting Chairman Gallagher presiding.

Elected Vice Chairman of the Municipal Airport Authority for Current Calendar Year to Replace Mr. Richard Hentges:

Mr. Macdonald moved Mr. Tracy Myers be nominated as Vice Chairman of the Municipal Airport Authority for the current calendar year to fill the space vacated by Mr. Richard Hentges.

Second by Mr. Pawluk.

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

Mr. Gallagher relinquished the chair to Vice Chairman Myers.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 2, 1996:

Mr. Gallagher moved to approve the minutes of the regular meeting of the Municipal Airport Authority held April 2, 1996.

Second by Mr. Macdonald.

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

Approved the Airport Vouchers Totaling \$31,181.58:

Mr. Gallagher moved to approve the airport vouchers totaling \$31,181.58.

Second by Mr. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers and Pawluk voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Macdonald moved to approve the individual voucher in the amount of \$21,240.11 to Ulteig Engineers, Inc. for Partial Payment Request No. 1 for engineering services in connection with the Rehabilitation of Runway 13/31 and Taxiway A, Project No. 3 38 0017 18.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers and Pawluk voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Received and Filed the Statement of Operations for the Month of February 1996:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of February 1996.

Second by Mr. Pawluk.

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

Received Communication from Federal Aviation Administration with Allocation of \$427,500 for AIP Project No. 3 38 0017 18:

Mr. Parmer stated we have received notice from the Federal Aviation Administration that they have approved an allocation of \$427,500 for the rehabilitation of Runway 13/31 and to grade and improve airport drainage (Phase II).

Mr. Parmer stated these are the discretionary funds to complete AIP Project No. 3 38 0017 18. Mr. Parmer stated as he indicated earlier there is a portion of the work required on County Drain 10 that was not funded. Mr. Parmer stated the total cost of the project is \$775,000 of which the Airport Authority will fund 10%.

Mr. Macdonald moved to receive and file the communication from the Federal Aviation Administration.

Second by Mr. Pawluk.

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

Received Internship Letter from Mr. Harold W. Patchin:

Mr. Parmer stated following our last meeting he received a call from Mr. Bill Jackson, UND, regarding an aviation student interested in a summer internship at Hector Airport. Mr. Parmer stated he had mixed feelings about this as we had already approved one aviation student for an internship this summer. Mr. Parmer stated he advised Mr. Jackson that he would bring this request before the board for its consideration. Mr. Parmer stated he is not exactly sure how we will keep two interns busy all summer but we certainly will be utilizing them for field maintenance work. Mr. Parmer stated we had an intern about three years ago and had an agreement prepared and signed by both parties. Mr. Parmer stated that particular intern had completed his education and was seeking employment but had not been successful because of lack of experience. He stated he was with us just a few months and was then successful in getting a position with the airport in Peoria, IL.

Mr. Myers stated the decision of granting internships and how many should be made by the Director.

Mr. Pawluk moved to receive and file the communication from Mr. Harold Patchin.

Second by Mr. Macdonald.

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

Reviewed Changes in Airport Liability Insurance Coverage:

Mr. Parmer stated the Airport Authority's liability coverage has seen some changes this past year. He stated because of our recent claim experience, one of them quite large, the premium has increased from \$32,500 annually to \$50,000. He stated we were advised of the increase so we budgeted for that increase.

Mr. Parmer stated the change that concerned us more than anything else was the fact that we now have a \$10,000 deductible with an annual aggregate of \$100,000. Mr. Parmer stated the City negotiated this deductible and the Airport Authority was not given the opportunity to approve of this change.

Mr. Myers asked if the Airport Authority has any other options.

Mr. Parmer stated no we do not have any other options at this time.

Mr. Myers asked if the insurance carrier comes to the airport on a regular basis to conduct safety reviews of the operations.

Mr. Parmer stated the insurance carrier has not done this in the past.

Mr. Myers stated in the construction industry the insurance underwriters come out on a regular basis to make inspections and evaluate potential losses.

Mr. Parmer stated our liability claims have mainly been incidents where people fall on the escalator while the escalator is in perfect condition. He stated we have also had incidents where people slip and fall when entering the building after not wiping the snow off their shoes.

Mr. Pawluk stated he has found that whenever we can increase the awareness of everyone of the potential of losses it has benefits other than just reducing claims.

Mr. Parmer stated he feels the insurance company has been too generous in settling some of the claims.

Mr. Myers stated we are really no different than West Acres in that we are providing space for customers. He stated it might be interesting to see what type of program West Acres has.

Attorney Stewart stated the City of Fargo is self insured and Alexander and Alexander does have a risk management program. He stated the airport's liability insurance is different than the City's because the airport is able to secure liability coverage at a decent price.

Mr. Parmer stated our insurance carrier paid \$263,000 to one woman who slipped and fell on the floor and the insurance carrier settled out of court.

Mr. Pawluk asked if the Airport Authority has an opportunity to bid the insurance in the future.

Mr. Macdonald asked if we should not at least explore with the City Commission the possibility of the Airport Authority joining their self insurance program.

Attorney Stewart stated the Housing Authority went in with the City on their insurance program but that lasted only a year or so and they were able to get coverage on their own for less.

Mr. Pawluk asked if it would require a motion to request an underwriter from the insurance carrier to come out and make an evaluation of the grounds of the airport to determine risk and to help us manage it. He stated he has found that process to be valuable.

Mr. Myers asked Mr. Bromenschenkel to get information for the Airport Authority as to whether or not it would be possible to get under the City's liability insurance. He added that before the Airport Authority spends a lot of time and effort on this he would like Mr. Bromenschenkel to find out if this is a possibility.

Mr. Parmer stated we could get Mark Thelen to attend one of our meetings and give the Airport Authority further details on the liability insurance.

Mr. Gallagher moved to receive and file the report on changes in the airport liability insurance coverage.

Second by Mr. Macdonald

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

Reviewed Airport Industrial Park Development:

Vice Chairman Myers stated he had asked Mr. Parmer a couple of weeks ago if the Airport Authority could have some discussion on the Airport Industrial Park. He stated he feels we should create some dialogue and start talking about the potential for that development. He stated he feels the Fargo Cass County Development Corporation should be aware of what is available in the Airport Industrial Park and Mr. John Kramer is here today.

Mr. Parmer stated a few years ago there was an Airport Industrial Park Committee that met every Friday morning for about three years. Mr. Parmer stated there are about 150 acres in the area designated as the Airport Industrial Park. He stated the only activity we have had so far is the armory and a maintenance facility built by the National Guard.

Mr. Parmer stated the Airport Authority is still very interested in developing the Airport Industrial Park. He stated we have submitted plans to the FAA for ramp and taxiway to the area and they have indicated this project would be eligible for AIP funding but they will not fund any project until the airport has a firm commitment from a tenant.

Mrs. Stanton now present.

Vice Chairman Myers relinquished the chair to Mrs. Stanton.

Mr. Bromenschenkel asked if a business would have to be aviation related in order to locate in the Airport Industrial Park or could a business that owns its own aircraft locate in the park for the convenience of easy access to the airport.

Mr. Parmer stated the Airport Authority purchased all of the property with the FAA participating in 90% of the cost. This property was purchased for the purpose of airport development or protection. He stated if a non aviation entity locates on that land the FAA considers that land to be abandoned by the airport for development and requires the airport to refund the FAA 90% of the fair market value of the property, not the purchase price of the property.

Mr. Myers stated for many years he has felt the airport is the single greatest asset this city has for industrial development. Mr. Myers stated if we had a piece of land available at the airport for a company to locate and have immediate access to the airport where their company people could fly in, taxi up to the company's facility, conduct their business and take off later that day and be home by evening that would be definite incentive to locate at the airport. He stated he does not know if that would be of any value to a business but he feels it would be a factor.

Mr. Parmer stated the FAA will not fund a ramp to serve a private facility, the facility must serve the public.

Mr. John Kramer stated this is not something that will be accomplished in a 20 minute discussion. He stated what we need to do is spend about half a day in discussion. He stated the Economic Development Corporation owns nothing. They market what we have in Fargo. He stated Fargo is comparable to Minneapolis in a lot of respects.

Mr. Kramer stated in a recent study conducted for the Fargo Cass Economic Development Corporation suggests the following targets for Fargo:

- accounting
- data processing
- office related
- distribution

Mr. Kramer stated the fact that Fargo has a US Customs Office is an advantage and companies could bring in their products world wide for re packaging, re distribution and shipping.

Mr. Kramer stated as far as the airplane manufacturing industry it is dead and not going anywhere.

Mr. Kramer stated there are some opportunities but it will take focused attention and focused efforts. He stated the Economic Development Corporation would be willing to sit down and discuss the possibilities at the airport.

Reviewed Airport Industrial Park Development: (Continued)

Mr. Macdonald asked Mr. Kramer if they had reviewed the cargo study conducted by the North Dakota Aeronautics Commission. He stated this study concluded that 85 90% of the freight is being hauled on the airlines. He indicated he would suspect that percentage is going down or holding because of the increased amount of freight with the same number of passenger aircraft.

Mr. Myers stated right now we have UPS and Airborne coming in to Fargo on a daily basis. He asked Mr. Parmer if any other freight operators have expressed interest.

Mr. Parmer stated he has talked to UPS on an informal basis and they had indicated they have considered using a 757 operation in Fargo. Mr. Parmer stated he knows they are planning to expand their operation but not to what degree.

Mr. Myers asked if the Airport Authority would consider building a multi use terminal facility in the Airport Industrial Park. He stated he would like to see the Airport Authority get something going with a long range plan for the Industrial Park and get the Economic Development Corporation involved in marketing it.

Mr. Myers stated he does not see any reason why freight companies would not want to hub out of Fargo because there are very few 9000 foot, fully instrumented runways in this area.

Mr. Bromenschenkel asked Mr. Kramer to tell the board what he would need for infrastructure in order to be successful in obtaining a client for the Industrial Park.

Mr. Kramer stated there has to be a fully developed site.

Mr. Macdonald asked if the Airport Authority could build a facility and ramp in the Industrial Park for freight operators and then recoup the money from the FAA for those items which would be eligible for funding.

Mr. Parmer stated the Airport Authority could not do that. He stated the FAA requires the grant be in place before construction. The FAA will not allocate any funds until the plans have been approved.

Mr. Myers stated we could recoup the money through the PFC.

Mr. Parmer stated the FAA has indicated they will not extend a taxiway that goes nowhere and serves no one.

Mr. Kramer stated most of the clients they deal with are looking at one year out. If we cannot deliver on a buildable site completed within one year they will look elsewhere.

Mr. Myers stated he feels the Airport Authority needs to do something or decide that we are not going to do anything and get the matter off the table. He stated he got a call from Mr. Warner Litten wondering about what was happening at the airport so the issue is still alive and people are interested.

Mr. Macdonald asked how much we anticipate receiving each year from the PFC.

Mr. Wes Schon, Ulteig Engineers, was recognized and stated that we anticipate collecting about \$600,000 annually through the PFC. He stated the application submitted to the FAA includes a request for \$850,000 to reimburse the Airport Authority for AIP projects that have already been completed. He stated those funds will go back to the airport and the Authority can decide what it wants to do with those funds.

Mr. Kramer stated he would suggest bringing in someone to analyze the site and give us an idea of potential clients. He added the site needs to be aggressively marketed.

Mr. Myers stated his concern is that Grand Forks has made it clear that they are going to aggressively go after freighters and establish a free trade zone. He stated Fargo has Customs service and if Fargo is interested in this concept we need to have the Economic Development Corporation make this known. He stated he feels some companies may have second thoughts about locating in Grand Forks as Fargo is the natural center for this activity.

Reviewed Airport Industrial Park Development: (Continued)

Mr. Parmer stated the land issue and the possibility of refunding the FAA for their participation may be the least of our worries. He stated we have a planning meeting scheduled with the FAA next Monday to go over our five year improvement plan.

Mr. Myers stated Mr. Kramer has to leave for another appointment but he asked him to make a few phone calls, get some further information and get back to the Airport Authority.

Mr. Bromenschenkel stated he is on the Fargo Cass County Economic Development Corporation Board and they would not move ahead with any study until the Airport Authority indicates they are interested.

Mr. Pawluk stated it has been implied that space is available in the southeast general aviation area and at some time in the future he would like an update on what space is available.

Mr. Parmer stated the two large hangars are still leased by Valley Aviation.

Mr. Pawluk stated there was a suggestion of temporary quarters for a prospective freighters and he asked what was being suggested.

Mr. Myers suggested space could be subleased from the current tenant if a freight operator needed temporary facilities.

Mr. Myers stated Mr. Kramer was going to make a few phone calls and he suggested we wait to hear from him for some initial input. He stated this project will be a long haul but we could make it a lot longer by ignoring it.

Authorized Drafting of Specifications for Re Roofing Eastside Terminal:

Mr. Myers moved to authorize the drafting of specifications for re roofing the Eastside Terminal. Second by Mr. Gallagher.

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

Mr. Parmer stated he will come back to the Airport Authority before any action on this project is taken.

Received Communication Concerning Animal Damage Control Program:

Mr. Parmer stated last fall we had a serious problem with deer on the airport and had to have federal game wardens come in and eradicate the deer. He stated a total of 16 deer were taken off the airport. Mr. Parmer stated we received information from a wildlife biologist from the US department of Agriculture in Bismarck proposing an Animal Damage Control Program with an estimated budget for ecological study of about \$16,000.

Mr. Parmer stated he contacted our FAA Certification Inspector, Mr. John Lott, and he has been aware of our deer problem but he did not feel this program was necessary. He stated Mr. Lott feels we took care of the problem and if we now maintain the fenced areas that should be adequate. Mr. Parmer added that we have had no deer activity since that time.

Mr. Gallagher suggested we get Mr. Lott to give us his opinion in writing.

Mr. Parmer stated Mr. Lott indicated he was going to contact the animal damage control people.

Chairman Stanton asked Mr. Parmer if he recommends we do the study.

Mr. Parmer indicated he does not feel this study is necessary.

Mr. Gallagher moved to receive and file the communication regarding an Animal Damage Control Program.

Second by Mr. Myers.

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

Adopted Resolution of Appreciation to Mr. Jim Laddusaw, Coordinator of the Airport Information Center:

Mr. Parmer stated Mr. Jim Laddusaw has been the coordinator of the Airport Information Center since its inception and has handled all of the scheduling of the volunteers, among other duties. Mr. Parmer stated Mr. Laddusaw has decided to resign from this position and his service will be missed.

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

WHEREAS, The Airport Authority has learned of the resignation of Mr. Jim Laddusaw as Coordinator of the Airport Information Center at Hector Airport, and

WHEREAS, During the years of Mr. Laddusaw's service to the airport and the community the Airport Information Center has moved steadily and successfully forward in providing a valuable service to Hector International Airport, and

WHEREAS, Mr. Laddusaw has labored diligently and given unsparingly of his time in serving as Coordinator of the Airport Information Center.

NOW, THEREFORE BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby commend Mr. Jim Laddusaw for his effective efforts on behalf of the Airport Information Center.

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. Laddusaw.

Seconded by Mr. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

No member being absent and none voting nay the resolution was declared to have been duly passed and adopted.

Other Business:

Chairman Stanton stated with the new members on the Airport Authority she would like to see an orientation session. She stated she feels it is helpful for someone new to the board.

Mr. Pawluk stated he would be very interested in having a review of the master facility plan and then follow that up with a physical tour of the terminal building as well as the maintenance shop. He stated as a pilot he is familiar with the airfield.

Mr. Myers stated he found it very helpful to review the meeting minutes from the previous year or so which will get you up to speed on what is going on and it can be accomplished in a relatively short time.

Mr. Parmer stated the members are invited to come out at any time and even on an individual basis we can go over any area they wish to see.

Chairman Stanton stated we might also discuss the day and time of our meetings. She asked if the first and third Tuesdays at 10:30 a.m. are agreeable to everyone or would the members like to see a change. It was the consensus of the board that the current schedule for meetings is agreeable with everyone.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, May 7, 1996, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Myers.

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

Time at adjournment was 11:45 a.m.

Regular Meeting

Tuesday

May 7, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 7, 1996 at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk, Stanton

Absent: None

Others: Stewart, Bromenschenkel, MacLeod

Vice Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 16, 1996:

Mr. Macdonald moved to approve the minutes of the regular meeting of the Municipal Airport Authority held April 16, 1996.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$42,301.71:

Mr. Pawluk moved to approve the airport vouchers totaling \$42,301.71.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Mr. Macdonald moved to approve the individual voucher in the amount of \$217.14 to Forum Publishing Company for advertisement for bids for the Runway 13/31 and Taxiway A Rehabilitation Project No. 3 38 0017 18.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Southam Business Communications:

Mr. Macdonald moved to approve the individual voucher in the amount of \$253.80 to Southam Business Communications for advertisement for bids for the Runway 13/31 and Taxiway A Rehabilitation Project No. 3 38 0017 18.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Obermiller Nelson Engineering, Inc.:

Mr. Macdonald moved to approve the individual voucher in the amount of \$180.00 to Obermiller Nelson Engineering for engineering services in connection with the cooling tower analysis.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Baltimore Aircoil Co.:

Mr. Macdonald moved to approve the individual voucher in the amount of \$19,642.00 to Baltimore Aircoil Co. for one coil with cleanable header for BAC Model VX 180 2 (Westside Terminal cooling tower).

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Modern Electric of F M, Inc.:

Mr. Macdonald moved to approve the individual voucher in the amount of \$7,863.60 to Modern Electric of F M, Inc. for the furnishing of electrical outlets for the new advertising signs and displays.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Received and Filed Statement of Operations for the Month of March 1996:

Mr. Macdonald moved to receive and file the Statement of Operations for the Month of March 1996.

Second by Mr. Gallagher.

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

Mr. Macdonald requested that future Statements of Operation include the monthly boarding and freight totals.

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

Received Bids for the Rehabilitation of Runway 13/31 and Taxiway A, and Drainage Work, Project No. 3 38 0017 18:

Mr. Wes Schon, Ulteig Engineers stated three bids were received and would be opened in alphabetic order.

Mr. Schon stated prior to the bid opening we were advised by Border States Paving that their required Disadvantaged Business Enterprise documentation was included in the actual bid form rather than in the preliminary envelope with the Contractor's License and Bid Bond, as called for in the specifications. Mr. Schon asked Attorney Stewart for his opinion on this matter.

Attorney Stewart stated that it is not a state statute that this information be included in the preliminary envelope but rather it was called for in the specifications and if the Airport Authority so desired it could waive that requirement.

Vice Chairman Myers asked Mr. Schon his opinion on the matter.

Mr. Schon stated he has seen matters such as this go both ways but he would hate not to open a bid because of that.

Mr. Macdonald moved the Airport Authority waive the requirement that the DBE documentation be included in the preliminary envelope containing the Contractor's License and the Bid Bond due to the fact that the bidder had advised us prior to the bid opening that the DBE documentation was in the bid form itself.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

The bids were opened and read as follows:

Border States Paving.....	\$783,862.75
FM Asphalt.....	\$898,987.50
Northern Improvement Company.....	\$688,018.00
Engineer's Estimate.....	\$721,000.00

Mr. Schon thanked representatives of the three contractors for their bids.

Mr. Gallagher moved to receive the bids and refer them to the engineer for review and recommendation of award.

Second by Mr. Pawluk.

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

Mr. Schon stated he would review and tabulate the bids and have a recommendation by the end of the meeting today.

Vice Chairman Myers officially welcomed Mayor Furness to the meeting.

Scott Danielson, Ph.D, Reviewed Aero Manufacturing Engineering Technology Program at NDSU:

Vice Chairman Myers stated he had asked Dr. Danielson to make this presentation to the Airport Authority and review the program NDSU has in conjunction with Dakota Aero Tech.

Dr. Danielson stated he appreciated being invited to the meeting today and the opportunity to talk about NDSU's Aero Manufacturing Engineering Technology Program and their relationship with Dakota Aero Tech.

Scott Danielson, Ph.D, Reviewed Aero Manufacturing Engineering Technology Program at NDSU:

Dr. Danielson provided an overview of the entire program covering the curriculum, the manufacturing option, maintenance option and the facilities. He stated the AMET program includes both the manufacturing option and the maintenance option, both options emphasizing the application of scientific and engineering knowledge, implementing "hands on" solutions to technical problems concerning either manufacturing or aircraft.

Mrs. Stanton now present.

Vice Chairman Myers stated following today's meeting he and Dr. Danielson are going to meet with Mr. Todd Gunkelman about the possibility of getting Boeing to join forces with Dakota Aero Tech. He stated anyone else interested in this meeting is welcome to attend.

Vice Chairman Myers relinquished the chair to Chairman Stanton.

Mayor Furness Addressed the Airport Authority:

Mr. Myers stated that Mayor Furness asked to interrupt the agenda to address the Airport Authority.

Mayor Furness was recognized and stated he had three reasons for attending the meeting today. First of all, he has been attending meetings of all of the City's boards to better familiarize himself with their procedures.

He stated secondly, as an individual who uses the airport often, and as a representative of the City of Fargo he would like to commend the Airport Authority for the facility and their diligence and commitment to the airport. He stated this facility has been a great asset to our city and he often gets very positive comments from visitors on our airport.

Thirdly, Mayor Furness stated, on behalf of the City of Fargo and the citizens of Fargo he would also like to thank the Airport Authority members as individuals for their commitment to service on the Airport Authority.

Reviewed Capital Improvement Program and FAA NDAC Planning Meeting on April 22, 1996:

Mr. Parmer stated we met with representatives from the FAA Airports District Office in Bismarck on April 22, 1996 on our Capital Improvement Program. Mr. Parmer stated each year the FAA asks us to update our five year plan so the placement of the projects is subject to change.

Mr. Parmer stated a few years ago the Airport Authority went to the FAA to get approval of AIP funding of taxiway and ramp into the Airport Industrial Park. At that time the FAA indicated the project would be eligible but they would not participate until there was a viable client wanting to locate in the park. Mr. Parmer stated at this planning meeting we discussed the matter and the increased freight activity in Fargo and the FAA representatives indicated that with this increased activity the Airport Authority could possibly look at starting development in the Industrial Park. Mr. Parmer stated that having a potential client has always been a problem for the Airport Authority.

Mr. Parmer asked Mr. Wes Schon, Ulteig Engineers, to review the projects on the Capital Improvement Plan.

Mr. Schon stated the first item on the list is the installation of a culvert system over County Drain 10 which is necessary for the extension of Runway 8/26. This project will be funded by our Passenger Facility Charge (PFC) if approved.

Mr. Schon stated each of the items on this list has been assigned a priority code by the FAA and the lower the number the higher the priority and the better chance for receiving discretionary funding.

Reviewed Capital Improvement Program and FAA NDAC Planning Meeting on April 22, 1996:
(Continued)

Mr. Schon stated the Airport Authority could construct taxiway into the Airport Industrial Park, an access road, and enough ramp for the first client for about \$1.5 million. This is item #2 on the plan with a proposed construction date of 1997.

Mr. Schon stated Item 3 on the plan is the extension of Runway 8/26 and we have shown that broken into a two year process. He stated the first portion will be site preparation and earthwork. He stated the pavement extension would be 1,415 ft. for a total length of about 5,800 ft. He stated right now the FAA is giving priority for discretionary dollars for reconstruction and rehabilitation of existing infrastructure. He stated some projects, if driven by FAA requirements for safety, etc., may receive a higher priority code. Mr. Schon stated this will lead to somewhat of a dilemma because he does not know how we are going to construct some of these projects without that kind of help because the revenue right now is limited. Mr. Schon stated that while there is an entitlement program for the Airport Improvement Program the present administration is proposing to reduce that amount to \$1.35 billion. He stated we were at a high of \$1.9 billion back in the early 1990's but it seems to be continually reduced. He stated Hector Airport's entitlement funds, which were once as high as \$900,000+ will be down to about \$720,000 this year.

Mr. Myers asked if we are limited in our use for PFC funds. He referred to the possibility of using PFC funds for Item 5, Construction of General Aviation Apron C Expansion 200' x 950'.

Mr. Schon stated the Airport Authority could use PFC funding for a project such as the expansion of general aviation Apron "C" but since this is a project that does not benefit the airlines we may have more difficulty getting the airlines to go along with that. He stated that a project such as the extension of Runway 8/26, while at this point it is a general aviation runway it would free up traffic on Runway 17/35 and when it is extended United Express and Mesaba may use it. He stated he feels it would be prudent to pick projects for the PFC that would not be in direct competition with the airlines. He stated another option for financing is to tie a PFC to a bond issue.

Mr. Macdonald asked if the Airport Authority decided to go ahead with the projects in our construction plan that were given low priority by the FAA and fund them with PFC funds. He asked since our current application for the PFC takes us through 1999, could we submit a PFC application for these projects to take affect after our first PFC has expired but in the meantime we construct those projects and pre fund the projects and recoup the funds with a PFC.

Mr. Schon stated the Airport Authority could do that but they would have to have the construction funds available.

Mr. Parmer stated a PFC application can be amended once it is approved.

Mr. Schon continued on the Capital Improvement Plan. He stated Item #6 is the Rehabilitation of Taxiway B 3 and has a priority code of 72 so there is an opportunity there for discretionary funds. Mr. Schon stated Item 7 is the Rehabilitation of the Eastside General Aviation Apron which received a priority code of 82. He stated the estimated cost of this project is \$375,000. He stated the east side general aviation area is not in the best of shape right now and it will continue to deteriorate and the Airport Authority will have to make the decision as to whether or not it wishes to rehabilitate that pavement area.

Mr. Myers stated he does not know if this is the time to bring up the matter but he still feels we need a long range plan for the southeast general aviation area.

Mr. Schon reviewed the remaining items on the construction plan as follows:

8. Acquire small parcel of land
9. Snow removal equipment (snow plow, motor grader)
10. Reconstruct 3,600 foot primary runway 17/35
11. Taxiway T x over
12. Relocate Country Road 20
13. Construct general aviation runway 17L/35R and Taxiway
14. Taxiway E 8/26 to Terminal Apron

Reviewed Capital Improvement Program and FAA NDAC Planning Meeting on April 22, 1996:
(Continued)

Mr. Schon stated the FAA is looking for the Airport Authority to decide on next year's project so they can budget. He stated if the priority code on a project is over 72 the airport is on its own to fund the project from its entitlement funds either through multi year projects or scale back the project.

Mr. Parmer stated he feels the biggest problem we have with the AIP Program right now is the lack of budgetary process in Washington. He stated as of January 1, 1996 the ticket taxes that were going into the trust fund are not being assessed. He stated the trust fund is losing \$15 million a day and the \$6 billion surplus in the trust fund will be zeroed out by October 1. He added that 70% of the air traffic tower operations and maintenance expenses are coming out of the trust fund whereas when the law was first passed no operational costs for the FAA were to be funded by the trust fund.

Mr. Schon stated Mr. Parmer has forwarded this Capital Improvement Plan to the Bismarck FAA Airports District Office but changes could still be made.

Mr. Parmer stated by including the construction of an Industrial Park apron and access road on our Capital Improvement Plan it will show a prospective client that the Airport Authority is serious about developing that park.

Mr. Macdonald stated he is concerned about Item 5 Construction of General Aviation Apron "C" Expansion. He stated that is almost an untenable situation up there and the two tenants have put a lot of money into their facilities. He stated the ramp is too small and he would like to see it expanded. He stated he is not saying we can do it right away but we ought to consider moving that up.

Mr. Parmer stated unless the Airport Authority wants to move that project into the number one position we do not need to make a decision today. He stated that project will require us to use our entitlement funds as it does not carry a high priority code with the FAA.

Mr. Macdonald asked if we were to amend our PFC application to include the Apron C expansion and it was approved could we start the project next spring using our own funds and then recoup them through the PFC.

Mr. Parmer stated as long as the project was approved we could fund the project ourselves and then recoup the funds.

Mr. Macdonald asked Mr. Parmer to look into that for the next meeting and get an answer as to whether or not we could take that route.

Mr. Myers stated he would agree with Mr. Macdonald in that part of the problem we have with our tenants bickering back and forth is lack of space.

Mr. Macdonald stated he was up there this morning and there really is not enough room to taxi an airplane on that ramp. He stated there should be a better system and he empathizes with their situation. He stated he would like to see the Airport Authority do something about it in a relatively quick manner.

Mr. Parmer stated he has already filed this Capital Improvement Program with the FAA and advised Irene Porter that the Airport Authority would be reviewing and approving this program at today's meeting. He stated since we submit a new program each year we are basically approving only next year's project.

Mr. Macdonald stated he would like to hold approval on this program until we get further information on the expansion of Apron C.

Mr. Myers asked Mr. Parmer if it would be alright to delay the approval until the next meeting.

Mr. Parmer stated the plan is already on file with the FAA.

Mr. Schon stated the FAA uses this report we file to plan its funding budget for next year. He stated the only item that is critical is next year's project.

Mr. Macdonald stated he would like to see the expansion of Apron "C" be a project for next year and asked how we could do that.

Reviewed Capital Improvement Program and FAA NDAC Planning Meeting on April 22, 1996:
(Continued)

Mr. Parmer stated we would then have to eliminate Phase I of the Industrial Park because we cannot fund both of them. Mr. Parmer stated he will call the FAA and find out how much time we have to resubmit this if there are any changes.

Mr. Pawluk stated we have to ask the question of what is best for the operation of the airport. He stated if we had access to the Industrial Park would that facilitate more rapid interest. He asked if the airport has missed opportunities in the past because the area has not been developed.

Mr. Parmer stated we would hope it would have some positive affect, at least we would have something concrete to show them which we don't have now.

Mr. Macdonald stated at this time he is not prepared to say that we should move Item 5 to Item 2. He stated in his own mind he does not feel he has enough information to approve that.

Mr. Macdonald moved to approve the Capital Improvement Program presented, subject to the possibility of moving Item 5 up to the second or third spot, depending on further information to be gathered and reported at the next meeting.

Second by Mr. Myers.

Chairman Stanton asked if any portion of this plan can be amended.

Mr. Schon stated adjustments can be made beyond next year's entitlement project. He stated the FAA's fiscal year comes up in October and this report is what they use to determine projects to be done in fiscal year 1997. He stated we still face the problem of receiving limited funds and it would take multiple year grants to complete either Item 2 or Item 5.

Mr. Myers stated expanding the ramp on the north end would help the Airport Authority solve issues up there and it would end a lot of consternation. He stated his second to the motion is his statement that expanding the north ramp is a priority issue.

Mr. Macdonald stated if this plan has to be approved today he would recommend moving Item 5 to Item 3. He stated if we do not need approval today he is willing to wait to hear the report.

Mr. Myers withdrew his second to Mr. Macdonald's motion and Mr. Macdonald withdrew his motion.

Mr. Macdonald moved the Airport Authority approve the Capital Improvement Plan with the exception of Item 5 (Construction of GA Apron "C" Expansion) which should be moved to the third slot on the plan for construction in 1997 with the remaining items to be rearranged.

Second by Mr. Myers.

Chairman Stanton stated she is not sure how comfortable she is with a motion that depends on whether this happens or that happens.

Mr. Parmer stated he does not think a one year delay in the Airport Industrial Park will cause any big problem.

Mr. Myers stated that what Mr. Macdonald is saying is that it may not have to be delayed.

Mr. Macdonald stated he is not prepared at this time to decide how to use our entitlement funds. On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Received Communication from Federal Aviation Administration Increasing Grant Offer for AIP Project No. 3 38 0017 16 by \$12,760.10:

Mr. Parmer stated on January 19, 1996, we requested the FAA to amend the Grant Agreement for AIP Project No. 3 38 0017 16 to increase the maximum grant obligation by \$12,760.10 to cover the amount of project cost overruns. Mr. Parmer stated the FAA has approved this increase and we have already received the check.

Received Communication from Federal Aviation Administration Increasing Grant Offer for AIP Project No. 3 38 0017 16 by \$12,760.10: (Continued)

Mr. Pawluk moved to receive the communication from the Federal Aviation Administration increasing the grant offer for AIP Project No. 3 38 0017 16 by \$12,760.10.

Second by Mr. Gallagher.

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

Airport Authority Attorney Stewart to Review and Make Recommendations on Airport Farming Contracts:

Attorney Stewart stated the Airport Authority's farming contracts with its three tenants (Heller, Larson and NDSU) expired after the 1995 crop year.

Attorney Stewart stated he and Mr. Parmer have had conversations with Mr. Don Hanson at NDSU and if it is possible they would like to have a long term farming arrangement on the airport property.

Attorney Stewart stated it is his recommendation that the Airport Authority extend these contracts one year to give us time to consider that and also to designate the 40 acres for their test plots, which the airport agreed to do in exchange for the land NDSU gave up for the dome. He stated the Dome Authority pays the rent on those 40 acres.

Mr. Stewart stated the City of Fargo recently requested proposals on rental of some of the City's land and received proposals which indicate rental price per acre at figures ranging from \$50 to \$70 per acre, inclusive of taxes.

Mr. Parmer stated our current rate is \$40 exclusive of taxes, and taxes run about \$8 \$10 per acre.

Mr. Myers asked if a long term lease would be in the best interest of the Airport Authority.

Attorney Stewart stated the Airport Authority has always incorporated into its farm leases the right to take back the land if needed.

Mr. Myers asked if it would make sense to receive and file the communication from Attorney Stewart and then have the Director come back to the next meeting with a cost per acre.

Mr. Pawluk stated we need to act on this now. He stated the lowest rate he has heard in this area is \$60 per acre with the land owner paying the taxes.

Mr. Pawluk moved the Airport Authority lease its farm land for crop year 1996 for \$55 per acre with the tenant paying the taxes.

Second by Mr. Macdonald.

Mr. Gallagher asked if we should include the stipulation that all past due amounts be brought current.

Mr. Parmer stated Mr. Larson is meeting his obligation on the current crop year but he has fallen behind in his arrears amount. Mr. Parmer stated we do have an agreement with Mr. Larson and are receiving 8% interest on the unpaid amount.

On the call of the roll, members Gallagher, Mcdonald, Myers, Pawluk and Stanton voted aye.

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

Received Communication from Valley Aviation Requesting Changes in "Follow Me" Vehicles:

This item was deleted from the agenda.

Authorized Execution of Concessionaire Agreement Between the Municipal Airport Authority and Interspace Airport Advertising:

Mr. Parmer stated Attorney Stewart stated Attorney Stewart has been working with Interspace on this agreement. He stated we did eliminate the clause calling for the Airport Authority to pick up the balance of the unamortized portion of their investment should Interspace be required to leave the premises. Mr. Parmer stated the agreement is now completed.

Mr. Myers moved to authorize execution of the concessionaire agreement between the Municipal Airport Authority and Interspace Airport Advertising.

Second by Mr. Gallagher.

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

Received Communication from Victor Gelking Requesting Expansion of Leased Area for Hangar Addition:

Mr. Parmer stated Mr. Victor Gelking is requesting a lease for an additional parcel of land for an addition to his hangar (20' x 50'). Mr. Gelking provided a proposed drawing.

Mr. Gelking was recognized and stated this addition will house offices and a reception area. Mr. Gelking stated right now he has no visibility to the public and this will accomplish that.

Mr. Pawluk asked if the addition was going to look the same as the sketch presented.

Mr. Gelking stated the addition will look very similar to the sketch. He added that the antenna tower sign included by the architect will not be included.

Mr. Myers stated he would again like to state that he has a concern about doing anything in that southeast area until the Airport Authority has a long range plan for that area. He stated here we have an individual in business and we should assist him but where does that put us in the long range planning for that area. He stated Mr. Gelking is going to make a substantial investment in this hangar and where do we stand on the long range for that southeast area. He asked if we are going to be perpetuating a bad mix of things over there.

Mrs. Stanton stated we have to look at these requests case by case. She asked what else we could do.

Mr. Myers stated he has asked since day one that he has been on this board if the Airport Authority can get a long range plan for that area. He asked if we could get a sensible plan on this table that we can work on implementing over the next ten years. He stated he feels that is important as we have maintenance problems on two hangars over there that need to be addressed and shortly. He asked if the Airport Authority is going to continue operating over there or not.

Mr. Macdonald asked what would be the term of this lease.

Attorney Stewart stated he would suggest the Airport Authority tie the term of this lease to the balance of existing his existing lease.

Mr. Macdonald asked Mr. Gelking if he is willing to go ahead with this addition if the lease term is tied to the current lease.

Mr. Gelking stated right now he has no exposure to the public and he needs that for his business.

Mr. Macdonald asked Mr. Gelking if he ever plans to get into the fueling or maintenance business.

Mr. Gelking stated not at this point although his lease with the Airport Authority allows him to do that. He stated his main concern and the reason for this addition is to give him exposure to the public.

Received Communication from Victor Gelking Requesting Expansion of Leased Area for Hangar Addition:

Mr. Pawluk asked Mr. Gelking if he would be harmed by the Airport Authority tabling this issue for a couple of weeks.

Mr. Gelking stated he would not be harmed by a delay but he would like to get started soon.

Mr. Myers stated he has no problem with Mr. Gelking's request but he wants the Airport Authority members to understand that good business dictates that we have a long range, well thought out plan for the southeast general aviation area and tie it to development on the north side.

Chairman Stanton stated we are always hindered in planning decisions by what funding we will get and if we get any.

Mr. Myers asked if that means we should not have a plan for that area.

Chairman Stanton indicated that is not what she meant. She stated we have all kinds of plans and they don't always work out.

Mr. Pawluk stated this request will not affect an overall plan for that area. He added that he would agree with Mr. Myers that we need a plan for the area and since this is the first he has heard of this request he would like some additional time to consider the ramifications.

Chairman Stanton asked how we go about devising a plan for that area.

Mr. Myers suggested we turn the matter over to the Director and have him propose a long range plan for the southeast general aviation area and present it to the Airport Authority. He stated he would like to see some order over there rather than the Authority reacting to a hangar there and an addition here.

Mr. Pawluk moved the Airport Authority table the request from Mr. Gelking until the next meeting.

The motion died for lack of a second.

Mr. Macdonald asked if this plan proposes any problems with fencing or parking.

Mr. Wes Schon stated it would be Mr. Gelking's responsibility to continue the fence and maintain security.

Mr. Gallagher moved to approve request from Mr. Gelking for the expansion of his leased area for a hangar addition and that final construction plans be submitted to the Airport Authority for approval.

Second by Mr. Myers.

Mr. Myers added that his conversation today is ongoing in that he wants to see a long range master plan for the southeast general aviation area.

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

Mr. Macdonald moved that the Airport Authority direct Mr. Parmer to come up with a recommendation for the southeast general aviation area to be presented at the first meeting in June.

Second by Mr. Myers.

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

Adopted Resolution for a Speedy Recovery for Airport Authority Employee Ron Olson:

Mr. Parmer stated Mr. Ron Olson, our mechanic, suffered a back injury recently and had surgery last week. He stated he is home now and recovering.

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

WHEREAS, The Municipal Airport Authority has learned of the recent surgery and hospitalization of employee Ron Olson, and

WHEREAS, Mr. Olson's family, friends and co workers eagerly await his complete recovery and return to his everyday activities.

Adopted Resolution for a Speedy Recovery for Airport Authority Employee Ron Olson:
(Continued)

NOW THEREFORE BE IT RESOLVED, that the Municipal Airport Authority does hereby offer its best wishes for a speedy recovery to Mr. Ron Olson.

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 of said resolution be forwarded to Mr. Ron Olson.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

No member being absent and none voting nay the resolution was declared to have been duly passed and adopted.

Awarded Bid for the Rehabilitation of Runway 13/31 and Taxiway A, and Drainage Work, Project No. 3 38 0017 18:

Mr. Wes Schon stated he reviewed and tabulated the bids and he would recommend that the bid be awarded to Northern Improvement Company for their low bid of \$688,018.00, subject to the concurrence of the FAA.

Mr. Macdonald moved to award the bid to Northern Improvement Company for the Rehabilitation of Runway 13/31 and Taxiway A, and Drainage Work, Project No. 3 38 0017 18, based on their low bid of \$688,018.00 and subject to the concurrence of the FAA.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, May 21, 1996 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 12:26 p.m.

Regular Meeting

Tuesday

May 21, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 21, 1996 at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Stanton, Pawluk, Myers

Absent: None

Others: Stewart, Bromenschenkel

Vice Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 7, 1996:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held May 7, 1996.

Second by Mr. Macdonald.

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

Approved the Airport Vouchers Totaling \$52,643.86:

Mr. Gallagher moved to approve the airport vouchers totaling \$52,643.86.

Second by Mr. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Mr. Macdonald moved to approve the individual voucher in the amount of \$164.65 to Forum Publishing Company for advertisement for bids for the Eastside Terminal roofing project.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Approved Extension of Lease for Victor Gelking to Accommodate Hangar Extension:

Mr. Parmer stated in reviewing the lease on this particular property there have been a number of amendments, changes in ownership and assignments of lease. He stated in the review we found that the lease actually expired in 1994 and was not renewed. Mr. Parmer stated he has been working on a plan to present at the next meeting on which direction we should be taking with the southeast general aviation area and in reviewing the other leases the expiration dates run from 1996 to 2017.

Mr. Pawluk asked Mr. Parmer what he feels the plan for that area will be.

Mr. Parmer stated he feels it will continue to be used for general aviation. He added that he will have a report for the Airport Authority at the next meeting.

Mr. Parmer stated our leases have normally been for five years with two five year options.

Mr. Gallagher asked Attorney Stewart what he recommends.

Attorney Stewart stated he would recommend a five year term with two five year options.

Mr. Macdonald moved to approve the extension of Victor Gelking's lease for five years with two five year options.

Second by Mr. Gallagher.

Mr. Pawluk stated that is not what we talked about last week. He stated at the last meeting the Airport Authority said that pending the development of a long range plan for the southeast area the Authority would grant Mr. Gelking an extension of no more than five years. Mr. Pawluk stated his concern is that we have an attractive area of the airport along 19th Avenue but the surrounding community is growing up around that and he feels that is the face of the airport that more people drive by than any other portion. He stated he feels the Airport Authority needs to set a standard that is attractive to the airport and attractive to general aviation. He stated before the Airport Authority commits to 10 years and before we ask Victor to commit to 10 years he feels we need a plan.

Mr. Parmer stated the Airport Authority has always had a plan for that area and that is for general aviation. He stated we have never looked at development of anything but general aviation. He stated one of the main reasons we developed the northeast general aviation area is that we were running out of space in the southeast. Mr. Pawluk asked Mr. Parmer if he would mind if the Authority considered this item along with the item on the airport property map as he feels the two items go together.

Mr. Parmer stated at the last meeting the Airport Authority requested a plan for the southeast portion of the airport to be presented at the first meeting in June and he indicated he is in the process of preparing that for the next meeting. Mr. Parmer stated as far as Mr. Gelking is concerned he is not sure he requires a firm date for his lease today.

Mr. Macdonald stated the two hangars just north of Victor have leases that expire in 2003 and the one immediately west expires this year. He stated he would be willing to amend his motion to extend Victor's lease to 2003, which will bring it in line with the hangars just north of him.

Mr. Macdonald withdrew his previous motion.

Mr. Gallagher withdrew his second.

Mr. Macdonald moved the Airport Authority extend Mr. Victor Gelking's land lease to 2003.

Second by Mr. Gallagher.

Mr. Macdonald asked Mr. Gelking if that would meet his needs.

Mr. Gelking indicated that would work.

Mr. Pawluk asked if this is the final action that will be taken on this matter.

Vice Chairman Myers stated Mr. Gelking will have to get final approval from the Airport Authority on his building plans.

Approved Extension of Lease for Victor Gelking to Accommodate Hangar Extension:
(Continued)

Mr. Gelking indicated he brought revised plans today.

Mr. Parmer asked Mr. Pawluk if he was looking for a shorter term.

Mr. Pawluk stated he is used to making decisions when he has information but he does not feel he has enough information on this matter to make a decision.

Mr. Parmer stated the Airport Authority has been consistent about granting leases in the southeast general aviation area. He stated the requests have come in at different times so the lease periods are different.

Mr. Pawluk asked if the Airport Authority members get involved in the dollar amounts of leases or if that is up to the director.

Mr. Parmer stated in Mr. Gelking's case he is a fixed base operator and pays the Airport Authority a percentage or a minimum of \$100 per month. He stated the other hangar owners pay six cents per square foot per year. He added the new leases we are now negotiating will pay ten cents per square foot.

Mr. Macdonald stated he shares some of Mr. Pawluk's feelings but just as we are not being precipitous in granting this lease we cannot be precipitous in changing the whole scheme of the airport. He stated although it may take a week to develop a plan for the southeast corner it will take years to implement it. He stated he sees no problem with extending Victor's lease to 2003 which is in line with the other hangars in the area.

Mr. Pawluk asked if the hangar leases coming up in 1996 have any options left and if so would it be unreasonable to offer only a five year extension.

Mr. Macdonald stated this Airport Authority is bound by actions of previous Authorities and if we extend a lease to 2020 that ties every Airport Authority from now until that time. He stated we should try to get these leases in a package so we have a timetable with which to develop a master plan.

Mr. Pawluk stated he does not have a problem with the staggered lease dates but he does have a problem with the mish mash of development we get because we are not following a plan. He stated he would like to see a five year extension on the existing lease. He asked Mr. Gelking if that would be alright with him. He asked Mr. Gelking what kind of an investment he will be making in this addition.

Mr. Gelking stated the addition will be about 1,000 square feet and will cost about \$20,000.

Mr. Pawluk asked if anyone would have a problem with a five year extension to 2001.

Mr. Myers stated one of the things he feels needs to be included in the long range planning is the status of the two big hangars in that area and the maintenance that needs to be done on them. He stated he is also wondering about the car rental agency maintenance shops and the possibility of locating them near the Westside Terminal rather than the southeast general aviation area.

Mr. Gallagher stated Mr. Parmer is planning to present his ideas in the form of a report at the next meeting.

Mr. Parmer stated we have always had a master plan for the southeast general aviation area and that is general aviation.

Mr. Myers asked Mr. Parmer what his plan is for those two hangars.

Mr. Parmer stated we are not going to invest \$300,000 in those hangars to get a \$300 per month return on them.

Mr. Myers stated he understands that but then we need to make a decision because they are still under lease for eight years.

Mr. Pawluk asked if Victor's lease would be extended at six cents or ten cents.

Mr. Parmer stated the square footage amount does not apply in Victor's situation since his lease does allow him to engage in FBO activities even though he does not participate in all of the facets of an FBO.

Approved Extension of Lease for Victor Gelking to Accommodate Hangar Extension:
(Continued)

Mr. Pawluk stated he feels that area of the airport does need someone to provide those services.

Mr. Gelking stated he is not sure what the bank will require as far as a lease term in order to lend him the money for the addition.

Mr. Macdonald stated as far as options he is shaky on that.

Mr. Gallagher stated we have to be practical and asked what else we would do in the southeast area.

Mr. Pawluk stated he does not want to put the Airport Authority in a position of saying we want to use that area for something else. He stated that is pretty valuable property and there is potential for retail or commercial development.

Mr. Gallagher stated there are a lot of reasons we cannot use that land for other than airport use.

Mr. Gallagher stated there is a clause in the original deed requiring that the only use of the land be for an airport.

Mr. Pawluk stated he would like to encourage general aviation activity but he wants to be certain it is planned.

On the call of the roll for the motion to extend Victor Gelking's lease to 2003, members Gallagher, Macdonald, Pawluk and Myers voted aye.

Absent and not voting: Stanton

The motion was declared carried.

Reviewed Airport Property Map:

Mr. Parmer reviewed a map showing all of the property owned by the airport, showing the boundary lines along 19th Avenue North (south), Old Highway 81 (west), Cass County 20 (north), and North University Drive (east). He also pointed out parcels north of County 20 and east of University Drive. He also reviewed remaining lots in the Airport First Addition. He stated the airport owns a total of 2,600 acres.

Mrs. Stanton now present.

Mr. Pawluk asked if the rectangular area south of 19th Avenue North in the approach to Runway 35 is owned by the airport.

Mr. Parmer stated that is NDSU land but we do have an easement. He added that we have never been approached by the FAA to acquire that land.

Mr. Pawluk asked if that was an indefinite term lease and if there would be any reason to think that easement won't be secure in the future.

Mr. Parmer stated the lease has a 50 year term and NDSU has no plans for any development in that area.

Received Offer from Dakota Fence Company for the Purchase of an Additional 45' of Lot 5, Block 4, Airport First Addition:

Mr. Parmer stated the Airport Authority still owns two parcels in the Airport First Addition and one lot is presently being purchased on a Contract for Deed. He stated Dakota Fence has requested to purchase 45' of the 185' of Lot 5, Block 4. He stated the Airport Authority will need to consider whether or not to approve that sale and determine if the remaining portion will be a saleable lot or if it should be added to the adjacent lot.

Mr. Myers asked what the Airport Authority would do with the remaining 140'.

Mr. Pawluk stated he feels the remaining portion ties in with Lot 6 pretty well. He stated that is a fairly large parcel of land. Mr. Pawluk asked if the remaining property in the Airport First Addition has been marketed.

Received Offer from Dakota Fence Company for the Purchase of an Additional 45' of Lot 5, Block 4, Airport First Addition:

Mr. Parmer stated we receive calls on a regular basis about available lots in the Airport First Addition.

Mr. Pawluk moved the Airport Authority approve the sale of the North 45' of Lot 5, Block 4 to Dakota Fence Company for \$16,497.53.

Second by Mr. Macdonald.

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

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

Mr. David Curier, Dakota Fence was recognized and stated the reason they need the additional footage is because of a sewer easement.

Mr. Parmer added that the Airport Authority does not furnish an abstract on this property.

Vice Chairman Myers asked that the record reflect that he has a related interest in Olaf Anderson & Sons Construction, the contractor on the building Dakota Fence is constructing on this property. He stated he checked with Attorney Stewart to see if he had a conflict of interest and Attorney Stewart indicated he did not.

Received Communication from Federal Aviation Administration Reviewing 1996 Capital Improvement Program:

Mr. Parmer reviewed a communication dated May 10, 1996 from the Federal Aviation Administration, Bismarck Airports District Office, advising that funds are not available this fiscal year for our project to cover to safety area of County Drain 10. Their letter indicated that due to the intense competition among projects and increasingly limited funding level it does not appear that the FAA will be in a position to offer funding assistance under the Airport Improvement Program this fiscal year. The FAA will continue to list the project as eligible for future year funding, however, they do not anticipate at this time that funding levels or overall need/competition will change substantially.

Mr. Gallagher moved to receive and file the communication from the FAA Airports District Office.

Second by Mr. Pawluk.

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

Received Communication from the Office of Intergovernmental Assistance Reviewing AIP Project No. 3 398 0017 18:

Mr. Parmer stated we have received a communication from the Office of Intergovernmental Assistance advising that they have reviewed our application to the Federal Aviation Administration for funding of AIP Project No. 3 38 0017 18 and clearance is given to the project as described.

Mrs. Stanton moved to receive and file the communication from the Office of Intergovernmental Assistance.

Second by Mr. Pawluk.

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

Received Communication from Northern Improvement Company Reviewing Efforts for DBE Participation in AIP Project No. 3 38 0017 18:

Mr. Parmer stated our goal this year for Disadvantaged Business Enterprise participation on federally funded projects is 10.9%. Mr. Parmer stated in the past we have never actually been able to meet our goal. He stated that Northern Improvement Company has always done an excellent job of contacting DBEs in an effort to secure

Received Communication from Northern Improvement Company Reviewing Efforts for DBE Participation in AIP Project No. 3 38 0017 18: (Continued)

their participation but those firms are not always willing or able to do the work. He stated Northern Improvement has documented contacts to about 45 50 DBEs and the majority were not interested in submitting bids.

Mr. Parmer stated Northern Improvement is utilizing a DBE trucking firm for a portion of the hauling. He stated we had a similar situation in a previous project and the FAA Civil Rights Staff wanted to know why this particular trucker participated in only part of the hauling and not the entire portion and the reason was that the firm had only two trucks and Northern Improvement had eight.

Mr. Wes Schon, Ulteig Engineers, stated he has reviewed all of Northern Improvement's documentation on the contacts to the 45 50 DBE firms. He stated they generally try to use DBE subcontractors where they can but there are instances when cost factors prohibit them from doing so. Mr. Schon stated he would agree that Northern Improvement does as good a job as anyone in trying to solicit DBE participation. He stated most of the certified DBE firms are not located in eastern North Dakota.

Mr. Pawluk asked if the Airport Authority has any reason to think that Northern Improvement has not made a good faith effort in meeting the DBE goal.

Mr. Parmer stated Northern Improvement was successful in using DBE subcontractors for 6.46% of the project.

Mrs. Stanton moved the Airport Authority accept the good faith effort of Northern Improvement Company to meet the goal of DBE participation in AIP Project No. 3 38 0017 18.

Second by Mr. Pawluk

On the call of the roll, members Gallagher, Mcdonald, Stanton, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Received Communication from Mr. Steve Busse, American Cyanamid Company, Requesting Test Plot on Airport Ground:

Mr. Parmer read a communication from Mr. Steve Busse, American Cyanamid Company.

Mr. Busse is a researcher for American Cyanamid and is requesting permission to place a test plot on airport grounds. The test is designed primarily to evaluate growth suppression of unimproved turf but will also be used to investigate weed control. The plot would be 105 x 150 feet in size, not conspicuously visible to the public and should have uniform terrain and grass growth. He would agree to mow the area around the plot and will stake the test plot to avoid inadvertent destruction of the plots. He would like to have the area for the remainder of 1996 with the option to extend to 1997.

Mr. Myers asked if Mr. Busse is here today.

Mr. Macdonald moved this item be tabled until Mr. Busse is able to appear before the Airport Authority and explain exactly what he has in mind.

Mrs. Stanton asked Mr. Parmer if there was a problem with Mr. Busse's request.

Mr. Myers stated he has a concern about anything being sprayed on airport property.

Motion seconded by Mr. Pawluk.

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

Other Business:

Mr. Macdonald stated at the last meeting he asked Mr. Parmer to get an answer to his question as to whether or not we can amend our PFC application as early as one day after it has taken affect.

Mr. Parmer stated we can amend the application but he would not want to try to amend it before it has been submitted to the FAA.

Mr. Macdonald stated it seemed to be the consensus at the last meeting that we could amend the application the day after it takes affect and asked Mr. Parmer if he received any information to the contrary.

Mr. Parmer stated we are still waiting for responses from the airlines and as soon as that 30 day period is up we will submit the application to the FAA and they have 120 to process the application.

Mr. Macdonald asked if we are comfortable with the fact that the day after they approve it we can amend it.

Mr. Schon stated we can amend the application to change the scope of the project or increase the amount of money to be collected. He stated in his conversations with the FAA it is his understanding that when you add work it is basically a new application. He stated the process is the same regardless if you amend or add a new PFC.

Mr. Macdonald asked if there would be any problem in submitting an application or an amendment prior to the first application being approved so we don't have to wait another six or eight months. In other words the process can start over.

Mr. Parmer stated if this PFC is approved it will be 1999 before this PFC expires.

Mr. Macdonald stated the current PFC application runs out in 1999 and he asked if there is any reason we cannot amend the application to run out in 2005 instead. Mr. Macdonald stated if we included the expansion of the northeast general aviation area ramp in a PFC application we would then know if the project would be approved by the FAA and the airlines. He stated even if we did not get adequate funding until 2005 at least we would know that the project would be approved and the funds would be collected at some time in the future. He stated that would have a big bearing in his mind on whether or not we could do the project. If the application were approved we could then begin the project any time with the understanding that we won't be receiving the money for a period of time.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, June 4, 1996, at 10:30 a.m. in the Airport Boardroom.

Second by Mr. Macdonald.

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

Time at adjournment was 11:48 a.m.

Regular Meeting

Tuesday

June 4, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 4, 1996, at 10:30 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Pawluk, Myers, Stanton

Absent: Macdonald

Others: Stewart, Bromenschenkel

Vice Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 21, 1996:

Mr. Gallagher moved to approve the minutes of the regular meeting of the Municipal Airport Authority held May 21, 1996.

Second by Mr. Pawluk.

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

Approved the Airport Vouchers Totaling \$45,783.26:

Mr. Pawluk moved to approve the airport vouchers totaling \$45,783.26.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton and Macdonald

The motion was declared carried.

Approved the Individual Voucher to Glass Unlimited, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$10,000.00 to Glass Unlimited, Inc. for Partial Payment Request No. 3 for the Westside Terminal window glazing/sealing project.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$71.69 to Forum Publishing Company for advertisement for bids for partial reroofing project for the Eastside Terminal building.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$5,000.00 to Northern Improvement Company to Partial Payment Request No. 11 for construction of Aircraft Parking Apron, Taxiway and Access Road.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$129,782.61 to Northern Improvement Company for Partial Payment Request No. 4 for T Hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,498.74 to Ulteig Engineers, Inc. for Partial Payment Request (Final) 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 Gallagher, Pawluk and Myers voted aye.

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,728.72 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with T Hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$11,138.15 to Ulteig Engineers, Inc. for engineering services in connection with the Rehabilitation of Runway 13/31 and Taxiway A Project No. 3 38 0017 18.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Received Tabulation of Bids for Partial Reroofing Project on Eastside Terminal Building:

Mr. Parmer stated the Airport Authority advertised for bids for the partial reroofing of the eastside terminal. He stated bids were received and opened on Monday, June 3, 1996 at 4:00 p.m. in the Airport Authority office. Mr. Parmer distributed copies of the bid tabulation along with a letter from Mr. Patrick Delapointe, Foss Associates, with his recommendation to award the bid.

Received Tabulation of Bids for Partial Reroofing Project on Eastside Terminal Building:
(Continued)

Bids received were as follows:

A&R Roofing, Inc.	\$46,260.00
M.J. Dalsin Roofing Contractors	41,250.00
Herzog Roofing	58,070.00
Pierce Roofing & Sheet Metal	40,230.00
United Roofing	48,337.00

Mr. Delapointe stated their initial estimate on the project was \$33,000 to \$38,000 and the low bid came in at \$40,230 which is about 9% over.

Mr. Delapointe stated in talking with the bidders following the bids they indicated the main reason for the higher bids is the time of the year as most of them are busy and that does have an affect on the price.

Mr. Myers asked how much insulation is specified.

Mr. Delapointe stated the insulation ranges from 3" to 7.5" to provide a slope for water movement.

Mr. Myers stated with the heating system needing replacement soon we might want to consider adding more insulation which would reduce the cost of the new heating plant needed.

Mr. Delapointe stated he could check into that but we may be limited in the height of the insulation we are able to install.

Mr. Pawluk asked if the completion date of this project is time sensitive.

Mr. Delapointe stated we indicated a start date of July 1 because by that date the National Weather Service will have removed all of their equipment on that roof.

With regard to adding more insulation, Mr. Pawluk asked if the project would have to be rebid or if a change order could be added.

Attorney Stewart indicated the project would not have to be rebid and a change order would be adequate.

Mr. Pawluk moved the Airport Authority accept the bid offered by Pierce Roofing & Sheet Metal and that we request a proposal for the change in insulation value.

Second by Mr. Gallagher.

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

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Mr. Myers asked Mr. Delapointe for an update on the window glazing/sealing project.

Mr. Delapointe stated Glass Unlimited has about 100% of the glazing cut out and replaced and they are now working on the finished metal portion of the project. The project should be completed in about two weeks.

Received and Authorized Execution of Grant Agreement in the Amount of \$270,087.00 for AIP
Project No. 3 38 0017 18:

Mr. Gallagher moved to receive and authorize execution of the Grant Agreement for AIP Project No. 3 38 0017 18.

Second by Mr. Pawluk.

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

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Received and Authorized Execution of Grant Agreement in the Amount of \$427,500.00 for AIP Project No. 3 38 0017 19:

Mr. Gallagher moved to receive and authorize execution of the Grant Agreement for AIP Project No. 3 38 0017 19.

Second by Mr. Pawluk.

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

Absent and not voting: Stanton and Macdonald.

The motion was declared carried.

Received Communication from Federal Aviation Administration Outlining Grant Agreement Conditions for AIP Projects 3 38 0017 18 and 3 38 0017 19:

Mr. Parmer reviewed a letter dated May 30, 1996 from Irene Porter, FAA Airports District Office in Bismarck, outlining the grant agreement conditions. He stated there are some additional requirements now, one of those being the sponsor must set up a Pavement Maintenance Management Program.

Mr. Pawluk moved the Airport Authority receive and file the communication from the Federal Aviation Administration outlining the grant agreement conditions for AIP Projects 3 38 0017 18 and 3 38 0017 19.

Second by Mr. Gallagher.

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

Received Communication from Northwest Airlines on Proposed PFC Program

Mr. Parmer stated following our meeting with the air carriers on April 30, 1996, they had 30 days in which to submit a written response (agreement or disagreement) to our proposed Passenger Facility Charge. Mr. Parmer stated the only airline represented at the meeting was Northwest Airlines.

Mr. Parmer stated we received a communication dated May 30, 1996 from Mr. John DeCoster, Regional Director of Airport Affairs, Northwest Airlines, which serves as Northwest's written Certification of Agreement or Disagreement on the Airport Authority's plan to impose PFC collections at Hector Airport.

Mr. Parmer stated any airline responding is required to comment on every project listed in the PFC application. Mr. Parmer stated the response from Northwest Airlines to the 29 items listed indicated they had disagreements with only two items. They indicated a conditional disagreement with the PFC development costs as "expenses should be limited to third parties (e.g. architects, engineers, project managers, etc.) or to the Authority for similar services provided by internal Authority staff. There should be no general allowance for the ongoing and routine administration of the PFC program. Mr. Parmer indicated this conditional disagreement has no basis as all development costs included in the application were only third party charges.

Mr. Parmer stated they also disagreed with Item 29, the installation of a culvert in County Drain 10 to facilitate the construction of a safety area for Runway 8/26. Their comments were as follows:

"This project is based on a long range projected need that is not required to meet current or projected scheduled airline needs. Northwest operations have not been negatively impacted by the lack of a cross wind runway to handle jet traffic. The length of the current runway is adequate to handle the projected equipment use. A demonstrated need has not been established; therefore, Northwest cannot recommend approval on projects that are based on long term projections or projects that do not meet the statutory requirements."

Mr. Myers stated he cannot see why Northwest would have any objection to this project as this project will not cost Northwest anything and it would be to their advantage to have a cross wind runway available for their airlink operations. He stated he would like to see Northwest Airlines rescind their objection.

Received Communication from Northwest Airlines on Proposed PFC Program: (Continued)

Mrs. Stanton now present.

Mr. Gallagher stated he does not feel Northwest's response will have any affect on the application.

Mr. Pawluk asked when construction on the drain project would start.

Mr. Parmer stated we anticipate the FAA will approve the PFC charge effective November 1, 1996 and we could start the project as early as next year.

Mr. Pawluk asked if Northwest's disagreement will make it less likely that the FAA will approve our application.

Mr. Parmer indicated he did not think so.

Mr. Myers stated he feels we should point out that Runway 8/26 will be a vital part of commercial aviation.

Mr. Parmer stated we will answer the objections of Northwest Airlines and that response will also become part of the PFC application.

Mr. Gallagher moved to receive and file the communication from Northwest Airlines.

Second by Mr. Pawluk.

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

Reviewed Southeast General Aviation Development Plan:

Mr. Parmer stated recently the Airport Authority directed him to develop a plan for the southeast general aviation area. Mr. Parmer stated he prepared a history of the airport going back to the original document transferring a portion of land to the City of Fargo for airport purposes. Mr. Parmer read a portion of the document pertaining to the original parcel given to the City of Fargo by Martin Hector, which is the Southwest Quarter (SW 1/4) of Section Twenty Five (25), in Township One Hundred Forty (140) North, of Range Forty none (49) West, of the Fifth Principal Meridian:

"This conveyance is made to the City of Fargo in trust for the public use and such property is hereby dedicated by the grantor to the city of Fargo as public property only for use as an airport to be known as Hector Airport, and on the condition that no part thereof shall be sold or disposed of nor shall any lease thereof be given to any person, firm or corporation for private use."

(For clarification purposes the only buildings located on this tract of land are the Eastside Terminal and Hangar 9, presently occupied by Phoenix Air.)

Mr. Parmer reviewed federally funded projects completed in the southeast general aviation area:

Ramp pavement project (1979 1980)	\$ 340,000.00
--------------------------------------	---------------

Taxiway and Ramp Pavement Project (1988 1989)	\$ 872,000.00
--	---------------

Taxiway and Ramp Pavement Project (1991)	\$ 30,000.00
---	--------------

Mr. Parmer reviewed the assurances required by the FAA for airport sponsor receiving federal grants. One of the provisions is as follows:

"The terms, conditions and assurances of the grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project.

Reviewed Southeast General Aviation Development Plan: (Continued)

Mr. Parmer stated the largest portion of available land in that area is the far southeast corner and a few years ago Dakota Aero Tech requested we reserve that space for them as they were just getting started on their program with NDSU and were looking for area in which to expand. He stated he visited recently with the president of Dakota Aero Tech, Yvonne Barney, and she indicated that is no longer in their plans. He added that since that time the City has put in 16th Street which will provide access to that site which should make it more accessible.

Mr. Parmer stated the Airport Authority has discussed relocating the car rental service facilities from the southeast side to near the terminal building, west of the drainage ditch. Mr. Parmer stated the Airport Authority will be receiving a request for an easement for a party in the residential development just west of the airport to hook up to our water and sewer. He stated before the Airport Authority would grant the easement we would require that the agreement contain language guaranteeing that the Airport Authority would be able to tie onto that extension, which would provide service for these proposed facilities.

Mr. Pawluk asked the lease expiration dates on the car rental facilities.

Mr. Parmer stated the Airport Authority does not charge a separate ground lease for those facilities, they are included in their operating lease. Mr. Parmer stated there has been discussion about a new single facility to house all four agencies, each having their own separate stall but the Airport Authority has not gotten involved financially.

Mr. Parmer stated a major consideration for the Airport Authority will be to decide what it wishes to do with Hangars 3 and 4. Mr. Parmer stated he would like to see the Airport Authority appoint a committee

of two members to review all facets of the southeast general aviation area and come up with a further plan. He stated these two members could visit with each tenant and discuss their future plans.

Vice Chairman Myers stated that based on Mr. Parmer's recommendation he would appoint Mr. Macdonald and Mr. Pawluk to that committee as they are the members with the potential for the longest terms yet to serve on the Authority and this process is going to take a number of years.

Mr. Pawluk asked what they will be charged with doing.

Mr. Myers stated in his thoughts one of the major items is the two hangars and the significant repairs needed. He stated we have had one estimate of about \$300,000 and we are getting about \$1,200 a year in rent and it does not make sense to repair them for that. He stated he feels there needs to be some dialogue between the Authority and the tenants and get an idea of their long range plans.

Mrs. Stanton stated she feels Mr. Myers needs to be involved because of his background and building knowledge.

Mr. Myers stated he will be involved but wants only two members on the committee. He stated Mr. Parmer will outline the objectives for the committee. He stated establishing this committee is an important first step.

Mrs. Stanton asked about a time frame for an initial report from the committee.

Mr. Pawluk stated they could come up with a preliminary report in 30 60 days.

Mr. Myers stated right now the Airport Authority is receiving only \$100 a month in revenue from Valley Aviation for the lease on those two hangars.

Mr. Robert Hamilton, Valley Aviation, was recognized and stated that Valley Aviation also pays \$6,200 a year in property taxes on those two hangars.

Mr. Myers stated we are faced with some major overhaul to those hangars if we are going to continue to use them. He stated it may be in a long range plan that he would recommend dozing those hangars down.

Mr. Hamilton stated the Airport Authority needs to take into consideration the cost to remove those hangars, the cost to repair them, and the cost to build new hangars of that size.

Reviewed Southeast General Aviation Development Plan: (Continued)

Mr. Myers stated this is the dialogue the committee will be looking for with the tenants.

Mr. Hamilton indicated they would look forward to that opportunity.

Mrs. Stanton stated she would like all of the members to take another tour of the area.

Mr. Pawluk stated he would like to thank Mr. Parmer for taking the time to put together this report as it will be a good starting point. He stated as a commission we are going to have to recognize what we want to see done with the area of the airport. He stated it is obvious that the Airport Authority's direction must be for the promotion of all aspects of aviation with respect to the city of Fargo. He stated it would be a mistake if we did not use that prime area for aviation. He stated maybe there are some aviation related businesses to whom that area would be attractive.

Mr. Myers stated that in visiting with Mr. Pawluk one comment he had is that when he brings his family out to fly somewhere there are no restroom facilities on that southeast general aviation ramp or a waiting area for those people coming in to pick someone flying in. He stated this will be part of our long range plan and possibly we can provide some of these facilities with card controlled access.

Mr. Pawluk stated he would like to see the Airport Authority communicate with the users of the general aviation facilities and advise them that we are in the process of developing a long range plan and invite their input. Mr. Pawluk stated the new facilities on the north side are beautiful but he does not know a single pilot who keeps his airplane on the southeast side who wants to leave that area and move up north.

Mr. Myers stated his concern is taking care of the property over there and he wants to make sure we do that.

Chairman Stanton Requests Consideration of Change in Meeting Times:

Chairman Stanton stated it is becoming almost impossible for her to make it to meetings on Tuesday mornings so she would like the Airport Authority to consider another day or time for the meetings.

After discussion of possible times and days, Mr. Pawluk moved the Airport Authority change its meetings to 9:00 a.m. on the first and third Wednesdays of each month through the summer unless extended by the Airport Authority.

Second by Mr. Gallagher.

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

Other Business:

Mr. Wes Schon, Ulteig Engineers, stated that he would suggest the Airport Authority make it a requirement in any easement granted to extend water and sewer that the system put in will serve the future development of the airport west of the drainage ditch.

Mr. Bromenschenkel stated the City of Fargo has not yet approved an extension of water and sewer outside of the city limits. He added that this is a private venture and the last he heard they were going with rural water.

Mr. Mark Hovde, Hertz Rent a Car, was recognized and stated the car rental agencies would commend any effort on the part of the Airport Authority to establish an area for a car rental service facility although he feels that issue is about ten years down the road.

Other Business: (Continued)

Mr. Ron Balvitsch, Northwest Airlines, stated he had expected to see an item on the agenda that he and Mr. Parmer discussed recently with Mr. John DeCoster. He stated recently the building janitorial staff abruptly ceased to empty their waste containers and vacuum behind their airline counter area. He stated this is a service they had been doing for ten years and now all of a sudden they have been advised that their lease does not provide for these services. He requested the janitorial service be reinstated.

Mr. Parmer stated these services are not required in our lease with the airlines and our building engineer has indicated the building staff has been having a hard time getting all of their other work completed.

Mr. Pawluk asked if there had been any notification of the change.

Mr. Balvitsch stated after a couple days the airline employees noticed it had not been done but they did not receive notification. He stated he does not feel ten minutes out of the day is not going to make that much difference to the building staff. Mr. Balvitsch stated he would like to see the us work together on this matter.

Mrs. Stanton stated she takes a dim view of services being cut off without any notification or communication.

Mr. Myers stated we installed the space heaters behind the counters and those are located near the waste containers and those should be kept clear of refuse in order to prevent a fire. He stated he would rather see the Airport Authority reinstate that service.

Mrs. Stanton moved the Airport Authority reinstate the cleaning services behind the ticket counters as provided previously.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Mr. Parmer stated Mr. Balvitsch made reference to this item not being on the agenda for today's meeting. Mr. Parmer stated he received a letter from Northwest Airlines yesterday and the agendas are prepared the Friday before the meeting.

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, June 19, 1996 at 9:00 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 12:07 p.m.

Regular Meeting

Wednesday

June 19, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, June 19, 1996 at 9:00 a.m. in the airport boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk and Stanton

Absent: None

Others: Stewart

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 4, 1996:

Mr. Myers stated he would like to see two corrections made in the minutes.

1. He would like the minutes to reflect that the paragraph in the original document for the land donated by Martin Hector and reference to the property being only for use as an airport refers only to the parcel given by Mr. Hector and not properties subsequently acquired. For clarification purposes he stated the only buildings located on this parcel are the Eastside Terminal and Hangar 9, presently occupied by Phoenix Air.
2. Low bid on the Eastside Terminal Reroofing Project from Pierce Roofing was shown as \$41,250.00 in the second paragraph on Page 72 and should have been \$40,230.00.

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority as corrected.

Second by Mr. Myers.

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

Approved the Airport Vouchers Totaling \$39,837.40:

Mr. Pawluk moved to approve the airport vouchers totaling \$39,837.40.

Second by Mr. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk, and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Gallagher moved to approve the airport vouchers totaling \$2,384.63 to Foss Associates for partial payment request for professional services in connection with the Eastside Terminal roofing project.

Second by Mr. Myers.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Gallagher moved to approve the individual voucher in the amount of \$270.00 to Midwest Testing Laboratory for concrete testing on T Hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by Mr. Myers.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Received and Filed the Statement of Operations for the Month of April 1996:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of April 1996.

Second by Mr. Macdonald.

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

Approved Change Order for the Construction of General Aviation Taxilanes, Taxiway and Vehicle Access Road, AIP Project No. 3 38 0017 17, a Net Reduction of \$5,213.00:

Mr. Wes Schon, Ulteig Engineers, was recognized and stated that the T hangar development project in the northeast general aviation area is under construction. He stated when the plans were originally drawn there was no power source at the point of the planned access gate so we were going to run service from another source but now NSP has located another transformer closer to the gate location which will eliminate the need for underground power extension. He stated this has resulted in a net deduction of \$5,213.00.

Mr. Macdonald moved to approve the Change Order to project No. 3 38 0017 17 with a net reduction of \$5,213.00.

Second by Mr. Myers.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Received Request from Mr. Steve Busse, American Cyanamid, Requesting Test Plot on Airport Grounds (Deferred from May 21, 1996 Meeting):

Mr. Steve Busse, American Cyanamid, was recognized and stated he is involved with test plot research and testing compounds, which is very similar to the testing done by NDSU. He stated he would like to be allowed to put a grass test plot somewhere on the airport to do testing relative to head sprouting of native grass. He stated he is looking for a plot on the airport grounds about 105' x 150' which is about one half acre. He stated the compound he wishes to test is very safe, it is safer than salt or aspirin.

Mr. Gallagher asked which area Mr. Busse had in mind.

Mr. Busse stated the location is up to the Airport Authority but he would like a spot that is out of the way and one that he can get to about once a week.

Mr. Myers asked Mr. Busse with all of the land NDSU has why he does not work out something with them.

Mr. Busse stated it is hard to find a grassy area such as the airport has available, and the product being tested may be a product the Airport Authority may be interested in using.

Mr. Myers asked if there is any possibility of contamination to the soil.

Mr. Busse stated there is a carryover of one year on this compound but the compound is registered so they are allowed to spray roadsides and non crop land.

Mr. Pawluk moved the Airport Authority grant Mr. Busse a one year opportunity to lease a test plot to be agreed upon by the Executive Director with the approval of Attorney Stewart.

Received Request from Mr. Steve Busse, American Cyanamid, Requesting Test Plot on Airport Grounds (Deferred from May 21, 1996 Meeting): (Continued)

Second by Mr. Macdonald.

Mr. Myers stated any agreement the Airport Authority has with Mr. Busse should include a hold harmless clause.

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

Received Communication from Hansen Lease and Rental, Inc. Reviewing Leasing Policies at Fixed Base Operator Locations:

Mr. Parmer stated he provided the Airport Authority members with a copy of the letter dated May 28, 1996, from Mr. Steve Hansen, President, Hansen Lease & Rental, Inc. the Hertz licensee at the airport. Mr. Parmer asked Mr. Hansen for his comments.

Mr. Steve Hansen was recognized and stated they have been in business at the Fargo airport since 1982. He stated last year they suffered their largest loss since 1982 and they are forecasting a loss for this year as well. He stated he is going to stay in the business because he is optimistic things are going to become profitable again. He stated in an effort to get more profitable he has discussed with the local manager, Mark Hovde, the possibility of getting some of the local, non terminal generated business. He stated Mr. Hovde checked with the Airport Authority and they were told they would still have to pay the Airport Authority 10% because they are on airport grounds. He stated his question is why other car rental companies are allowed to rent cars at the FBO facilities without paying 10% to the Airport Authority. He stated he cannot believe the other agencies are reporting this revenue because he does not see how they can pay 10% to the Airport Authority and 10% to the FBO renting the car. Mr. Hansen stated without an audit he cannot believe they are reporting this revenue.

Mr. Hansen stated he is asking for one of two things:

- 1) Relief from paying 10% on non airport generated business, which would satisfy all of them. He stated at their operation in Grand Forks their off airport business is about 20% of their overall business and they are not required to pay the 10% to the airport.
- 2) The verification of a level playing field through an audit.

Mr. Parmer asked Mr. Hansen if he is positive the other agencies are not paying the 10% on that revenue.

Mr. Hansen stated no, he is not sure they are not, but he does not know how they could pay 10% to the airport and 10% to the FBO facility. He stated the only one that can verify that is the Airport Authority.

Dr. Hamilton, Valley Aviation, was recognized and stated that Avis cars are available at their facility but Valley Aviation does not receive any portion of their revenue. He stated it is a courtesy to their customers.

Mr. Bernie Ness, Avis Rent a Car, was recognized and stated they service Valley Aviation with rental cars. He stated he has been in business on the airport for 25 years and in that time he has never had a situation such as has happened in the past six months. He stated if Mr. Hansen is not profitable right now that is his business. He stated Avis is profitable right now but it comes and goes. He stated for some reason Mr. Hansen has chosen to turn him into the State Tax Commissioner and they have just finished an audit with them. He stated they have requested four months out of the last 24 months and have indicated they have received all of the information they need at this time. Mr. Ness stated he does not know what Mr. Hansen's problem is but they are reporting to the Airport Authority any business done at this airport whether it is renting to a customer at Valley Aviation or if someone comes out to the airport just to rent a car. He stated for a number of years he had a downtown Avis location and it

Received Communication from Hansen Lease and Rental, Inc. Reviewing Leasing Policies at Fixed Base Operator Locations: (Continued)

was so successful he closed it because he was losing his tail on it. He stated it is cheaper for them to pay the 10% to the airport and rent to anyone coming to their counter, as they do not distinguish the type of customer. He stated yesterday he showed Shawn Dobberstein how they calculate their monthly revenue. Mr. Ness stated if Mr. Hansen wants an audit then he should pay for the audit. He stated it cost him a lot of money to go through this state audit and he takes offense to it. Mr. Ness stated that perhaps Mr. Hansen should take a look at his business and figure it out rather than make accusations against him.

Mr. Mark Hovde was recognized and stated that when Fargo Jet Center opened Hertz was contacted by their employee, Kathy, to see if Hertz would be interested in providing service at their facility. Mr. Hovde stated he asked about the terms and he was told that they would be required to pay 10% to the person who rents the car. He indicated they could not do that and Kathy indicated that Avis operates at Valley and they pay 10%. He stated he asked her how Avis could be paying 10% to the rental agent and 10% to the airport and she indicated she was not aware they were paying 10% to the airport. He stated they are not saying that Valley Aviation gets the 10% but the person renting the car gets 10%.

Mr. Bill Ryan, Budget Rent a Car, was recognized and stated they have a contract with Fargo Jet Center to rent cars from their facility. He stated at the time they were negotiating with Fargo Jet Center there was a question about whether or not they were required to pay a fee to the airport but their local manager, Beth Johnson, contacted Mr. Parmer and he indicated they would be required to pay 10% to the airport. He stated that since they first opened at Fargo Jet Center they have been paying the airport 10%. He stated that they have also been paying a percentage to Fargo Jet Center for being there. He stated he agrees with Mr. Ness that if Mr. Hansen is requesting an audit then he should pay for the audit.

Mrs. Beth Johnson, manager of the Fargo Budget location, was recognized and stated on any cars rented at Fargo Jet Center they are paying 10% to the Airport Authority and 10% to Fargo Jet Center. She stated they have been able to generate a little more business during their slow times.

Mr. Ness stated we are not looking at very much business at the FBO locations.

He stated they generate probably \$1,200 a month and they have to shuttle the cars up there. He stated this is really a service and he thinks of it as one of their responsibilities as a business on this airport.

Mr. Macdonald asked if the Airport Authority has ever audited its tenants.

Mr. Parmer indicated we have not conducted audits in the past.

Mr. Macdonald stated he would worry a little about that, regardless of this situation. He stated it is good business to audit some of our payors once in a while and he would think they would want it as well.

Mr. Maury Lamb, National Car Rental, asked if the Airport Authority audits the airlines.

Mr. Macdonald stated the airlines are charged a fixed rent for space leased and landing fees so they do not pay the airport a percentage.

Mr. Parmer stated there is a clause in the car rental lease that addresses the subject of audits and the Airport Authority is entitled to an audit at the joint expense of the lessor and lessee.

Mr. Macdonald stated he does not want to go through the tenants' books but he feels once in a while an audit would be good practice.

Mr. Myers stated if he understands the conversation today correctly then Hertz is suggesting that if Avis and Budget are paying Valley Aviation and Fargo Jet Center a 10% commission then they cannot be paying the Airport Authority 10% because there is

Received Communication from Hansen Lease and Rental, Inc. Reviewing Leasing Policies at Fixed Base Operator Locations: (Continued)

not that much money in the business. He stated apparently Budget is paying Fargo Jet Center 10% but Avis is paying 10% to the Valley Aviation employee who rents the vehicle. He stated that all of these statements are not adding up. He stated he cannot believe there is that much business involved here and he does not want to see the Airport Authority get involved in a multi thousand dollar audit for lost revenue of about \$120 a month.

Mr. Macdonald stated the Airport Authority has a fiduciary responsibility and to never audit may be a breach of that responsibility.

Mr. Myers stated the City of Fargo goes through an audit each year and maybe we should look into including audits of our tenants as part of this audit.

Mr. Pawluk asked if we are using a uniform reporting policy.

Mr. Parmer stated the reporting policies are addressed in each lease.

Mr. Gallagher asked Mr. Hansen if after this discussion he is still screaming at Avis.

Mr. Hansen stated he is not screaming at anyone. They just want confirmation that the playing field is level. He stated they pay 10% to the airport and they have a right to make sure the airport is enforcing the lease requirements.

Mr. Myers asked Dr. Hamilton if a customer of Valley Aviation requested a Hertz rental car could they get one.

Dr. Hamilton stated Valley Aviation has not written revenue agreement with Avis.

Mr. Darren Hall, Fargo Jet Center, was recognized and stated that on a regular basis they have customers flying in who have already made arrangements to rent a car from another car rental agency and that is not a problem.

Mr. Ness suggested that the next time the Airport Authority has its auditors come in have them review the car rental agencies and that way it should be a minimal expense.

Mr. Pawluk asked the car rental operators if there was any information the Airport Authority would be interested in other than the information we already receive in their report each month.

Mr. Ness stated they certify their time and mileage for the month but if the Airport Authority really wants copies of thousands of rental contracts each month they could provide them.

Mr. Myers moved the Executive Director visit with the City Finance Director to see if an audit of the revenue generators on the airport can be incorporated into a year end audit on a selected basis each year and get an estimate of the additional cost.

Second by Mr. Macdonald.

Mr. Lamb asked why we could not do the audit in house.

Mr. Myers stated unless we have an outside party conducting the audit it will not be a credible audit and the Airport Authority will be suspect.

All members voted aye and the motion was declared carried.

Received Communication from Northwest Airlines Reviewing Terminal Advertising Policy:

Mr. Parmer stated he received a communication dated May 31, 1996 from Mr. John DeCoster, Regional Director, Airport Affairs for Northwest Airlines, addressing two matters: 1) janitorial services to counter area, 2) advertising space in the terminal. Mr. Parmer stated the first matter regarding the janitorial service was discussed and resolved at the last meeting.

Received Communication from Northwest Airlines Reviewing Terminal Advertising Policy:
(Continued)

Mr. Parmer stated Mr. DeCoster had some concerns about the new advertising displays infringing upon their leased space. Mr. Parmer stated before we entered into this new contract with Interspace Airport Advertising he checked with Attorney Stewart regarding displays in the joint use space. He stated there are no displays in the airlines' exclusive space. Mr. DeCoster indicated Northwest was looking for an adjustment in square footage charged to the airlines to compensate for the lost square footage. Mr. Parmer stated the airline leases do not specify a certain area of joint use space but rather each carrier has been designated an equal amount of square footage. Mr. Steve Dahl, Manger, United Express, was recognized and stated that the

airlines now have about 800 s.f. less space in the baggage claim area due to the new advertising displays and yet the airlines are still paying the same amount and the airport is getting additional revenue from the advertising.

Mr. Pawluk asked Mr. Dahl if his customers are being impacted by this.

Mr. Dahl stated his customers are not being affected as much as Northwest's because the view to one side of the baggage carousel is blocked by the advertising and passengers are not seeing their bags.

Mr. Myers stated he was just in the Las Vegas airport last week and their baggage carousels are two levels high and people don't seem to have a problem finding their bags. He stated that airport has advertising all over the terminal as well.

Mr. Dahl stated he is asking if that space is still considered their leased space.

Mr. Parmer stated the baggage claim area is not exclusive space it is joint use space.

Mr. Pawluk stated when he travels he never leaves the airport without his bag unless it did not come on the flight and he cannot imagine that people would just leave the airport without finding their bag.

Mr. Myers stated some people don't want to wait and have learned that the airline will just send it by cab.

Mr. Macdonald moved to receive and file the communication from Northwest Airlines and that Mr. Parmer give a written response to Mr. DeCoster and that Attorney Stewart have input in the reply letter.

Second by Mr. Pawluk.

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

Authorized Execution of Office Space Lease with FAA Airway Facilities:

Mr. Parmer stated the Civil Air Patrol will be vacating their office space in the Eastside Terminal effective July 1, 1996 and FAA Airway Facilities will be leasing the space. The lease rate is \$9 per square foot, 744 square feet for an annual rent of \$6,696.00.

Mr. Macdonald moved to authorize execution of the office space lease with FAA Airway Facilities.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Mr. Myers asked if there is a reason the CAP is closing the Fargo office and moving to Bismarck.

Mr. Macdonald stated the Disaster Emergency Management Office is in Bismarck and the CAP has been looking at this change for a while.

Authorized Execution of Agreement with Pierce Roofing and Sheet Metal, inc. for Roofing of Eastside Terminal as outlined in Bids Received June 4, 1996 and Review Costs Associated with Increasing Insulation:

Mr. Parmer stated at the last meeting we awarded the contract for the roofing project on the Eastside Terminal to Pierce Roofing for their bid of \$40,230. He stated that Mr. Myers suggested we look into the cost for some additional insulation. He stated Mr. Patrick Delapoint, Foss Associates, received a quote from Pierce Roofing in the amount of \$5,245.00. This will increase the R value from 24 to 34. Mr. Parmer stated that Mr. Delapointe indicated the price for this additional insulation is fair.

Mr. Myers stated with the rising costs of energy he feels the additional insulation would be a good investment.

Mr. Pawluk moved to authorize the execution of the agreement with Pierce Roofing and Sheet Metal, Inc. and approve the additional insulation.

Second by Mr. Myers.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Other Business:

Mr. Pawluk reported that he and Mr. Macdonald, who were appointed to a committee to review the southeast general aviation area, have had some preliminary discussions and are gathering information.

Mr. Myers stated at the AAAE Conference in Las Vegas he was in a session with a lady who is the operations manager from the Philadelphia airport. He stated two project she has brought to the airport are facilities for UPS, which employs over 3,000, and the US Postal Service. He stated he did visit with her after the session and she is very enthused about making use of airport property, particularly with industrial development.

Mr. Myers stated he also visited with a representative of the Department of Transportation and it does not look like the 10% ticket tax is going to be reinstated any time soon.

Mr. Myers stated he made it to most of the sessions and got quite a number of ideas.

Mr. Parmer stated there was a lot of discussion on the AIP Program and its future and it seems to be that Congress is the problem.

Mr. Myers stated airports like Fargo are more affected by this than the larger airports. He stated O'Hare does not want the 10% tax anymore they would rather increase their PFC to \$5. The representative from the DOT suggested we talk to our senators.

Mr. Gallagher moved to adjourn the meeting until the next regular meeting to be held Wednesday, July 10, 1996, at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Myers.

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

Time at adjournment was 10:10 a.m.

Regular Meeting

Wednesday

July 10, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, July 10, 1996 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Myers, Pawluk, Stanton

Absent: MacDonald

Others: Stewart

Chairman Stanton presiding

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 19, 1996:

Mr. Myers moved to approve the minutes of the regular meeting of the Municipal Airport Authority held June 19, 1996.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$56,943.71:

Mr. Gallagher moved to approve the airport vouchers totaling \$56,943.71.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Fischer Tree Service:

Mr. Gallagher moved to approve the individual voucher in the amount of \$350.00 to Fischer Tree Service for tree plantings at the airport.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Bachman's Nursery:

Mr. Gallagher moved to approve the individual voucher in the amount of \$3,021.50 to Bachman's Nursery for airport tree plantings.

Second by Mr. Myers.

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

Absent and not voting: Macdonald.

The motion was declared carried.

Approved the Individual Voucher to Ole's Nursery and Garden Center:

Mr. Gallagher moved to approve the individual voucher in the amount of \$375.00 to Ole's Nursery and Garden Center for airport tree plantings.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Cass County Soil Conservation District:

Mr. Gallagher moved to approve the individual voucher in the amount of \$361.60 to Cass County Soil Conservation District for airport tree plantings.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Urban Contracting Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$3,100.00 to Urban Contracting Company for Partial Payment Request No. 2 (Final) for the repair of BAK 14 South.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$318,874.54 to Northern Improvement Company for Partial Payment Request No. 5 for General Aviation Taxilanes, Taxiways and Vehicle Access Road, AIP Project No. 3 38 0017 17.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$24,376.09 to Northern Improvement Company for Partial Payment Request No. 1 for the Rehabilitation of Taxiway A Shoulders, Reseal Joints and Misc. Drainage, AIP Project No. 3 38 0017 18.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$5,760.00 to Northern Improvement Company for Partial Payment Request No. 1 for the Rehabilitation of Runway 13/31, AIP Project No. 3 38 0017 19.

Second by Mr. Myers

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Gallagher moved to approve the individual voucher in the amount of \$1,869.00 to Midwest Testing Laboratory for Payment Request for concrete testing services for T Hangar Taxiway and Lighting Project, AIP Project No. 3 38 0017 17.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Received and Filed the Statement of Operations for the Month of May 1996:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of May 1996.

Second by Mr. Pawluk.

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

Received Communication from the North Dakota Aeronautics Commission Advising of State Aid in the Amount of \$87,464.00:

Mr. Parmer stated on June 26, 1996 the North Dakota Aeronautics Commission received requests for state aid from the air carrier airports in North Dakota. He stated these funds are comprised of an appropriation from the State Legislature along with a state excise tax. He stated the Aeronautics Commission receives requests from the air carrier airports on an annual basis and they distribute the funds. Mr. Parmer stated this year Hector Airport has been granted \$87,464. He stated the Commission's allocation this year was \$398,681 and they had requests totaling \$964,158.

Mr. Parmer explained that most of the projects for which we requested funds are projects that have been completed. He stated the projects that are eligible for federal AIP funds we receive 90% from federal dollars and 5% from state aid.

Mr. Myers moved to receive and file the communication from the North Dakota Aeronautics commission advising of state aid in the amount of \$87,464.00.

Second by Mr. Pawluk.

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

Received Communication from FAA Airports District Office Advising of Grant Increase of 19,034.67 for AIP Project No. 3 38 0017 15:

Mr. Parmer stated that the Aircraft Parking Apron, Taxiway and Access Road Project No. 3 38 0017 15, included a couple of change orders approved by the FAA and in the final closeout report we requested an amendment to the Grant Agreement to increase the maximum grant obligation of the United States to cover the amount of project cost overruns. The FAA approved this increase in the amount of \$19,034.67 for a total project cost of \$864,398.67.

Mr. Myers moved to receive and file the communication from the FAA Bismarck Airports District Office dated July 1, 1996.

Second by Mr. Pawluk.

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

Considered Assignment of Hangar Land lease from Monte Wilson to Victor Gelking:

Mr. Parmer stated the red carousel hangar in the southeast general aviation area owned by Mr. Monte Wilson has been sold to Mr. Victor Gelking. Mr. Parmer stated the Airport Authority has a land lease with Mr. Wilson and Mr. Gelking is requesting that land lease be assigned to him.

Considered Assignment of Hangar Land lease from Monte Wilson to Victor Gelking:
(Continued)

Mr. Myers asked if Mr. Gelking would be paying the same ground rental or if this lease would fall under his FBO operation.

Mr. Parmer stated this lease would be separate from Mr. Gelking's FBO lease. He stated any receipts from rental of the hangar will have to be included in his monthly percentage report but the ground rental will remain the same.

Mr. Pawluk asked Mr. Gelking if it is his understanding that his FBO contract will require him to pay the Airport Authority a percentage rent on any income from the hangar in addition to the ground rent.

Mr. Gelking stated it was his understanding the lease would be under the same terms as his present hangar.

Dr. Hamilton, Valley Aviation, was recognized and stated the leases on the ground rental for their hangars in the southeast general aviation area are included in their FBO lease in lieu of a ground lease amount.

Mr. Myers stated he feels before the Airport Authority consents to this assignment of lease we need to get an opinion from Attorney Stewart.

Mr. Parmer stated the only thing the Airport Authority needs to approve today is the consent to the assignment of the lease from one owner to another.

Mr. Pawluk asked if Mr. Gelking's responsibility under his FBO agreement would remain the same whether he has one hangar or five hangars.

Mr. Myers asked if our definition of an FBO specifically spells this issue out and whether or not it would be more advantageous for the airport to leave this hangar land lease separate or bring it into his FBO lease. He stated the Airport Authority has appointed a committee to review the southeast general aviation area and he wants to make sure any lease assignment that is approved ties in with the other leases in that area and that it conforms with the overall plan. He stated he does not have any problem with this lease assignment but he wants to be a clean transaction.

Mr. Pawluk stated our failure to approve this lease assignment prevents Mr. Wilson from selling his hangar.

Mr. Pawluk moved to approve the request for the assignment of lease from Monte Wilson to Victor Gelking on the designated property, subject to the approval of Attorney Stewart.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Mr. Parmer stated Mr. Gelking is obtaining financing from Union State Bank to purchase this hangar and they are requesting the lease be assigned to the bank.

Mr. Myers moved the Airport Authority approve the assignment of lease on the parcel described from Victor Gelking to Union State Bank, subject to the approval of Attorney Stewart.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Received Communication from North Dakota Aeronautics Commission Outlining Regional Airport Conference in Denver on July 25, 1996:

Mr. Parmer stated we received information last week from the North Dakota Aeronautics Commission regarding an ACI NA Hub and Regional Airports Conference in Denver, July 25, 1996. He stated he is not sure we need to attend but this conference has to do with marketing at the Denver airport and how it affects smaller airports in the region. Mr. Parmer stated one reason we question whether or not we should attend is that we did not get notice in time to get favorable airfare. Mr. Parmer added that the North Dakota Aeronautics Commission will be represented and he is sure they will pass along any pertinent information to us.

Received Communication from Red River Soccer Club for Airport Authority Consideration to Lease Certain Airport Properties:

Mr. Parmer stated that several years ago Mr. Bob Johnson, Superintendent of Parks and Recreation, discussed with the Airport Authority the possibility of using the airport's land east of University Drive for a recreational facility. He stated nothing was ever finalized but just ideas discussed. Mr. Parmer stated he has now received a communication from the Red River Soccer Club and they are interested in developing that area into a soccer/recreational complex. Mr. Parmer stated we need to remember that this land was purchased with federal AIP funds and any use would have to be approved by the FAA.

The letter dated June 20, 1996 from the Red River Soccer Club indicates they are preparing to conduct a fund drive to raise the funds to develop this complex, provided that a long term lease can be arranged with the Airport Authority. After construction is completed an agreement for maintenance will be arranged with the Fargo Park District.

Mrs. Stanton asked what they felt would be a long term lease.

Mr. Parmer stated that has not been discussed. Mr. Parmer stated that when we were talking earlier with the Park District about softball diamonds on the west side of the airport we proposed the idea to the FAA and they were not excited about that idea. He stated this proposal is somewhat different as the land that would be used is not land that was purchased for airport expansion but for airport protection. Mr. Parmer stated he knows that before the Airport Authority would approve such a lease they would require that the rental rate be comparable to other lease rates, such as our farm leases at \$55 per acre.

Mr. John Garaas was recognized and stated he is a representative of a task force made up of the Red River Soccer Club and F M Soccer Club and they are trying to develop soccer fields in Fargo. He stated the soccer people have been talking with the Park District since 1988 and recognize the need for soccer fields. He stated a soccer field does not require a lot of infrastructure so they are looking for wide open space on which to locate. He stated they were looking at some tax forfeited property north of Wallworks but after the special assessments they were no longer able to afford it. He stated they could pay a reasonable rental rate similar to the agricultural rate but could not pay as much as a commercial rate.

Mr. Garaas stated they were recently advised by the Park District of a possibility of locate on this site east of the airport as this is land that needs to stay undeveloped in order to protect the airport facilities. Mr. Garaas explained that in 1994 the World Cup, which is the world wide soccer organization, set aside millions of dollars which would be available for grants for the development of soccer fields and North Dakota is one of the target areas.

Mr. Garaas stated they realize they have not formal agreement with the Airport Authority and would like to see one in place so they are able to move ahead with their planning. He stated this site has many advantages as it is open land and minimum landscaping will be required. He stated this site has access to two sources of water for irrigation, the river and also a pipe running from the sewage plant to the lagoon which carries water suitable for irrigation. He stated they anticipate spending \$700,000 on the complex. He stated in terms of actual structures there will be only restroom facilities and concession areas. He added that at this time they have no expectation of lights for night games.

Mr. Parmer asked how much of the area they are interested in leasing.

Mr. Garaas stated they could use the entire area, which is about 20 acres.

Mr. Parmer stated part of the area is in the approach zone to Runway 8/26 and the FAA prohibits public assembly in that area.

Chairman Stanton stated she would presume our first step would be to see if the FAA has a problem with this proposal.

Received Communication from Red River Soccer Club for Airport Authority Consideration to Lease Certain Airport Properties:

Mr. Parmer stated our first step is to see if the Airport Authority wishes to pursue this and then propose it to the FAA.

Mr. Myers stated this area is just the type of site that would be attractive for client who would want to locate near the airport but not necessarily on the airport. he stated he would want this land to be available at the drop of a hat should such an economic development opportunity arise. He stated he has no problem letting them use it but we should retain the right to take it back.

Mr. Pawluk stated he does not have a problem allowing the soccer clubs to use this area but he does not understand why it would take \$700,000 to turn it into a soccer field.

Mr. Garaas stated there would be need for some sloping and crowning of the fields and the installation of an irrigation system. The \$700,000 figure was based on current estimates by the Park Board.

Chairman Stanton stated she would like to see the Airport Authority explore the possibility of this proposal.

Mr. Gallagher moved the Airport Authority move ahead with researching the possibility of a lease arrangement with the Fargo Park District for a soccer/recreational complex on airport property east of University Drive.

Second by Mr. Myers.

Mr. Parmer stated we need to be aware that the FAA may take an entirely different approach to this than the Airport Authority.

Mr. Pawluk stated it is his understanding that this motion is not a commitment to this lease but rather action to proceed with the research of this proposal.

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

Approved Plans and Specifications for Emergency Generator and Authorize Advertisement for Bids:

Mr. Joel Kath, electrical engineer with Ulteig Engineers, was recognized and stated they have completed plans and specifications for the emergency generator for the Westside Terminal. He stated this generator will be used for peak shaving in order to get an energy rate reduction from NSP. He stated from the schematic design to the final design the cost estimate went up a little, about \$10,000. He stated we are also looking at a payback period of 8.5 years instead of eight years.

Mr. Kath stated initially we were looking at housing the generator in its own self enclosed, waterproof enclosure on the apron just north of the cooling tower because we did not think it would fit in the same location as the existing generator. He stated they were also concerned about possible heat build up in that room and also the matter of the fuel tank. He stated getting further into the design they ran into some snags in getting the existing incoming service into the electrical room. He stated they then looked at getting the generator back inside the building and they have found that it will fit. They are also proposing remote radiators so they are not concerned with heat build up in the room and the 3,000 gallon, double wall fuel tank will be installed underground under the apron.

Attorney Stewart now present.

Mr. Kath stated the existing generator will be removed and put in the maintenance building for other uses.

Mr. Myers stated the goal was to get the existing generator portable and he would like to see us get a price on mounting it on a trailer and making that part of the project.

Approved Plans and Specifications for Emergency Generator and Authorize Advertisement for Bids: (Continued)

Mr. Kath stated his thoughts on that are since the installation of the new generator will be handled by an electrical contractor they may not know exactly what to do with the existing generator and we may be better off handling that as a separate project.

Mr. Myers stated he does not want it to be moved over to the shop and then have it sit there. He stated he wants to see it make portable right away so it can be used in case of an emergency with the lift station on 19th Avenue or if we run into a problem with field lighting, which was the reason we are proposing this change.

Mr. Kath stated the other main advantage of having the larger generator installed in the Westside Terminal is that we will have the capacity to keep the heating/cooling system functional during a power outage.

Mr. Myers asked if the meter issue had been resolved.

Mr. Kath stated we have resolved the meter issue with NSP but we still have to sit down with those tenants who have separate meters and formalize the agreement. He stated right now the tenants pay their own electrical bills directly to NSP but when the new generator is installed it will be combined under one meter and the bill paid by the Airport Authority. He stated the other meters will stay in place and then the Airport Authority will bill the tenants for their proportionate share.

Mr. Pawluk asked if the Airport Authority's savings will be as great as originally estimated since it will be passed along to the tenants as well.

Mr. Kath stated the Airport Authority has the greatest portion of the total use so the estimated savings should be close to what the actual will be. He stated the total demand for the facility is 570 kws and Northwest's peak demand was 19 kws.

Mr. Kath stated as far as construction is concerned we have a tentative bid date set for August 7, which will allow us time to get the tank into the ground before freezeup and construction can take place over the winter. He stated that schedule will work out well as the electrical contractors are all very busy right now.

Mr. Pawluk asked if the airlines have any problem with the placement of the remote radiator on the ramp.

Mr. Kath stated the location of the remote radiator will be up along side of the building and we will place guard posts around the unit.

Mr. Myers asked if the tank size was adequate.

Mr. Kath indicated it was NSP's estimate that if we ran the generator the maximum for the year we would have to fill the tank 1.5 times per year.

Mr. Wes Schon pointed out that it is important to maintain fresh diesel in the tank as diesel stored too long can develop bacteria.

Mr. Myers moved to approve the plans and specifications for the emergency generator in the Westside Terminal and that we authorize advertising for bids.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved Supplemental Lease Agreement No. 1 to Lease No. 064WC94017 with the National Weather Service:

Mr. Parmer stated the National Weather Service will be maintaining a small office of about 300 s.f. in the Eastside Terminal and this supplemental lease agreement will extend that through September 30, 1997.

Mr. Pawluk moved to approve the Supplemental Lease Agreement No. 1 to Lease No. 064WCF94017 with the National Weather Service.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

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 Wednesday, July 24, 1996 at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Pawluk.

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

Time at adjournment was 10:00 a.m.

Regular Meeting

Wednesday

July 24, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, July 24, 1996 at 9:00 a.m. in the Airport Boardroom. The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk, Stanton

Absent: None

Others: Stewart, Bromenschenkel

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 10, 1996:

Mr. Myers moved to approve the minutes of the regular meeting of the Municipal Airport Authority held July 10, 1996.

Second by Mr. Pawluk.

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

Approved the Airport Vouchers Totaling \$42,156.85:

Mr. Pawluk moved to approve the airport vouchers totaling \$42,156.85.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Mr. Myers moved to approve the individual voucher in the amount of \$26.00 to Forum Publishing Company for advertisement for bids for the purchase of a 20' rotary mower.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Mr. Myers moved to approve the individual voucher in the amount of \$26.00 to Forum Publishing Company for the advertisement for bids for the purchase of a utility tractor.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Myers moved to approve the individual voucher in the amount of \$7,661.21 to Ulteig Engineers, Inc. for Payment Request for engineering services in connection with study, plans and specifications for Westside Terminal Electrical Generator.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Myers moved to approve the individual voucher in the amount of \$18,347.50 to Ulteig Engineers, Inc. for payment request for engineering services in connection with T Hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Myers moved to approve the individual voucher in the amount of \$3,032.26 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Rehabilitation of Runway 13/31 and Taxiway A Project No. 3 38 0017 18.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Myers moved to approve the individual voucher in the amount of \$486.90 to Foss Associates for payment request for professional services in connection with the Westside Terminal Window Glazing/Sealing Project.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Myers moved to approve the individual voucher in the amount of \$253.30 to Foss Associates for professional services in connection with the Eastside Terminal Roofing Project.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald.

The motion was declared carried.

Approved the Individual Voucher to Eide Helmeke:

Mr. Myers moved to approve the individual voucher in the amount of \$1,200.00 to Eide Helmeke for cost of audit for FAA Airport Improvement Program for 1995.

Second by Mr. Pawluk.

Absent and not voting: Macdonald

The motion was declared carried.

Received Tabulation of Bids Received July 15, 1996 for the Furnishing of One Utility Tractor and Received Recommendation of Award:

Mr. Parmer stated a few months ago the Airport Authority approved the purchase of a utility tractor and bids were received on July 15, 1996, as follows:

Ford Tractor of Fargo	\$54,493.00
Fargo Implement	\$60,675.00

Mr. Parmer stated after review of the bids it was determined that both units met specifications and it is his recommendation the bid be awarded to Ford Tractor of Fargo for \$54,493.00.

Mr. Gallagher moved to accept the recommendation of the Executive Director to award the bid for the purchase of one utility tractor to Ford Tractor of Fargo based on their bid of \$54,493.00.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Received Tabulation of Bids Received July 15, 1996 for the Furnishing of One 20' Rotary Mower and Received Recommendation of Award:

Mr. Parmer stated bids were also received July 15, 1996 for the purchase on one 20' rotary mower as follows:

Ford Tractor of Fargo	\$12,995.00	
RDO Equipment	\$13,611.00	
Swanston Equipment	\$12,590.00	(SR20)
Swanston Equipment	\$14,600.00	(FL20)

Mr. Parmer stated there was some question whether or not the low bid (Swanston Equipment, Servis Rhino mower) met specifications but after further review it was determined that it did meet specifications. He stated the maintenance staff had some reservations about the unit but after making some telephone calls to other airports in the country who have the same machine they advised that it has been a good machine and they have not had any problems.

Mr. Parmer stated he would recommend the Airport Authority award the bid to the low bidder, Swanston Equipment, for their bid of \$12,590 on a Servis Rhino SR20.

Mr. Gallagher moved to accept the recommendation of the Executive Director and award the bid for the 20' rotary mower to Swanston Equipment for their low bid of \$12,590.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Received Communication from Moore Engineering Requesting Easements for Water and Sewer Extension to the Red River Victory Ranch:

Mr. Parmer stated we received a communication dated July 12, 1996, requesting an easement for a water and sewer extension from the airport to the Red River Victory Ranch located west of the airport. They are requesting this be done in exchange for future use of the line by the Airport Authority with no tap in fees. Mr. Parmer stated the Airport Authority has discussed this matter previously and it was the consensus of the Airport Authority that before an easement would be granted we would

Received Communication from Moore Engineering Requesting Easements for Water and Sewer Extension to the Red River Victory Ranch: (Continued)

need assurance that we would be able to tap into that line in the future for any development west of the drainage ditch such as the car rental service facilities and that we would require any line put in be adequate for that. Mr. Parmer stated representatives from the Victory Ranch and Moore Engineering are both present.

Mr. Pawluk asked what size main would be used.

Mr. Nick Gludt, Moore Engineering, was recognized and stated there will be an eight inch water line and a two inch sanitary sewer line. He stated the Victory Ranch will have a grinding pump and the sewer pipe will be a forced main. He stated this is all the Victory Ranch requires and it is his understanding that if the Airport Authority wanted a larger diameter sewer pipe that is something that would be worked out between the Airport Authority and the Victory Ranch.

Mr. Bromenschenkel asked if the City Engineer has approved these plans and specifications.

Mr. Gludt stated that the project engineer, Mr. Jeff Volk, met with Public Works yesterday and they have approved the plans and the tap in. He stated there was discussion about the City of Fargo taking over that line but they do not want it so the Victory Ranch will own the line. He stated that will change how the easement will be written.

Mr. Pawluk asked if a four inch sewer line would be adequate to serve the Victory Ranch, the housing development and the Airport Authority's future development needs. Mr. Gludt stated a four inch line would be adequate to serve all three entities and he stated he even feels a two inch line would be adequate to serve the Victory Ranch and the other houses in that area.

Mr. Myers stated he feels it makes sense for the Airport Authority to plan for a large enough line to serve the area west of County Drain 10 and since the only cost difference would be for the pipe and should be minimal so the Victory Ranch should bear that cost.

Mr. Myers stated when the convent extended the water and sewer down to their location many years ago they paid the entire cost and then anyone hooking on to that line paid the convent a fee.

Chairman Stanton stated she feels the Airport Authority needs to look into that.

Mr. Gludt stated the Victory Ranch is requesting an easement from the Airport Authority and part of the agreement is that the Airport Authority has the right to tap into that line.

Mr. Myers stated the line has to be useable in order for us to tap into it.

Mr. Pawluk stated he feels we are on the right track with what they suggested and what we are asking. He stated the only further clarification he would need is what restrictions there may be for the other residents in the area for hooking on to this line.

A representative of Victory Ranch was recognized and stated that the invitation was extended to the other residents in the area but no one was interested.

Mr. Pawluk moved the Airport Authority grant the requested easement to the Victory Ranch for the installation of the eight inch water line and the four inch sewer line and that their service provide for termination at a point where the Airport Authority can tie into the line, subject to the approval of the City Engineer, and that no hook up fee be charged and that the Victory Ranch finance the extension, and that the final approval come from the Airport Authority.

Second by Mr. Myers.

Mr. Macdonald now present.

Mr. Gludt stated they will re submit the plans with the four inch pipe.

Mr. Lyle Markuson, resident of the area, was recognized and asked if the housing development would be able to hook into the line without the need for a lift station.

Received Communication from Moore Engineering Requesting Easements for Water and Sewer Extension to the Red River Victory Ranch: (Continued)

Mr. Myers stated Moore Engineering is proposing a two inch sewer line and a grinder which injects the sewage into the sewage system.

Mr. Pawluk asked if we know for sure a two inch line would take care of the housing development and the Victory Ranch.

Mr. Gludt stated they could run the 4" pipe from the main to a certain point and then go with a 2" to the Victory Ranch. He added that if the other residents in the area wished to hook in they could go with one lift station. He stated that would need to be worked out among the residents.

Mr. Myers stated the Airport Authority is requiring that four inch pipe be used on the airport property.

Chairman Stanton called for a vote on the motion.

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

Received Information from Upper Midwest Aviation Air Freight on Proposed Air Freight Operation:

Mr. Parmer read a communication from Mr. Kevin Sohl, Upper Midwest Aviation Air Freight requesting authorization to operate as an air freight 135 operator from Hector Airport. FAA certification is underway at this time but final application has not yet been made. They intend on being operational in 30 to 45 days.

Mr. Parmer stated they have requested space in the Eastside Terminal which was formerly used by Dakota Aero Tech as a classroom. He stated if we did lease that space we would include in the lease the provision that the Airport Authority could cancel the lease if the space was again needed by Dakota Aero Tech.

Mr. Kevin Sohl was recognized and stated it is not vital to their operation that they have office space.

Mr. Pawluk asked Mr. Sohl where they are planning to locate.

Mr. Sohl stated they are getting the plane in next week so there is no immediate need to have separate space as the aircraft can be kept outside or in a cold storage hangar.

Mr. Myers moved to receive and file the communication from Upper Midwest Aviation Air Freight and that the Executive Director be authorized to work out the details with them regarding the landing fees and facility needs.

Second by Mr. Gallagher.

Mr. Parmer stated when this matter was first discussed it was in connection with Victor Gelking's operation and was going to be part of Vic's hangar extension.

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

Received Communication from Aviation Resources on Construction of T Hangars in the Northeast General Aviation Area:

Mr. Parmer read a communication from Dr. Clif Hamilton, Aviation Resources, Ltd., requesting a ground lease in the northeast general aviation area for a 10 unit nested T Hangar. Aviation Resources will build the T hangars on the concrete slabs with footings but will need help from the Airport Authority with asphalt or concrete to connect the building to the taxiways. They do not want to be involved in the vehicle parking project and will not have any use for water and sanitary sewer for the hangar project.

Mr. Parmer stated it is the policy of the FAA that the owner of a private hangar be responsible for the 27.5 feet of pavement directly in front of a hangar. He stated that Dr. Hamilton approached him the other day to see if that portion of pavement

Received Communication from Aviation Resources on Construction of T Hangars in the Northeast General Aviation Area: (Continued)

would be eligible for AIP funds as this hangar would be part of their FBO operation. Mr. Parmer stated he contacted Irene Porter in the Bismarck Airports District Office and she indicated if that hangar were used in his FBO operation to serve the public that portion of pavement would be covered. Mr. Parmer stated the problem he sees the Airport Authority having is that whoever builds a T hangar next to this one will not be eligible for AIP funding.

Mr. Myers asked if it would be possible for the Airport Authority to pave the

entire T hangar area before any hangars are built and request AIP funds since the Airport Authority is making improvements to develop the area.

Mr. Parmer stated the FAA does not look at a T hangar development as serving the public. Mr. Parmer stated Dr. Hamilton plans to use his proposed T hangar in his overall FBO operation. Mr. Parmer stated getting approval from the FAA for AIP funds is only one part of the issue, the second part is finding the money. He stated he does not know where the money will come from as we don't have the money now.

Mr. Macdonald asked the estimated cost of this pavement.

Mr. Parmer stated it would be in the neighborhood of \$35,000.

Mr. Macdonald stated the Airport Authority could fund the project with its own money and then recover it through the Passenger Facility Charge.

Mr. Parmer stated that could be done but the project would have to be identified on a PFC application. Mr. Parmer stated when the Airport Authority tried to get funding for taxiway and ramp in the Airport Industrial Park we were advised by the FAA that they would not fund a project until there would be a client there to serve. He stated he even asked if the situation would be different if the Airport Authority constructed a facility in the Airport Industrial Park and we were advised that the Airport Authority cannot be its own client. Mr. Parmer stated it has just been recently that the FAA has indicated a different opinion on this matter now because of the increased freight activity in Fargo.

Mr. Parmer stated the only way the Airport Authority could participate in the pavement for Dr. Hamilton's hangar is if there were enough funds left over in our current project to cover that and it does not appear that there is.

Mr. Myers stated one of the first things the Airport Authority wants to do is increase the size of the ramp in front of Fargo Jet Center and Valley Aviation.

Mr. Macdonald stated we don't have the money for that right now. He stated we are going to have to use our own money and recoup that from the PFC.

Mr. Parmer stated we are going to get requests from private individuals who wish to build a T hangar in the same area and the Airport Authority is not going to be able to participate in the additional 27.5' of concrete nor the water and sewer to serve a particular hangar. Mr. Parmer stated the FAA does allow us to increase a project grant by as much as 15% if project increases have been approved.

Mr. Macdonald stated we can write the FAA and ask them and advise them that by doing the project now we will be saving money as the contractor is already on site.

Mr. Wes Schon, Ulteig Engineers, was recognized and stated it has been the FAA's policy for many years that an apron serves the FBO's and that is why they participate in the pavement all the way up to the building. He stated a T hangar development is set up so that a lot of ramp is not needed.

Mr. Parmer stated he feels the FAA would approve the extension of this concrete for Valley Aviation. He stated his last conversation with Irene on Friday she indicated they would need a letter explaining who the hangar will serve and the letter should come from Valley Aviation through the Airport Authority.

Mr. Schon stated it is his recommendation that the building be constructed first and then the pavement connections poured.

Received Communication from Aviation Resources on Construction of T Hangars in the Northeast General Aviation Area: (Continued)

Mr. Myers asked Mr. Schon if he is involved in the floor elevations on these T Hangars.

Mr. Schon stated he would like to be involved as they have all of the drainage in the area planned. He stated he has had some communication with KBW Associates who is the contractor on the hangar.

Mr. Pawluk stated the biggest problem we have on the north end right now is the lack of airplane parking space on the ramp in front of Valley Aviation and Fargo Jet Center. He stated if the Airport Authority has \$35,000 he feels it should be spent on concrete to expand the ramp.

Mr. Parmer stated we may be able to find \$35,000 to add pavement to the T Hangar development project but that does not mean the FAA would allow us to put that concrete in another location.

Mr. Myers stated the Airport Authority has identified the expansion of the northeast general aviation ramp as a high priority item yet it seems it is being ignored.

Mr. Parmer stated these are two separate projects. He stated we have not even submitted an application for federal funds for the expansion of the northeast ramp. He stated even if we had applied it may not make any difference anyway with the way Congress is treating the AIP Bill.

Mr. Myers stated we will have the funds with our PFC.

Mr. Parmer stated we do not even have official acknowledgment yet from the FAA that our PFC application has been received. He stated our application was submitted to the Bismarck Airports District Office then forwarded to the Regional Office and then forwarded to Washington.

Mr. Myers stated he wants to keep the matter of the northeast ramp in front of us and that we don't neglect the issue of the lack of space up there.

Mr. Parmer stated he got the message loud and clear from the Airport Authority that one of the highest priorities of this board is the expansion of the northeast ramp.

Mr. Myers asked how long it would take to find out if the additional pavement in front of Dr. Hamilton's hangar could be added to Project 17.

Mr. Schon stated the FAA will ask if there is any money left in the project and even though he always tries to get the project to come in close or under the application amount he does not know if there is an extra \$30,000 in the project. He added that he is not even sure Northern Improvement would do that pavement for the same unit price as the work they have already completed because most of that work would have to be done by hand rather than with their paver.

Mr. Parmer stated the project has not yet been closed out so we can certainly ask the FAA about the possibility.

Mr. Myers asked Dr. Hamilton about the reference in his letter to parking.

Dr. Hamilton stated this hangar will be used just to house their charter aircraft, they will not be available for lease so they would not need any parking area.

Mr. Schon stated he just showed the parking area on this particular plan as an example of what could be done. He stated it will not necessarily be built the same.

Mr. Pawluk stated he has a hard time making decisions without all of the necessary information and he does not feel we have all of the information we need.

Mr. Parmer stated we can proceed with correspondence with the FAA to see if the additional pavement is eligible for AIP funding. He stated if we request the FAA fund the 27.5' of pavement adjacent to Dr. Hamilton's T hangar because it is an expansion

Received Communication from Aviation Resources on Construction of T Hangars in the Northeast General Aviation Area: (Continued)

of his FBO operation and they approve the funding it does not change the situation for a private party building a hangar right next to this one. He stated he has received several phone calls regarding the possibility of locating hangars in the northeast general aviation area.

Mr. Myers moved to receive and file the communication from Aviation Resources, Ltd. and that Mr. Parmer work with Dr. Hamilton in getting the ground lease in place and that this lease correspond with his present hangar lease, and that Mr. Parmer write the FAA regarding funding for the 27.5' of ramp directly adjacent to this proposed hangar under AIP Project No. 3 38 0017 17.

Second by Mr. Pawluk.

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

Reviewed Plans and Specifications from Mr. Paul Bernabucci for Hangar Construction in Northeast General Aviation Area:

Mr. Bernabucci was not present at the meeting so the item was not discussed.

Received Update on Airport Improvement Projects:

Mr. Wes Schon, Ulteig Engineers, was recognized and stated the T hangar project is about 90% complete. He stated the gates are in and they are working on the lights. The seeding and sodding will be done later in August.

Mr. Schon stated we have started work on AIP Projects 18 and 19, the Rehabilitation of Runway 13/31 and Taxiway A. Work has begun on Alpha and we are also starting to move earth on our drainage project. He stated they have also done the outfall and inlet work on the ramp. He stated one of these inlets was not originally included in the project but stated he talked to Irene Porter in the FAA Airports District Office and she authorized us to go ahead with the work. He stated he has not yet completed a change order.

Mr. Schon stated the Guard's barrier project is underway and is going well.

Mr. Parmer stated this barrier project has caused us to shorten Runway 17/35 to 6400 feet.

Other Business:

Mr. Macdonald stated he noticed in the paper that Grand Forks wants to extend their runway for freight operations.

Mr. Myers stated they are working on a foreign trade zone where you can fly parts in, do the assembly and then ship the value added components out without paying any tariff.

Mr. Macdonald stated there was a study done in North Dakota several years ago and at that time there wasn't any market for that. He asked if that has changed.

Mr. Myers stated he attended a session at the AAAE Conference on foreign trade

zones. He stated it takes a number of things to come together to get it done but it has some merit. He stated our location being centrally situated in the North American continent has some merit and he thinks this is the concept Grand Forks is trying to sell.

Mr. Parmer stated we have tried in the past to satisfy air freight requirements in the Airport Industrial Park but not having a client the FAA would not participate in improvements and it has been difficult to attract a tenant without them. Mr. Parmer stated that with the increased air freight activity in the past few years the FAA has now taken a different position and because of this increased activity we may be able to justify such a project.

Other Business: (Continued)

Mr. Parmer distributed copies of the preliminary operations and maintenance budget for 1997 to the Authority members for their review with action to be taken at the next meeting. He added that the information given today is on the operations and maintenance budget only, not the airport improvement budget.

Mr. Myers stated he attended the Casselton Air Show (Experimental Aircraft Association) over the weekend. He stated he was pleased to see that Victor Gelking had four airplanes there. He stated he was approached by the president of the local EAA, Mr. Tony Kinsella, regarding the availability of some gratis office space in the Eastside Terminal. He stated he advised Mr. Kinsella to write a letter of request to the Airport Authority. He stated he would support that and feels we should do whatever we can to promote general aviation on this airport.

Mr. Myers stated he also visited with Mr. Bob Odegaard who is involved in the EAA's aircraft restoration program and he would like the airport to provide some hangar space for their restoration projects. He stated if they had space in Fargo they could get more volunteer help rather than if people had to drive to Casselton or Kindred. He stated there were a lot of people at the show and it was a great show.

Mrs. Stanton stated she attended the opening of the Moorhead Airport.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, August 7, 1996 at 9:00 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 10:29 a.m.

Regular Meeting

Wednesday

August 7, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, August 7, 1996 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Myers, Pawluk, Stanton

Absent: Macdonald

Others: Stewart

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 24, 1996:

Mr. Gallagher moved to approve the minutes of the regular meeting of the Municipal Airport Authority held July 24, 1996.

Second by Mr. Myers.

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

Approved the Airport Vouchers Totaling \$31,696.33:

Mr. Myers moved to approve the airport vouchers totaling \$31,696.33.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Southam Business Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$114.75 to Southam Business Communications for advertisement for bids for the Westside Terminal Engine Generator.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$98.28 to Forum Publishing Company for advertisement for bids for the Westside Terminal Engine Generator.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$82,656.75 to Northern Improvement Company for Partial payment Request No. 6 for construction of the T hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$96,184.12 to Northern Improvement Company for Partial Payment Request No. 2 for construction of the Rehabilitation of Runway 13/31 and Taxiway A Project 3 38 0017 18.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$12,561.75 to Northern Improvement Company for Partial Payment Request No. 2 for the construction of the Rehabilitation of Runway 13/31 and Taxiway A Project No. 3 38 0017 19.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,586.00 to Midwest Testing Laboratory for payment request for concrete testing on T Hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by Mr. Gallagher.

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

Absent and not voting: Macdonald

The motion was declared carried.

Received and Filed Statement of Operations for the Month of June 1996:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of June 1996.

Second by Mr. Myers.

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

Received Bids for the Furnishing and Installing of an Engine Generator, Westside Terminal:

Mr. Joel Kath, Ulteig Engineers, opened the bids received for the furnishing and installing of an engine generator in the Westside Terminal as follows:

Received Bids for the Furnishing and Installing of an Engine Generator, Westside Terminal:
(Continued)

CONTRACT A GENERAL CONSTRUCTION
 CONTRACT B MECHANICAL CONSTRUCTION
 CONTRACT C ELECTRICAL CONSTRUCTION
 CONTRACT D TOTAL COMBINED CONSTRUCTION

	CONTRACT A	CONTRACT B	CONTRACT C	CONTRACT D
Dakota Electric Construction			\$235,800.00	
Fargo Electric Construction	\$37,000.00	\$8,500.00	\$212,000.00	\$257,500.00
Magnum Electric, Inc.			\$237,800.00	
Rick Electric, Inc.		\$205,000.00		
Rick Electric, Inc.			\$242,800.00	
Rickard Electric, Inc.			\$223,300.00	

Mr. Myers moved the bids be received and filed and referred to the Executive Director and Ulteig Engineers for their review and recommendation and that we enter into a contract with the low bidder.

Second by Mr. Pawluk.

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

Authorized Execution of Lease Between the Municipal Airport Authority and the FAA Flight Standards District Office:

Mr. Parmer stated the FAA Flight Standards District Office has requested an extension of their existing office space lease in the Eastside Terminal.

Mr. Gallagher moved the Airport Authority authorize the execution of the lease between the Municipal Airport Authority and the Flight Standards District Office.

Second by Mr. Myers.

Mr. Pawluk asked if the FAA has adequate space or do they require more space.

Mr. Parmer stated they have indicated an interest in some additional space but they have not come forward with a formal request. They have indicated that some space on the first floor would be desirable for them in order to comply with their handicapped accessibility requirements.

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

Absent and not voting: Macdonald

The motion was declared carried.

Authorized Execution of Supplemental Lease No. 1 Between the Municipal Airport Authority and the FAA Airway Facilities:

Mr. Parmer explained that Supplemental Lease No. 1 between the Municipal Airport

Authority and the FAA Airway Facilities adds janitorial services to their lease. He stated the lease is in effect but the FAA forgot to include janitorial services in the original lease.

Authorized Execution of Supplemental Lease No. 1 Between the Municipal Airport Authority and the FAA Airway Facilities: (Continued)

Mr. Pawluk moved to authorize execution of Supplemental Lease No. 1 between the Municipal Airport Authority and the FAA Airway Facilities.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Intern Jennifer Slack Discussed Airport Participation on the Internet:

Jennifer Slack was recognized and stated that she is proposing the Airport Authority purchase a computer and hook up to the Internet. She explained that the Internet is a global network of computers connected through telephone lines. The airport could have a home page providing information on the airport. She stated there are many reasons she feels it would be worthwhile for the airport to get involved with the Internet. One reason is it could be used as a tool to market the airport. She stated she could develop a home page where people could access information on the airport. She stated Norfolk, VA was the first airport to have a home page on the Internet and they tracked the number of times the home page was accessed and it was over 500 times a day. Jennifer stated there are many aviation related companies with home pages.

Jennifer stated a new computer would need to be purchased as none of the units in the office are adequate as we would need faster hardware and modem. She stated she received informal quotes from the NetWork Center Inc. and Computech. She stated after reviewing both proposals she would recommend going with the NetWork Center as the computer they are proposing is faster. She added that there are other departments in the City who have a home page through the NetWork Center. The cost per month for access is \$30.

Jennifer stated the Internet is the way of the future and a lot of people will be accessing information via the Internet. She added she feels this would benefit Hector International Airport and put them ahead of the times.

Mr. Pawluk asked if the new computer would be dedicated to use on the Internet or would it turn out to be a highly used piece of equipment in the office.

Jennifer stated that right now she does not see it being used for other than Internet use or with the SCAN system but it could have other uses.

Mr. Pawluk asked who will be responsible for responding to the E mail.

Jennifer stated everyone in the office can be trained on the system and she does not foresee any problems as it is just like responding to a letter.

Mr. Myers stated when the Airport Authority agreed to an internship he did not expect to see something this impressive. He stated he is in favor of the idea and this will be invaluable to us and something we cannot ignore. He stated he would like to see this in place before Jennifer leaves for school. Mr. Myers asked if the computer proposed is the latest state of the art or can we go better.

Jennifer stated the Pentium is the top of the line computer right now. The memory and the ram are expandable to as large as we would like. She added that the modem is the fastest available. Jennifer stated that the NetWork Center stands behind all of their hardware.

Chairman Stanton asked what advantage this will be for the airport.

Mr. Myers stated anyone in the world that is interested in Hector Airport or Fargo, North Dakota can access our home page and get any information available. Mr. Myers stated the AAAE Conference covered the topic of marketing airports and this would be an inexpensive means to market the airport. He stated people interested in information on the airport could range from a student looking for information for an assignment to a CEO of a large corporation looking for land for development.

Intern Jennifer Slack Discussed Airport Participation on the Internet: (Continued)

Mr. Myers asked how many hours of use are included in the \$30 per month.

Jennifer stated you would be allowed 80 hours per month and she feels that will be adequate for now. She stated it is her understanding that Fire Department has a home page and they are pushing for the City of Fargo to have a home page with options for all departments and users could then access each department's home page.

Mrs. Stanton asked how much time would be required of the staff for this program.

Mr. Pawluk stated there would be some time required to answer E mail but most users accessing our home page would get information needed and an example of the result of such an inquiry might be someone deciding to clear Customs in Fargo on a flight from Tokyo to New York.

Mr. Parmer stated he, Shawn and Jennifer spent some time at the Network Center and it would be beneficial to access the AAAE and the FAA advisory circulars. Mr. Parmer stated the cash outlay is not great and he would recommend we move ahead with this.

Mr. Pawluk moved the Airport Authority direct Jennifer Slack to work with the Executive Director to secure the computer from the provider best suited to our needs and be authorized to spend up to \$2,000.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Reviewed Status of Past Due Accounts:

Mr. Parmer stated that Mr. Pawluk requested that the Airport Authority receive an update on a couple of the airport's past due accounts. Mr. Parmer distributed a summary of Mr. Arnold Larson's farm lease account and also a letter from Yvonne Barney, Dakota Aero Tech.

Mr. Pawluk stated he feels it is important that we continue to monitor these accounts every 60 days.

Mr. Parmer stated the information is provided in the Statement of Operations each month.

Mr. Myers stated the communication from Dakota Aero Tech indicated they do not presently have a need for some of the space they are currently leasing. Mr. Myers asked Mr. Parmer if it would be possible to allow Dakota Aero Tech to continue to use the space until we find a new tenant.

Mrs. Yvonne Barney was recognized and stated that Airborne is interested in the garage space in the terminal.

Mr. Parmer stated some of the space in the Eastside Terminal was designed for classroom space and we could lease the space to someone else with the understanding that if Dakota Aero Tech's enrollment increased the space would be leased back to Dakota Aero Tech.

Mr. Gallagher moved to receive and file the report on Arnold Larson and the communication from Dakota Aero Tech.

Second by Mr. Myers.

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

Received Communication from Dave Stende, Eide Helmeke, Concerning Audit of Tenant Accounts:

Mr. Parmer stated the Airport Authority directed him to check into the possibility of incorporating audits of our tenants along with our annual year end audit. He stated he received a communication from Mr. Dave Stende, Eide Helmeke, indicating there are various methods of performing such a review, dependent upon the level of assurance the Authority desires. One procedure would be for the car rental agency owners to grant us permission to request a copy of their federal tax return directly from the IRS. This would allow us to compare the gross revenue reported to

Received Communication from Dave Stende, Eide Helmeke, Concerning Audit of Tenant Accounts: (Continued)

the IRS to the amount reported to the Authority. It may take several months to receive the information from the IRS and they estimate the cost for this procedure to be \$250 per car rental agency.

Another procedure may be to compare the reports filed with the franchise to the gross revenue amount reported to the Airport Authority. They assume, but do not know for a fact, that the agencies report gross revenue to the franchisers and pay them a percentage of the gross revenue for the franchise fee. Like the IRS option this provides no assurance that the amount reported to the franchiser is accurate. They estimate the cost for this procedure to be \$325 per agency.

A third method would be to review the internally prepared financial records of the car rental agency. This would encompass a review of the trial balance to determine the amount of gross revenue and inquiry of their procedures to record the revenues. While they would not contemplate an audit of the individual transactions recorded, this method could provide better assurance that gross revenue amounts are properly categorized. One of the risks to the Airport Authority is that certain car rental charges are reported as a contra expenditure or netted against the expense accounts. This would cause an underreporting of gross revenue on which the rent is based. This method of performing the review would minimize that risk. The cost of this procedure would depend largely on the records maintained by each agency, however, they would estimate the cost to be between \$500 and \$750 per car rental agency.

Mr. Pawluk stated at some point the Authority will need to decide if we want to take any action to set up an ongoing program of audits, not just for the car rental agencies but for all tenants.

Mr. Myers stated the Authority has a responsibility to the taxpayers to make sure the agreements between the airport and its tenants are being met and that means periodic audits.

Mr. Parmer stated each lease allows the Airport Authority to call for an audit at the joint expense of the Authority and the tenant.

Mr. Myers moved to receive and file the communication from Eide Helmeke and that we authorize the Executive Director to determine the best method of audit and to come back to the Airport Authority at the next meeting with a recommendation.

Second by Mr. Pawluk.

Mr. Mark Hovde, Hertz manager, was recognized and stated they would like clarification that if the car rental agencies are audited that Hertz would not be required to pay the entire cost of the audit since it was their request.

Mr. Parmer stated the car rental leases clearly indicate that if an audit is conducted the cost is to be shared by the Airport Authority and the tenant.

Chairman Stanton called for a vote on the motion.

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

Received Communication from Frontier Airlines Notifying the Airport Authority of Their Intention to Discontinue Scheduled Service:

Mr. Parmer read a communication dated July 30, 1996 from Frontier Airlines notifying the Airport Authority of their intention to discontinue all scheduled air service into Fargo effective September 11, 1996.

Mr. Myers stated he met with the local Frontier management and Mr. Parmer about six weeks ago to review their boardings. He stated at that time he asked Frontier if there was anything the Airport Authority could do to help them increase their numbers. He stated he told them he did not feel Frontier was marketing themselves properly in the area. He stated they also dropped their most popular flight and asked their passengers to leave at 6:00 a.m. and return at midnight. Mr. Myers stated he suggested that Frontier bring some of their people to Fargo to meet with local

Received Communication from Frontier Airlines Notifying the Airport Authority of Their Intention to Discontinue Scheduled Service: (Continued)

officials to help them market their presence in town. He stated it is his belief that Frontier did nothing to let surrounding communities know that they were in Fargo and that they wanted their business. Mr. Myers stated this is made to look like Fargo was not supporting Frontier and that the Airport Authority did nothing to assist them. He stated you cannot support something you know nothing about. He stated he does not think Frontier did a very good job of marketing themselves in Fargo and he feels they could have had better passenger loads had they done a better job of marketing.

Mr. Parmer stated the reason Frontier's passenger count went down 50% is because they cut their flights in half. Mr. Parmer stated Fargo shares an aircraft with Bismarck and combining the two cities' figures for last month they had a load factor of over 80% and you can't get much better than that.

Mr. Myers stated another thing that bothers him is that Fargo was the first to initiate service with them.

Mr. Gallagher stated it is over and done and they have made their decision.

Mr. Myers stated he feels we should sit down with Frontier one more time and see if they will reconsider.

Chairman Stanton stated she cannot believe they would give up a lucrative market.

Mr. Myers stated he is willing to do anything personally that can be done. He added that he wants people in Fargo to know that the Airport Authority has been willing to walk the extra mile to try to keep Frontier here.

Mr. Pawluk moved to receive and file the communication from Frontier Airlines.

Second by Mr. Myers.

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

Adopt Resolution on Landing Fee Adjustment:

Mr. Parmer stated it is time the Airport Authority look at an adjustment in landing fees as we have not had any change for a number of years. Mr. Parmer stated revenues from the parking lot and car rentals have increased since moving into this building and that has allowed us to operate without an increase in landing fees. Mr. Parmer stated he does not have a recommended figure at this time but he would like the Authority's approval to begin the process.

Mr. Pawluk asked Mr. Parmer to get information from other area airports such as Sioux Falls, Rochester, Bismarck, etc. so we have something with which to compare.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and suggested that as long as the Airport Authority is reviewing landing fees that it would consider incorporating the crash fire rescue costs into the landing fee so that Northwest Airlines will not have to pay the entire cost of the service even though it is available to everyone using the airport.

Mr. Parmer stated our crash fire rescue services are based on the FAA's requirements and the FAA does not require crash fire rescue services be provided for aircraft with less than 30 seats. He stated he is not saying it is fair but those are the FAA requirements.

Mr. Myers asked if it would be legal for us to include CFR in the landing fees.

Mr. Balvitsch stated that is what the other airports in the state do.

Mr. Parmer stated the other airports in the state have a different arrangement than we do as they have their own fire departments. He stated we have an agreement with the state and the NDANG provides the equipment and maintenance and we participate in paying the salaries and benefits for a certain number of the firefighters.

Mr. Parmer stated he will review this further and report back to the board.

Reviewed Plans and Specifications from Mr. Paul Bernabucci for Hangar Construction in the Northeast General Aviation Area:

Mr. Paul Bernabucci and Mr. Jason Kramer, Great North Construction were recognized. Mr. Bernabucci stated he intended on having a representative of the manufacturer that will be supplying his hangar here but he was unable to attend. He stated Great North Construction will be the contractor.

Mr. Bernabucci stated he is proposing to construct an 80' x 100' hangar which will be divided into two halves with two bifold doors having access to the west and center taxiway. He stated this will be a two phase project with the hangar building being the first phase and the second phase an office and storage addition. Mr. Bernabucci stated he will require water and sewer service and rather than him having to pay the entire cost to run the line from the main to his location he would like to see the Airport Authority pay for the extension and assess him a portion based on square feet, as other hangar owners in the future will probably tie into that line.

Mr. Bernabucci stated the hangar will house his personal aircraft and he has other people interested in leasing space in the hangar.

Mr. Parmer asked Mr. Bernabucci if he understood that the concrete that is in place now is all that the Airport Authority will provide. The concrete connecting the building to the taxiway is his responsibility.

Mr. Bernabucci indicated he understood that.

Mr. Myers asked Mr. Bernabucci if he has any drawings of his proposed structure.

Mr. Bernabucci stated he does not have drawings available today but he can have those for the next meeting.

The matter of meets and bounds descriptions came up and Mr. Wes Schon, Ulteig Engineers, stated that no lots have been designated in the new T hangar area at this time until things have become more solidified as far as exact areas needed.

Mr. Pawluk stated that he feels we need to establish a uniform appearance for all of the development taking place. He stated the southeast area is a mismatch of buildings and he would welcome suggestions and ideas for the new area. He stated perhaps the Authority should choose one or two colors for the buildings and require that the style should all be similar or at least complimentary.

Mr. Bernabucci stated the company manufacturing his building, American Steel Buildings, has had vast experience in these types of buildings and some of their buildings are located at the Casselton airport.

Mr. Pawluk asked Mr. Bernabucci if he would have any problem locating closer to the water line.

Mr. Bernabucci stated he would prefer being on the south side because the water line will have to be run anyway as other tenants occupy space and it is also his understanding that there may be a credit card accessed self fueling station along the south side at some point in time.

Mr. Gallagher asked if the building will be heated.

Mr. Bernabucci stated the entire building will be insulated but only the side he will occupy will be heated. The tenants on the other side will have the option to install heating units.

Mr. Parmer stated one consideration on the water and sewer service is that the hangar locating next to Mr. Bernabucci may not require water and sewer service. He stated when Aviation Resources submitted their request they indicated they did not require water and sewer service.

Mr. Gallagher stated the Airport Authority should require water and sewer service to these sites because chances are if someone builds a hangar they may change their minds a year or two later and want to hook on to the lines.

Mr. Bernabucci stated he will come back at the next meeting with his building plans.

Reviewed Plans and Specifications from Mr. Paul Bernabucci for Hangar Construction in the Northeast General Aviation Area: (Continued)

Mr. Parmer asked Mr. Bernabucci about his construction schedule.

Mr. Bernabucci stated he wanted the hangar done last year so he is anxious to get started as soon as possible. He added he hopes to be done before the snowfall.

Mr. Myers asked Mr. Gallagher if his comments about requiring water and sewer would apply to the proposed Aviation Resources T hangar as well.

Mr. Gallagher stated he feels we should require it because it seems if there is no water someone wants it.

In response to a question on a standard building design and a set of specifications for the buildings, Chairman Stanton stated she does not feel the Airport Authority needs to design the buildings and it is her opinion they don't necessarily need to look like peas in a pod.

Mr. Bernabucci stated hangars being supplied by steel building manufacturers are very similar and have basic colors. He stated the first hangar up may greatly influence hangars to follow.

Mr. Pawluk stated the hangars in Casselton have uniformity and it looks attractive.

Received Communication from Federal Aviation Administration on Soccer Complex Proposal:

Mr. Parmer stated he put this item on the agenda because he anticipated having a communication from the FAA on the soccer complex but he has not received that. He indicated this item would again appear on the agenda when a communication was received.

Received Communication from Federal Aviation Administration on T hangar Ramp Paving:

Mr. Parmer stated he also anticipated having a communication from the FAA on the T hangar ramp paving but did not receive anything.

Received Estimates on General Aviation Ramp Extension:

Mr. Parmer stated at a recent meeting General Macdonald requested estimates on expanding the northeast general aviation ramp. He stated Mr. Wes Schon, Ulteig Engineers, has prepared some figures as follows:

		Sq. Yards	Cost
Area 1	200 by 250 ft.	5,556	\$ 277,778
Area 2	100 by 1,250 ft.	13,889	694,444
Area 3	150 by 1,250 ft.	20,833	1,041,667
Area 4	200 by 1,250 ft.	27,778	1,388,889

Mr. Schon stated there has been some concern about accommodating heavy aircraft. He stated the present thickness is nine inches and is not thick enough for regular large aircraft traffic.

Mr. Myers asked if we were to apply for AIP funding now how long would it take to fund this project.

Mr. Parmer stated if Congress extends the AIP bill we would have our enplanement funds available next year in the neighborhood of \$750,000. He stated because of lack of action by Congress we do not know what we will receive. He stated if the Airport Authority went with the Area 4 option we would have to use our entitlement funds and hope for discretionary funding or stretch the project into a multi year grant, which we cannot do if they extend the AIP bill only one year.

Received Estimates on General Aviation Ramp Extension: (Continued)

Mr. Parmer stated our five year plan includes the expansion of the northeast ramp as well as the extension of Runway 8/26.

Mr. Myers moved to receive and file the preliminary opinion of cost on the Apron C expansion and that when General Macdonald returns we discuss the matter further.

Second by Mr. Pawluk.

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

Mr. Gallagher now absent.

Received Report of Personnel Reclassification:

Mr. Parmer stated we have had a personnel reclassification situation that has been ongoing for quite a while. He stated this involves the position of our Building and Grounds Engineer which was downgraded after the personnel study conducted by Ernst and Young. He stated the building attendant positions were also downgraded.

Mr. Parmer stated the matter came up at the recent Civil Service Commission meeting and he brought up the fact that the people conducting the study on the positions had never been to the airport so an adequate review of the positions would not have been possible. Mr. Parmer stated Mr. Bill Sorenson, the City's Director of Human Resources did come out and visit with us and he has now come up with an evaluation and recommendation report. Mr. Parmer stated it is imperative that we settle this matter soon as we are holding an equipment operator position open in the shop pending the outcome of this matter.

Chairman Stanton stated she is glad to see this matter is finally getting the attention deserved.

Mr. Myers moved to receive and file the report from the Director of Human Resources and that he be invited to discuss this matter at the next Airport Authority meeting or as soon as possible.

Second by Mr. Pawluk.

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

Approved Operations and Maintenance Budget Requests for 1997:

Mr. Parmer stated he presented the proposed 1997 Operations and Maintenance Budget for Hector International Airport at the last meeting for review by the members. Mr. Parmer stated one item that saw a sizeable increase was the special assessments, from \$14,000 to \$45,000. He stated this increase was due to the addition of 16th Street running from 19th Avenue North to the airport access road. Mr. Parmer stated other than that there are not too many changes.

Mr. Parmer recommended the Airport Authority accept the Operations and Maintenance Budget for 1997.

Mr. Myers stated he does not want to get into a lengthy discussion on this matter today, but he would like the Airport Authority to review the money spent on greenery in the terminal building. He stated we recently added a lot of advertising which has added color to the building that was not here before and he would like to see us review that lease. He stated his reason for bringing this up is that we are short of money for things that need to be done on the southeast side of the airport.

Mr. Myers stated he would like the Executive Director to come back to the Authority with a recommendation either for or against the plant leasing.

Mr. Pawluk asked why it has to be all or none. He stated it is definitely a service we are purchasing and the plants look great. He stated maybe we could look at reducing the number of plants.

Mr. Pawluk moved to approve the Operation and Maintenance Budget for 1997.

Second by Mr. Myers.

On the call of the roll, members Myers, Pawluk and Stanton voted aye.

Absent and not voting: Gallagher and Macdonald

The motion was declared carried.

Received Update on Current Airport Improvement Projects:

Mr. Wes Schon, Ulteig Engineers, stated the projects are moving along well. He stated they are presently working on the slurry seal on Runway 13/31 and we should see a substantial payment request at the next meeting.

Mr. Schon stated the T hangar project is wrapping up. He stated they are working on some wiring to get the gates operational.

Mr. Pawluk asked about the location of water lines in the area.

Mr. Schon stated typically T hangars do not require water and sewer but we did plan to provide options to those who may want to put in sanitary facilities. He stated tying into the water line is easy, it is the sewer line that is more difficult. Mr. Schon stated as far as fire protection and hydrants we met with Norm Scott of the Fire Department and have met all of their requirements.

Mr. Schon stated the BAK project, which is the Guard's project, is also moving along. He stated the concrete is in and the Guard was going to be installing the cable soon so we should see the runway re opened Thursday or Friday.

Mr. Myers stated on a matter relating to airport improvement and airport

development, he brought the outline he received at the AAEE Conference on airport industrial parks to John Kramer (Fargo/Cass County Economic Development) and Commissioner John Cosgriff. He stated he advised them the Airport Authority is interested in pursuing the Airport Industrial Park and left this information in their hands to come up with some ideas. Mr. Myers stated he got the impression that they felt this was up to the Airport Authority but he feels developing industry in the city belongs to Fargo/Cass County Economic Development. Mr. Myers stated they have this information and the list of contact people and hopefully they will do something with it.

Mr. Parmer stated they have been actively involved in the past and does not know why they would not still be interested.

Mr. Myers stated some of the information he gave them involved free trade zones and it had an excellent outline on how to start one.

Received Communication from the Airport Director:

Chairman Stanton read a communication from Mr. Joseph Parmer as follows:

"The purpose of this memo is to announce my intention to retire as the Executive Director of the Municipal Airport Authority effective December 1, 1996. I have reached retirement age some time ago so if I expect to enjoy any retirement years I had better start soon. It has been a great ride, a long ride and I have enjoyed every mile we have travelled. I want to thank all the Airport Authority members I have had the opportunity to work with and who have given unsparingly of their time and energies for the betterment of the airport and the airport facilities. We need to thank the Board of City Commissioners for having the foresight to create the Airport Authority in 1969 and direct the appointed members to set a goal of implementation of the FAA approved airport master plan. Much has been done and much remains to be done but with the continued Authority concern the goals will be met. I'm sure the citizens of Fargo appreciate your efforts. We have had great airport employees who have worked tirelessly to guarantee the airport would be open 24 hours a day, seven days a week. They will continue to be important to the success of this airport. Thanks again for your support and interest in our aviation facilities..."

Received Communication from the Airport Director: (Continued)

Chairman Stanton stated she can't imagine this airport without Joe Parmer. She told Mr. Parmer he has an unparalleled track record as a City employee, almost 50 years. She stated every time she walks into this airport she feels good about what we have here and what has happened and it has all happened with Joe at the helm.

Mr. Myers moved to receive and file, with great regret, this communication from Executive Director, Joseph Parmer.

Second by Mr. Pawluk.

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

Chairman Stanton stated on behalf of the community she would like to thank Mr. Parmer for his service and congratulate him on his upcoming retirement.

Mr. Myers moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, August 21, 1996 at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Pawluk.

The motion was declared carried.

Time at adjournment was 10:46 a.m.

Regular Meeting

Wednesday

August 21, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Wednesday, August 21, 1996, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk and Stanton

Absent: None

Others: Martin (Attorney)

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 7, 1996:

Mr. Gallagher moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 7, 1996.

Second by Mr. Pawluk.

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

Approved the Airport Vouchers Totaling \$60,870.57:

Mr. Pawluk moved to approve the airport vouchers totaling \$60,870.57.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Myers moved to approve the individual voucher in the amount of \$109,773.98 to Northern Improvement Company for Partial Payment Request No. 4 for construction on Rehabilitation of Runway 13/31 and Taxiway A, Project No. 3 38 0017 18.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk, and Stanton voted aye.

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Myers moved to approve the individual voucher in the amount of \$357,595.63 to Northern Improvement Company for Partial Payment Request No. 3 for the Rehabilitation of Runway 13/31, AIP Project No. 3 38 0017 19.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Myers moved to approve the individual voucher in the amount of \$9,416.48 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with the Rehabilitation of Runway 13/31 and Taxiway A, Project No. 3 38 0017 18.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Myers moved to approve the individual voucher in the amount of \$2,794.16 to Ulteig Engineers, Inc. for Partial Payment Request for professional services in connection with plans, specifications and bidding process for the installation of the engine generator Westside Terminal.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. The motion was declared carried.

Approved the Individual Voucher to Ford Tractor of Fargo, Inc.:

Mr. Myers moved to approve the individual voucher in the amount of \$54,493.00 to Ford Tractor of Fargo, Inc. for the purchase of a 1996 Ford New Holland Four Wheel Drive Tractor with Cab (bid awarded July 24, 1996).

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared.

Reviewed Payment Request from Glass Unlimited:

Partial Payment Request No. 4 (Final) in the amount of \$3,344.00 was received from Glass Unlimited for the Westside Terminal window glazing/sealing project.

Mr. Myers asked that this payment approval be held up until Mr. Parmer can confirm with Glass Unlimited that they are going to stand behind their guarantee on the work in the contract. He stated in the past few weeks some of the key players at Glass Unlimited have separated themselves from Glass Unlimited and have started their own company, Dakota Plate Glass. Mr. Myers suggested Mr. Parmer discuss the matter with Foss Associates to make sure the shake up in management at Glass Unlimited does not affect the guarantee.

Mr. Parmer stated he will talk to Mr. Patrick Delapointe, Foss Associates, to confirm there is no change in the guarantee. He added that there are some final items on the punchlist that need to be handled.

Received Tabulation of Bids and Recommendation of Award for the Engine Generator Installation, Westside Terminal:

Mr. Joel Kath, Ulteig Engineers, stated that bids received on August 7 have been tabulated and it is their recommendation that the Airport Authority award the contract to Rickard Electric for their low bid of \$223,300.00. He stated they have a Notice of Award ready to go and are waiting for bonding and insurance requirements to be satisfied.

Mr. Myers asked what equipment they will be using.

Mr. Kath stated they will be using a Caterpillar generator. He stated there were three types of equipment named in the specifications, Cummins, Caterpillar and Onan.

Received Tabulation of Bids and Recommendation of Award for the Engine Generator Installation, Westside Terminal: (Continued)

General Macdonald moved to approve the award of contract for the Westside Terminal engine generator to Rickard Electric for their low bid of \$223,300, as recommended by Ulteig Engineers, Inc.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Mr. Myers stated he feels it is important that the contractor be aware of the significance of removing the existing generator with care so that it can be easily converted to a portable generator.

Mr. Kath stated Rickard is aware of that.

Mr. Pawluk stated we should draw up specifications now for the conversion of the existing unit to a portable generator so that it does not just get put in the maintenance shop and forgotten.

General Macdonald suggested the Executive Director write a letter to Rickard Electric advising of the importance of the existing generator coming out in one piece and that is the only way we will accept the project and make payment.

Mr. Kath stated he would suggest the Airport Authority start working with Butler Machinery to make a housing for the existing generator.

Mr. Parmer indicated he would write a letter to Rickard Electric outlining our requirements in the removal of the generator.

Received Communication from Dakota Aero Tech Releasing Space in the Eastside Terminal Building:

Mr. Parmer read a communication from Yvonne Barney, President, Dakota Aero Tech, requesting to drop space from their lease in the Eastside Terminal. The space no longer needed is the storage area (556 sf) and two adjoining offices (138 sf. and 144 sf) as of August 31, 1996. Her letter indicated Airborne Express is interested in leasing the storage area. Mrs. Barney also indicated in her letter that they would like to sublease part of the old maintenance shop building to Airborne.

Mr. Pawluk moved the Airport Authority approve the request from Dakota Aero Tech to amend their lease and drop the three spaces indicated.

Second by Mr. Myers.

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

Mrs. Yvonne Barney, Dakota Aero Tech, was recognized and stated they still need some of the space in the old maintenance shop for some storage but would like to sublease part of it.

General Macdonald stated he would have no objection provided the renters are aviation related.

Mr. Gallagher moved the Airport Authority give Dakota Aero Tech permission to sublease part of the old maintenance shop building.

Second by Mr. Myers.

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

Received Communication from Upper Midwest Aviation Air Freight Requesting Office Space in Eastside Terminal:

Mr. Parmer stated he did not receive this communication nor is there a representative from Upper Midwest Aviation Air Freight present so the item was dropped.

Received Communication from FAA Airports District Office on Ramp Construction for Aviation Resources T Hangar:

Mr. Parmer read a communication from Irene Porter, FAA Airports District Office, stating they have reviewed our request to determine AIP eligibility of paving the area between a T hangar building and public taxiway. They have determined that paving the area between a building and a public taxiway is eligible for AIP funding provided:

- (1) A fixed base operator (FBO), recognized by the airport in accordance with the airport's minimum standards, owns or controls the building for a minimum of 20 years.
- (2) The FBO uses the building to provide an aeronautical service to the public.

In response to our request for the use of funds from an existing AIP grant to pave the area between Aviation Resources, Ltd.'s proposed T hangar building and the public taxiway, the project can be amended into an AIP grant provided:

- (1) The project meets aforementioned requirements.
- (2) The AIP grant used to fund the taxiway construction is made up entirely of Entitlement funds. This project may not be added to a grant containing Discretionary funds since it does not meet the priority cutoff to qualify for Discretionary funding.

NOTE: An existing AIP grant may be amended to add either work or money, but not both.

Mr. Parmer stated Project 17, T Hangar Taxiway and Lighting Project, has not yet been closed out and it does contain all entitlement money. He stated we are not sure if there is enough money left in the project to take care of this additional pavement. Mr. Parmer stated he would be in contact further with the FAA.

Mr. Myers moved to receive and file the communication from the FAA and that Mr. Parmer continue to work with them.

Second by Mr. Pawluk.

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

Reviewed Paul Bernabucci's Plans for Hangar Construction in the Northeast General Aviation Area:

Mr. Paul Bernabucci was recognized along with representatives of Great North Construction. Mr. Bernabucci distributed brochures from the building manufacturer, American Steel Buildings, showing their experience with hangars.

Mr. Parmer stated at the last meeting there was discussion on the water and sewer service to Mr. Bernabucci's hangar site. Mr. Parmer stated Mr. Bernabucci has requested the Airport Authority pay to run the water and sewer line to his site and then assess him for his portion based on square footage. Mr. Parmer stated the Airport Authority's concern is that the tenant building next to Mr. Bernabucci may not want water and sewer. He asked if we would charge them for it anyway.

Mr. Myers stated there is no question in his mind that we are going to need to run sewer and water to that area, not only for the use of the tenants but for fire fighting. He stated he thinks that as things develop and more hangars are built the Fire Department is going to require more fire hydrants.

Mr. Parmer stated we have fulfilled the fire hydrant requirements of the Fire Department.

Mr. Myers asked if there are water lines in that area.

Reviewed Paul Bernabucci's Plans for Hangar Construction in the Northeast General Aviation Area: (Continued)

Mr. Wes Schon, Ulteig Engineers, was recognized and stated there are water lines to that area. He stated that as he indicated before, the water lines are not the problem, it would be the sewer lines that would run into expense. He added that he and Mr. Parmer sat down with Norm Scott from the Fire Department and reviewed the proposed development in that area and we completed our hydrant installation according to that.

Mr. Bernabucci stated he does not feel it would be fair for him to pay the entire cost of running the line from the main to his facility and then in the future when other tenants build for them to be able to tie into the line. He stated he would like the Airport Authority to put in the line and assess him based on square footage.

Mr. Myers stated he feels the Airport Authority will have to make water and sewer service available for the tenants.

Mr. Pawluk stated he disagrees. He stated he feels the Airport Authority has provided water and sewer in close proximity to Mr. Bernabucci's hangar and if Mr. Bernabucci wants to reduce the cost he should build on the north end of that area. Mr. Pawluk stated some of the future tenants may want water and sewer service but the bulk of them will probably not want it. He stated he certainly encourages Mr. Bernabucci in his project but it is hard for him to argue that it is in the public good or in the Airport Authority's best interest to set the precedent of bringing in water and sewer to all building sites whether the tenant wants it or not. He stated we have brought the utilities to a certain point and it is the tenant's responsibility to bring it to their facility.

General Macdonald stated the Airport Authority could put the lines in and then assess the hangar owners as they are built.

Mr. Bernabucci stated if he is using 20% of the space he feels it would be reasonable for him to pay 20% of the cost for the extension.

Mr. Myers stated if we go ahead with this we need to make sure we have provided this availability for tenants. He stated this is like any other addition in the City of Fargo, you run the sewer and water by the property and it is the owners responsibility to run the lines to the property. He stated he feels we should put this in and look to the City for how to assess the cost.

Mr. Pawluk stated he would hate to pay an extra \$2,000 on his hangar for water and sewer running by the front door that he would never use.

Mr. Myers stated he feels water and sewer is important to the future of that area and if we don't put it in we have a rag tag operation. He stated whether or not the Airport Authority wants to subsidize general aviation is another issue.

General Macdonald asked the estimated cost for this proposed extension.

Mr. Wes Schon stated the extension would be about 300 feet and would run about \$30 a foot for water and sewer combined.

Mr. Duane Rogne stated no one here is asking for a subsidy.

Mr. Myers stated the Airport Authority wants to see that developed but it makes sense to logically develop it. He stated we need to get some help from the City Assessor's office on how to make a fair and equitable assessment for the utilities in that area.

General Macdonald stated it is his feeling that the Airport Authority should put in the water and sewer and look to the City Assessor to come up with an equitable assessment. He stated there may be some lots out there that the Authority will offer for lease without water and sewer, but his gut feeling is it should be there.

General Macdonald stated the issue of approval of the facilities before they are put up is important. He stated he is concerned that we don't get a hodge podge of types and colors of buildings. He stated he agreed with Chairman Stanton's statement from the last meeting that we don't want to get into designing hangars but the Authority should have final approval.

Reviewed Paul Bernabucci's Plans for Hangar Construction in the Northeast General Aviation Area: (Continued)

Mr. Parmer stated he had a conversation last week with Mike Domitrovich of the Planning Commission. He had mentioned that any building proposed at the airport has to go through a public building review, even though the Airport Authority did get approval from the Planning Commission on its overall plan for this development.

Mr. Myers stated he does not believe that it true and there must have been a misunderstanding.

Mr. Pawluk asked Mr. Bernabucci what color he was planning to use.

Mr. Bernabucci pointed out the color "Stone" on the color chart, with "Evergreen" trim.

After further discussion it was decided that the color choice was agreeable and that all future buildings should be of neutral colors.

Mr. Gallagher moved to approve Paul Bernabucci's plans for construction of a hangar in the northeast general aviation area and to approve the color choice.

Second by Mr. Myers.

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

General Macdonald moved the Airport Authority extend the water and sewer 300 feet and assess the lessees their proportionate share of the cost and that the Airport Authority address, in the future, additional sewer and water lines needed and that assessments be made on the lots regardless of whether or not utilities are used.

Second by Mr. Myers.

Mr. Myers stated he does not feel he has the information needed to make a good decision on this as we don't have all of the details on cost. He added that he maintains the Airport Authority has brought the water and sewer to a point sufficient for tenants to connect. He asked if this motion is approved does that mean Dr. Hamilton's new hangar is going to be assessed.

General Macdonald stated we have not made that decision yet.

Chairman Stanton called for a vote on the motion.

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

Mr. Pawluk voted no.

The motion was declared carried.

Mr. Myers asked Mr. Parmer to resolve the issue with the Planning Commission.

Received Communication from Evergreen International Airlines Requesting Support of US Japan All Cargo Service:

Mr. Parmer stated Mayor Furness forwarded us a copy of a communication from Evergreen International Airlines, Inc. asking for a letter of support for their new all cargo service between the US and Japan. In their letter they indicate they are pleased to advise that Evergreen's proposed US Japan service will significantly improve air cargo service between Fargo and Japan by directly connecting Fargo via Japan via the Ohio hub operations of one or more of their partners: Airborne Express, Burlington Air Express, DHL and Emery Worldwide.

General Macdonald moved to receive and file the communication from Evergreen International Airlines, Inc., but to decline sending a letter of support at this time.

Second by Mr. Pawluk.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated that Northwest Airlines is currently involved in negotiations with Japan on a bilateral agreement and he asked that the Airport Authority not do anything that would hinder Northwest's negotiations.

Chairman Stanton called for a vote on the motion.

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

Discussed Future Farm Leases of Airport Property:

Mr. Parmer stated he and Attorney Stewart have been discussing the airport farm leases. He stated Attorney Stewart was not able to be here today but is represented by Mr. Tom Martin.

Mr. Parmer stated that last year the Airport Authority did extend the current farm leases for one year to give the Airport Authority time to come up with a plan for future leases. Mr. Parmer stated that all of our current tenants are still interested.

Mr. Martin stated the only real modification in the new lease would be a clause banning certain crops, such as sunflowers, from being planted on airport land.

Mr. Bernie Ness was recognized and stated as a Cass County Commissioner he would recommend the Airport Authority also include in its farm leases that any tenant remain current on property taxes. He added that one of the airport's present tenants is delinquent in his property taxes.

Chairman Stanton questioned the legality of that since the state allows a tax payer to be delinquent to a point.

Mr. Myers asked if the delinquent amount was actually on the airport leased property.

Mr. Ness stated he would have to check on that but he just suggested the Airport Authority research the matter and see if it is possible to include that requirement.

Mr. Pawluk asked what kind of term we are dealing with. He stated he feels we should be looking at a three or five year term in order to give the farmer time to plan for any needed improvements to the land.

Mr. Parmer stated they have been five year terms in the past.

Mr. Myers stated we could extend the current leases five years and then let them know that at the end of the five year term that the leases will be put out for bids.

Mr. Parmer stated the Airport Authority does have a recapture clause in the leases so that if we needed the land we could get it back.

Mr. Pawluk stated the new crop year actually starts now or the first of September so any action we take for 1997 should be taken soon.

Chairman Stanton stated Mr. Martin will relay this information to Attorney Stewart and come back to the Airport Authority with a recommendation at the next meeting.

Approve Permanent Easement for Sanitary Sewer and Water Line for Home on the Range, Inc.:

Mr. Parmer stated Attorney Stewart has made the necessary changes to the permanent easement for Home on the Range, Inc. to run water and sewer lines to their property.

Mr. Myers asked Mr. Parmer if he was satisfied with the size of the lines they will be running. He stated Attorney Stewart's letter indicated Mr. Parmer would be working with Mr. Jeff Volk, Moore Engineering, on the proper sizing of the sanitary sewer pipe.

Mr. Myers asked Mr. Wes Schon for his input.

Mr. Schon stated there are no standards for forced sewer mains as far as the City Engineer is concerned. He stated there are standards for gravity sewers but this will be a forced main. He stated a two inch line would not be adequate for the Airport Authority to tie into for any development in that area. Mr. Schon stated he would suggest the Airport Authority should decide the size of the sewer line extension so it is adequate for future development and not necessarily rely on a decision from the City Engineer's office.

Mr. Myers moved to receive and file the communication from Attorney Stewart and that at the next meeting Mr. Schon come before the board with a recommendation on the size of lines that should be used in that area so they will be adequate for our needs.

Second by Mr. Pawluk.

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

Received Recommendation on Audit of Tenant Accounts:

Mr. Parmer stated at the last meeting the Airport Authority received a communication from Eide Helmeke offering three possible methods of audit for the car rental tenants and the estimated cost for each method. Mr. Parmer introduced Mr. Dave Stende, Eide Helmeke, and asked him to explain further.

Mr. Stende stated his communication offered three possible methods for audit and of those three he would suggest the third method, which would involve reviewing the internally prepared financial records of the car rental agency. This would encompass a review of the trial balance to determine the amount of gross revenue and inquiry of their procedures to record the revenues. While they would not contemplate an audit of the individual transactions recorded, this method could provide better assurance that gross revenue amounts are properly categorized. One of the risks to the Airport Authority is that certain car rental charges are reported as a contra expenditure or netted against the expense accounts. This would cause an underreporting of gross revenue on which the rent is based. This method of performing the review would minimize that risk. The cost of this procedure would depend largely on the records maintained by each agency, however, they would estimate the cost to be between \$500 and \$750 per car rental agency. Mr. Stende stated the other two methods suggested are simply reviewing information reported.

General Macdonald stated this seems to be a relatively small amount of money involved and the Airport Authority should randomly audit at least one tenant each year. General Macdonald stated he wants to make it clear that the Airport Authority is not accusing anyone of any wrongdoing. He stated he cannot imagine there is any agency that can go on and on without ever being audited.

Mr. Myers agreed it was important that the minutes reflect that the Airport Authority does not suspect any misreporting on the part of the car rental agencies.

Chairman Stanton asked Mr. Parmer what other airports do as far as audits.

Mr. Parmer stated he is sure that every airport's lease structure contains the provision for an audit.

Mr. Maury Lamb, National Car Rental, was recognized and stated he has had an operation at the Bismarck airport almost as long as he has been in Fargo and their Bismarck location has never been audited.

Mr. Bernie Ness, Avis Rent a Car, was recognized and stated he would recommend Option #2 which compares the reports filed with the franchise to the gross revenue amount reported to the Airport Authority. He stated each Avis franchisee is required to provide a certified fee and statistical reports each month to the franchiser. He stated there is no one in Fargo Moorhead with more knowledge of auditing time and mileage than Avis, Budget, Hertz and National and he would suggest the auditor come and talk to the car rental agencies first before making a recommendation on the type of audit. He stated unfortunately no one talked to the car rental agencies about the method of audit.

Mr. Ness stated that Avis has a computer program designed so that if an agency modifies more than a certain number of contracts after check in, which could indicate cheating on the fee and statistical report, that would pop up and we would have auditors in here looking at our records. He stated all of the major car rental franchises have systems in place to insure the accuracy of the reporting.

General Macdonald stated the Airport Authority needs to come up with a program for auditing tenants, whether it be an involved audit once every five years or a statistical audit more often.

Mr. Gallagher stated he feels for this first audit we should use Method #3.

Mr. Macdonald stated a first step may be for the auditor to talk to each of the car rental agencies.

Mr. Pawluk stated that is part of the audit and we are not talking about a lot of money involved for the audit.

Chairman Stanton stated she would still like to know what other airports do.

Received Recommendation on Audit of Tenant Accounts: (Continued)

Mr. Pawluk moved the Airport Authority authorize Eide Helmeke to conduct the audit of the four car rental agencies based on the third option presented covering the period including the last six month of 1995 and the first six months of 1996 at a cost not to exceed \$750 per agency, and that following this initial audit the Airport Authority set up a program for future audits.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers and Pawluk voted aye.

Mrs. Stanton voted no.

The motion was declared carried.

Receive Communication from the Experimental Aircraft Association Requesting office Space That May Become Available in the Eastside Terminal:

Mr. Myers stated the President of the EAA, Mr. Tony Kinsella, called him the other day and advised that he would not be able to attend today's meeting and asked if either Mr. Steve Adams or Mr. Bernie Ness could represent them. Both men are present today.

Mr. Steve Adams was recognized and explained that the Experimental Aircraft Association is a non profit organization whose purpose is to promote general aviation, and to restore and build aircraft. He stated the local chapter was organized in 1967 but they have never had a permanent facility at which to meet. He stated if space was available at Hector Airport which would meet their needs and would be provided at no cost they would like to meet in Fargo.

Mr. Pawluk asked what the minimum space requirements would be.

Mr. Adams stated a room about the size of the Boardroom would be adequate.

Mr. Myers asked Mr. Parmer if there is any space presently available in the Eastside Terminal.

Mr. Parmer stated he would not like to see us get into a situation where we are giving gratis space and don't have space available for interested paying tenants.

Mr. Myers stated the group would like to have their base of operation in Fargo because most of the members are from Fargo. Mr. Myers stated Hector Airport has lost a lot of private aircraft to the surrounding general aviation airports and he feels we could take a giant step toward getting some of those pilots back if we were to find a way to work with this group in finding space for them. Mr. Myers stated he would like to see the Airport Authority create a friendly environment for general aviation and feels we would be doing aviation a great service.

Mr. Pawluk asked Mr. Adams when the EAA usually holds its meetings.

Mr. Adams stated they meet the second Monday evening of each month at 7:00 p.m.

Mr. Pawluk stated we could make meeting space available in the common area of the Eastside Terminal at least as a temporary solution.

Mr. Macdonald suggested Mr. Parmer and Mr. Dobberstein work with the EAA on possible space in the Eastside Terminal.

Mr. Myers stated they would also be interested in work space for their projects.

Mr. Macdonald asked if the EAA could pay anything for space.

Mr. Adams stated that would depend on the space available. He stated another part of their organization is the Young Eagles program for youth. Mr. Adams stated the local EAA has about 60 members and approximately 35 of those are active members.

Mr. Macdonald moved the Airport Authority work with the EAA to find space available on the airport.

Second by Mr. Myers.

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

Certified to the Board of City Commissioners a Two Mill Levy for Airport Improvements for 1997, as Per Section 2 06 14 of the North Dakota Century Code:

Mr. Macdonald moved to certify to the Board of City Commissioners a two mill levy for airport improvements for 1997, as per Section 2 06 14 of the North Dakota Century Code.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Received Update on Airport Improvement Projects:

Mr. Wes Schon, Ulteig Engineers, stated the runway rehabilitation project is mostly complete and are almost ready to re open the runway. He stated the paving project in the T hangar area is ready to be seeded. He added they are finishing up work on the security gates.

Other Business:

Mr. Macdonald stated he would like to bring up the matter of searching for a new Executive Director.

Chairman Stanton stated the Director of Human Resources will be at the next meeting and will brief us on the City's procedure. She stated she is not sure we will have to follow that procedure.

Mr. Pawluk asked if we could have an outline of the requirements for the position from Mr. Parmer before the next meeting so we have the information we need and are able to take action.

Mr. Myers stated Mr. Parmer should also draft a sample advertisement.

Chairman Stanton stated the Airport Authority changed its meeting dates and times at the beginning of summer to accommodate her schedule and she indicated her schedule has not changed.

After discussion it was the consensus of the board that the meetings remain at 9:00 a.m. on the first and third Wednesdays of each month.

Mr. Macdonald moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, September 4, 1996 at 9:00 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 10:42 a.m.

Regular Meeting

Wednesday

September 4, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Wednesday, September 4, 1996, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk, Stanton

Absent: None

Others: Stewart, Macleod

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 21, 1996:

General Macdonald moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 21, 1996.

Second by Mr. Myers.

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

Approved the Airport Vouchers Totaling \$41,249.19:

Mr. Pawluk moved to approve the airport vouchers totaling \$41,249.19.

Second by Macdonald.

On the call of the roll, members Macdonald, Pawluk and Stanton voted aye.

Absent and not voting: Gallagher, Myers

The motion was declared carried.

Mr. Gallagher and Mr. Myers now present.

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Pawluk moved to approve the individual voucher in the amount of \$6,470.00 to Midwest Testing Laboratory for concrete testing services in connection with AIP Project No. 3 38 0017 17.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Received and Filed the Statement of Operations for the Month of July 1996:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of July 1996.

Second by Mr. Myers.

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

Received Recommendation on Experimental Aircraft Association Office Space in the Eastside Terminal:

Mr. Parmer stated he and Shawn Dobberstein met with representatives of the Experimental Aircraft Association and reviewed space available in the Eastside Terminal. Mr. Parmer stated they indicated that they would appreciate any space they could get and had no problem with the stipulation that the Airport Authority could ask them to vacate the space at any time if the space should be needed. Mr. Parmer stated he asked Attorney Stewart to draft an agreement and include that clause.

Mr. Parmer stated he would recommend we allow them to use one of the classrooms in the Eastside Terminal.

Mr. Myers moved the Airport Authority proceed with the recommendation of the Executive Director to provide space in the Eastside Terminal for the Experimental Aircraft Association.

Second by Mr. Pawluk.

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

Received Communication from Dr. Clif Hamilton Submitting Plans for T Hangar Construction:

Mr. Parmer read a communication from Dr. Clif Hamilton forwarding a brochure with plans and specifications for his proposed T hangar building. The hangar will be an Erect A Tube structure and will be white in color. This building will be similar to the Big Blue Hangar Association's building in the southeast general aviation area.

Mr. Pawluk stated the Airport Authority discussed keeping the colors of the hangars in the northeast area consistent and stated that the Authority approved the tan color for Mr. Bernabucci's hangar. Mr. Pawluk asked Dr. Hamilton if tan would be objectionable.

Dr. Hamilton stated tan would be objectionable. He stated their main building is white and that is why they chose white for the T hangar.

Mr. Myers stated white has an advantage when it comes to repairing a building.

Mr. Parmer stated we do not yet have a lease drawn for that parcel of land that will come before the Airport Authority at a later date.

Mr. Myers moved to receive and file the communication from Dr. Hamilton and that the Airport Authority allow him to proceed in accordance with all of the code requirements of the City of Fargo.

Second by Mr. Gallagher.

Mr. Parmer stated the contractor was at the City Inspector's office this morning and their only requirement was that they receive written confirmation that the Airport Authority has approved this building plan.

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

Received Report from David Obermiller on Heat Exchanger Proposal for Westside Terminal:

Mr. Parmer stated last winter when we had a power outage which resulted in the freeze up of the cooling tower and the heat exchanger. He stated at that time it was suggested we install a heat exchanger inside of the terminal building and Mr. David Obermiller, Obermiller Nelson Engineering, was retained to look into the matter and come back with a recommendation.

Mr. Obermiller was recognized and stated they have reviewed the system to see what could be done to prevent the cooling tower from freezing up again. He added that it is possible that the airport's insurance carrier may not cover another loss of this type.

Received Report from David Obermiller on Heat Exchanger Proposal for Westside Terminal:
(Continued)

In a communication dated September 3, Mr. Obermiller stated that the existing heat pump piping system is filled with water. The piping system extends to the exterior through underground piping where the water flows through the cooling tower tube bundle. The way the system is currently operated, the water is pumped through the cooling tower year round. As a result of a power outage last winter, the water that was in the cooling tower froze and the cooling tower tube bundle failed. The cooling tower tube bundle had to be replaced at a cost of approximately \$30,000 including parts and labor.

Option 1 Drain the Cooling Tower Circuit in the Winter:

The easiest option for preventing the cooling tower from freezing in the winter is to drain the water from the tower during the winter period. To do this, the cooling tower would have to be drained and all the water would have to be removed from the piping to the cooling tower. The difficulty with draining the system is that the piping is below the ground and getting all of the water out of the system would be difficult. Another problem with draining the cooling tower is that there are intermediate days during the spring and fall when cooling is needed. Therefore to drain and refill the cooling tower at the appropriate times would require constant awareness of weather conditions and a great deal of intermittent labor. They do not recommend draining the tower due to the difficulty in predicting when the tower can be drained or refilled. The Forum building has an automatic draining system and their cooling tower has frozen twice. With the intensive vigilance and work required for this option, they would be concerned that the cooling tower would still be susceptible to freezing.

Option 2 Fill the Entire Heat Pump System with Glycol:

Option 2 would prevent the cooling tower from freezing by installing an ant freeze (glycol) solution in the entire heat pump piping loop. This would eliminate the need to drain the cooling tower and would also eliminate the heat exchanger and pumps associated with separating the cooling tower from the rest of the system. The major drawback with this option is that all of the piping and equipment would be filled with the antifreeze. Any time maintenance would need to be done on equipment or piping in the system the antifreeze would have to be drained, saved and reinstalled in the system. This is a time consuming procedure. Another problem with filling the entire system with antifreeze is that antifreeze makes piping connections more difficult to seal than water systems. Many times when existing water systems have the water replaced with antifreeze, areas that did not previously leak start to leak. This is because antifreeze tends to find its way through existing small pinhole size leaks within the piping system. To fill the entire system with antifreeze would cost approximately \$14,000. The major costs would include replacing the existing pumps and installing glycol fill equipment, adding expansion tanks and the antifreeze itself. The system would operate well and the cooling tower would be prevented from freezing.

Option 3 Isolate Cooling Tower with Heat Exchanger:

The third option researched consists of installing a heat exchanger in the piping to isolate the cooling tower from the main piping system. The cooling tower side of the system would have antifreeze installed in the piping that runs between the proposed heat exchanger and the cooling tower. The revisions will require the addition of the heat exchanger, new pumps and new controls. One positive aspect of

Received Report from David Obermiller on Heat Exchanger Proposal for Westside Terminal:
(Continued)

this option would be that the antifreeze would be limited to the exterior piping system only. The cooling tower/heat exchanger antifreeze piping circuit would be turned on or off dependent upon the need for cooling in the heat pump circuit. Sensors located within the heat pump piping circuit would automatically turn on the antifreeze circuit as cooling is needed. Another positive aspect of isolating the cooling tower from the main piping loop would be to eliminate heat pump water from being pumped through the cooling tower during the winter months. The cooling tower is outside and the piping to it is installed below ground. There is heat lost in the cooling tower as well as the underground piping during the winter months. This puts an additional heating load on the boiler. The existing boiler capacity is very tight and any load that we can remove from the boiler is beneficial. They estimate a reduction in the heating load between seven to twelve percent. The cost of gas for the boiler in 1995 was \$20,028. From this estimate savings from \$1500 to \$2500 per year by installing the heat exchanger. The estimated cost of installing the heat exchanger and associated pumps, piping, controls and electrical gear is \$54,000. The approximate payback from an energy savings standpoint is twenty to thirty years. In addition to energy savings, the cost of replacing the cooling tower (\$30,000) should be kept in mind.

RECOMMENDATIONS:

Obermiller recommends either installing glycol within the entire system or proving the heat exchanger to isolate the cooling tower from the existing heat pump system. The determination of which way to go should be made on the basis of continuing maintenance. While installing glycol within the entire system may not seem like a major maintenance problem today, the cumulative effect of extra maintenance required for draining the system and dealing with the glycol throughout the system over the years may be extensive.

Mr. Myers stated we should not experience a power failure after the installation of the new generator. He stated that a number of things would have to happen in order for us to lose total power. He added that we should check into the manual reset system and see what modifications could be made there.

General Macdonald moved to receive and file this report and that we consult with an electrical engineer for further study, as he does not care for any of these options.

Mr. Pawluk asked if any modifications had been made to the original system since its installation and if this had ever happened before.

Mr. Parmer stated no modifications had been made and this was the first time we had lost power for that long a period.

General Macdonald stated he would like to see us have an electrical engineer consulted on this matter and have him tell us what happens to the system when we switch from municipal power to our generator.

Mr. Pawluk stated the system is operating the way it was designed to operate and this has happened only once.

Mr. Obermiller stated it is his opinion that the boiler is undersized as there are times when it runs constantly.

General Macdonald stated it sounds like a fault in the design.

Mr. Parmer stated there is an electrical backup heating system but we have never used it because once it is turned on it creates a demand.

Received Report from David Obermiller on Heat Exchanger Proposal for Westside Terminal:
(Continued)

General Macdonald moved to receive and file this report and that we instruct the Executive Director to contact an electrical engineer who can provide us with the necessary information on whether our system can be automatically restarted after a power failure. He added that he was reluctant to spend this amount of money without some further information.

Second by Mr. Gallagher.

Mr. Pawluk stated he feels this is a situation which can be managed under a certain set of circumstances but if everything is working the way it is designed to work and the new generator will address the power outage issue, it should be a manageable situation.

General Macdonald stated we may want to get a letter from our insurance carrier stating they would cover this type of loss in the future.

Mr. Myers stated he would like to see the electrical engineer retained to review this matter work with Mr. Obermiller.

Chairman Stanton called for a vote on the motion.

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

Received Landing Fee Report:

Mr. Parmer stated the Airport Authority discussed landing fees a few weeks ago and at that time he was asked for information on landing fee structures at other airports. He asked that the Airport Authority members review this information for discussion at a later meeting.

Mr. Myers moved to receive and file the landing fee report.

Second by Mr. Pawluk.

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

Received Communication from Attorney Stewart on Farm Contract Review:

Mr. Parmer stated Attorney Stewart was instructed to review the farm lease agreements and come back to the Airport Authority with a report and recommendation. At the last meeting the Airport Authority discussed extending the current leases for a certain period of time and then put out for proposals.

In a letter dated September 3, 1996, Attorney Stewart indicated that the Airport Authority extended the current farm leases one year in 1996. At that time the Airport Authority increased the price per acre and proposals received by the City of Fargo for land rental were considered when setting the price.

Mr. Don Hanson and Mr. Tom Teigen, NDSU, were recognized. Mr. Teigen stated he is the Director of Agronomy at the Casselton Seed Farm and stated that they will run into problems if the extension is not granted soon. He stated some of the land they lease at the airport is used for sugarbeet research which requires extensive fall preparation. He stated the extension would help them greatly.

General Macdonald moved the Airport Authority extend the current farm leases one year and that in the future requests for proposals on the farm leases be advertised on June 1, 1997 and be finalized by August 1, 1997, and in order for an individual to receive a one year extension the property taxes must be up to date.

Second by Mr. Pawluk.

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

Received Communication from Michael Allen Requesting Consideration for Internship Position:

Mr. Parmer stated we received a communication from Mr. Michael Allen, student at NDSU, requesting consideration of an internship with the Municipal Airport Authority. He stated our last intern, Jennifer Slack, was here for three months and it does take a considerable amount of the staff's time. He stated Shawn was almost exclusively involved with her assignments. Mr. Parmer stated he is not sure we are ready for another one at this time.

Chairman Stanton stated this is probably not good timing since we are losing Mr. Parmer December 1st.

Mr. Parmer stated we had received a request from a UND student a number of months ago to start an internship January 1. Mr. Parmer asked Mr. Dobberstein for his comments.

Mr. Dobberstein stated since we are expecting an intern January 1 he would prefer to see another internship deferred until next summer.

Mr. Myers suggested that at some time in the near future the Airport Authority come up with a plan for bringing in interns so we are not bombarded with a number of applicants at any one time.

General Macdonald stated if the director has reservations at this time he would rather delay another internship until the new director is in place.

Mr. Pawluk stated if Shawn has reservations at this time then he feels we would be misinformed if we did not wait. He stated we might consider having an intern here all of the time and even overlap their visits so that the outgoing intern can spend some time training the incoming intern.

Mr. Gallagher stated he feels it is our responsibility to encourage people entering the aviation industry. Mr. Gallagher also suggested coming up with some type of outline for items covered under an internship training program.

General Macdonald moved the matter of the internship request be left up to Shawn Dobberstein.
Second by Mr. Myers.

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

Received Report from Ulteig Engineers on Sizing of Utilities for Home on the Range Installation:

At the August 21, 1996 meeting the Airport Authority asked that Mr. Wes Schon, Ulteig Engineers, review the easement for water and sewer lines across airport property to the Home on the Range Victory Ranch and come up with a recommendation on the size of utility lines the Airport Authority should require.

Mr. Schon was recognized and stated it is his understanding that Home on the Range will be tying into the airport's water and sewer service. He stated he recommends the watermain be designed for fire flow and a minimum of eight inch diameter. Hydrants would be added as development occurs.

Mr. Schon stated because of County Drain 10 they are not able to go with a gravity sewer line so they will be going with a forced main. He stated it is his recommendation that line be at least a four inch diameter. A four inch force main can transfer 200 gallons per minute with suitably designed pumps and lift station. This capacity would support 200 households or the equivalent. City of Fargo standards should be used for materials and installation methods.

Mr. Schon stated these lines should be adequate to serve car rental service facilities or any other type of business that may locate there, other than a major water consuming industry.

General Macdonald moved to receive and file the recommendation from Ulteig Engineers and that these requirements be incorporated into the easement for Home on the Range Victory Ranch.

Second by Mr. Myers.

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

Human Resources Director, Bill Sorenson, Reviewed Personnel Reclassification and Advised the Authority on Procedure to Fill Executive Director's Position:

Mr. Bill Sorenson, Human Resources Director for the City of Fargo, was recognized and stated he has some recommendations for the Airport Authority in their search for a new Executive Director. He suggested the Airport Authority establish a small committee of three people who would do several things

- Review the organization of the airport, specifically job specifications for the top positions (Executive director and Assistant to the Executive Director)

- Review market salaries

- Address any recommendations by the Authority for changes in job specifications

- Set up a program of recruitment

Mr. Sorenson stated there are no rules written in stone on how the Authority has to do this. He stated he would be happy to put together an interview format for the candidates and some ideas on how to evaluate individuals interviewed.

Mr. Sorenson stated this is a position that does require posting and advertising so we will need to jump through those hoops.

Mr. Parmer stated the American Association of Airport Executives (AAAE) does have a bi monthly publication in which they list positions open.

General Macdonald stated our real task for now is to come up with a job description and a salary range.

Mr. Sorenson stated there is a position description for the position of Airport Executive Director.

Mr. Myers asked Mr. Sorenson his opinion on including other agencies in the city on the search committee, such as representatives of the Chamber or Economic Development. Mr. Myers stated part of the Airport Authority's job is to market the airport and we may want to include others in the city.

Mr. Pawluk asked Mr. Sorenson what he felt a reasonable time line would be from now until the time we are ready to advertise.

Mr. Sorenson stated within two to four weeks we should be able to advertise and then allow one month for responses. He stated this process will depend on how much the Airport Authority wants to put into it. He stated it could be stretched out to nine months.

Mr. Pawluk asked if the idea of a search committee complicates things or insulates the process so there is a little more confidentiality.

Mr. Myers stated the search committee he served on for NDSU's Dean of Engineering received 35 applications and after their went through their process, working closely with the Human Resources Department, they came up with three final names which were give to the administration for their final decision.

Mr. Sorenson stated the search committee could be made up of Airport Authority members.

General Macdonald stated there are two main things that need to be done: 1) come up with a job description and salary range and 2) review all of the applications we will receive.

Chairman Stanton stated she feels we are complicating the process. It is the responsibility of the Airport Authority to hire someone for the position. She added that even if the Authority has the final decision we should also be involved in the entire process.

Mr. Myers stated as part of our marketing effort he felt as a courtesy we should extend an invitation to some of these other organizations to participate in the process.

Chairman Stanton stated she does not feel it is discourteous not to involve others.

Human Resources Director, Bill Sorenson, Reviewed Personnel Reclassification and Advised the Authority on Procedure to Fill Executive Director's Position: (Continued)

Mr. Pawluk stated it has been a month since we receive Mr. Parmer's intention to resign and it looks like it will be another two weeks before anything happens. He stated he would suggest a committee of two Authority members along with perhaps a third or fourth person who has a feel for what we want to do to meet with Bill Sorenson and go over this. General Macdonald stated he does not know how the other members feel but he would like to serve on the committee.

Mr. Gallagher stated he feels Mr. Parmer should serve on the committee along with two Authority members.

Mr. Myers stated this may be the most important decision the Authority makes for the next 25 years.

Mr. Sorenson stated it is important to analyze the job description and it may turn out that the current job description is just fine. He stated he would be happy to facilitate this process.

General Macdonald stated we should establish a time to meet to review the job description and advise the press.

Mr. Pawluk state he feels personnel matter should be handled with a little more confidentiality. He stated it is not that there is anything to hide but having it all out in the open complicates things and that is why he feels two members serving on the committee would be advisable.

Chairman Stanton suggested we set up the meetings and have them open to any Airport Authority member who wishes to attend.

Mr. Pawluk moved General Macdonald chair the committee that will establish the specifications, review the airport organization, and bring to the Authority the plan for advertising the position and an outline to fill the position of Executive Director.

Second by Mr. Myers.

After further discussion it was decided the Airport Authority would meet Monday,

September 9 at 1:30 p.m., and each day after that at 1:30 until such time as the job description has been completed.

General Macdonald stated he does not see any reason we would not extend an invitation to the Fargo Chamber and Fargo Cass County Economic Development.

Chairman Stanton called for a vote on the motion.

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

Mr. Parmer asked Mr. Sorenson to bring the Authority up to date on the airport personnel reclassification matter.

Mr. Sorenson stated at the last Civil Service Commission meeting he was directed to work with the Airport Authority on the personnel reclassification matter. He stated in his review of the matter he does feel the job description for Maintenance Attendant I is incomplete and he has forwarded his comments to Fox Lawson for their review. He stated that some of these matters may be clarified in the discussions on the Executive Director's job description and organization of the airport. He stated as soon as he receives any word from Fox Lawson he will report back.

Mr. Myers asked Mr. Sorenson if he was talking specifically about David Heck.

Mr. Sorenson stated actually he is referring to the people who report to David Heck. He stated at this point Mr. Heck's job description seems to be fairly well described other than some inaccuracies in the level of supervision and discrimination he is allowed in spending money.

Human Resources Director, Bill Sorenson, Reviewed Personnel Reclassification and Advised the Authority on Procedure to Fill Executive Director's Position: (Continued)

Mr. Myers stated this situation has gone on too long. He stated we have been holding an equipment operator position open dependent upon the outcome of this matter because if this is not resolved Mr. Heck wants to take that position. Mr. Myers stated this does not make any sense. He stated we have a person who is trained with our building system and everything runs well because David Heck has his hands on everything. He stated we are not talking about a typical janitor here which, from what he understands, is how he is classified. He stated he does not understand this situation because this is a key position. Mr. Myers stated that it is his understanding that no one evaluating these job descriptions has physically come out to the airport to see what these positions include until a recent visit from Mr. Sorenson. Mr. Myers asked Mr. Sorenson to get this matter taken care of and behind us.

General Macdonald suggested Mr. Parmer and Mr. Dobberstein sit down and rewrite the job descriptions so they adequately describe the positions.

Receive Report from Committee on Southeast General Aviation Area:

Mr. Pawluk stated he and General Macdonald were charged with taking a look at the southeast general aviation area to come up with some ideas and to start the process of determining how the Airport Authority is going to address that area in the future. Mr. Pawluk stated the key considerations covered in this report are:

1. Should non aviation uses be allowed on property currently inside the airport fence?
2. Does the MAA intend to stop all future general aviation expansion in the southeast area, and direct any new general aviation growth to the north.
Will the MAA continue to support and maintain facilities for current southeast general aviation users.
3. Can the MAA use this area to attract major air freight businesses to Hector Airport?
4. What is the long range plan for the old terminal building?
5. What should be done about the two wood, round roof hangars, #3 and #4?
6. What role can and should the MAA take in the promotion of General Aviation activities?

Mr. Pawluk stated this report contains a summary of all of the leases and revenues in the area as well as some recommendations he and General Macdonald have. Mr. Pawluk stated he personally does not feel we do enough to promote general aviation on the airport. He stated we have a lot to offer with the facilities we have here yet the southeast area is falling apart. He stated you can find boats, cars and junk parked along the fence in the area.

Chairman Stanton asked that the new members on the board not presume that nothing has been done over the years.

Mr. Myers moved to receive and file the report and to compliment Mr. Pawluk and General Macdonald on putting the time and effort into this report, and that the Airport Authority address the report at its next meeting.

Second by Mr. Pawluk.

General Macdonald stated that no one was faulted in this study.

Mr. Pawluk stated this is just a starting point for what will be decided for that area.

Mr. Parmer suggested the Airport Authority set a special meeting with this being the only item on the agenda.

Other Business:

Mr. Myers stated he was out here earlier in the week involved in the jetway incident and he wanted to commend Northwest Airlines personnel on their security procedures and challenging him when he did not have his ID badge displayed.

General Macdonald stated he would like to commend airport administration (Joe and Shawn) on their handling of the jetway incident.

General Macdonald asked Mr. Parmer what he found out about the guarantee on the window glazing/sealing project by Glass Unlimited.

Mr. Parmer stated he checked with Mr. Delapointe, Foss Associates, and the recent changes at Glass Unlimited will not affect the guarantee on the project.

General Macdonald stated at a recent meeting the Airport Authority received estimates on the proposed extension of the northeast general aviation ramp. He stated he is recommending that Ulteig Engineers conduct the topographical surveys of the area at this time, at no cost to us at the present time, so that should we decide to do anything over this winter that plans and specifications can be prepared without waiting until spring.

Mr. Myers stated he has visited with General Macdonald on this matter and it is hard for him to understand why this information is not available now considering all of the other recent construction that has taken place in the area.

Mr. Schon stated regardless of all of those points he still feels the need for a topographical study of the area because things change and there are some things that he has not been involved in, such as the fuel farm. He stated a topographical study is a fundamental, basic step in knowing what you have, especially when earthwork is involved.

Mr. Parmer stated if the Airport Authority wants to extend the northeast general aviation ramp next year that is fine. He stated we will need to decide how we plan to pay for it. He stated we certainly expect Congress to pass an AIP bill this session but it will be only a one year bill so we cannot hope to get a multi year grant from the FAA. He added that we have no idea what discretionary funds will be available.

General Macdonald stated one of their recommendations coming out of the study of the southeast general aviation area is that all air freight activity should be located in the Airport Industrial Park.

General Macdonald moved that the Airport Authority instruct our engineer to do the data accumulation that is necessary so that if we desire to prepare plans and specifications later this year or the early part of next year that the data is available.

Second by Mr. Pawluk.

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

Dr. Hamilton asked the status of an air freight operations area in the northwest section of the airport.

Mr. Parmer stated the Airport Authority has preliminary plans for the Airport Industrial Park but up to this point we have not been able to move ahead with anything because we have not had a client. Mr. Parmer stated that situation has changed somewhat because during a meeting earlier this summer with the FAA Airport District Office representatives they indicated because of the increased freight activity they would look more positively at a project to accommodate this activity.

Dr. Hamilton stated he feels it is important to move ahead with that. He added that the recent request from Evergreen International Airlines seemed like a serious inquiry. He stated that Robert Hamilton did some research on the company and found out they are unhappy with Minneapolis and are looking for another location.

Other Business: (Continued)

General Macdonald stated the communication the Airport Authority received indicated Evergreen would serve Japan from Columbus, Ohio.

Dr. Hamilton stated Evergreen planned on stopping in Fargo.

General Macdonald stated that is not what the communication we received said. He stated that if Evergreen were planning to stop in Fargo he cannot believe they would write the type of letter we received.

Dr. Hamilton stated he just wanted to advise the Airport Authority what they had learned and that it might be worth looking into further.

Mr. Myers stated there is no lack of interest on behalf of the Airport Authority as far as industrial use of the airport. Mr. Myers suggested Mr. Parmer correspond with Evergreen and see what interest they have in Fargo.

General Macdonald moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, September 18, 1996, at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Myers.

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

Time at adjournment was 11:17 a.m.

Regular Meeting

Wednesday

September 18, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Wednesday, September 18, 1996, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk and Stanton

Absent: None

Others: Stewart

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 4, 1996:

Chairman Stanton requested a correction in her statement on Page 132. It should have read "Chairman Stanton asked that the new members on the board not presume that nothing has been done over the years." The word "not" was eliminated in the minutes.

Mr. Pawluk moved the minutes be approved as amended.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$56,328.15:

General Macdonald moved to approve the airport vouchers totaling \$56,328.15.

Second by Mr. Myers.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$61,438.10 to Northern Improvement Company for Partial Payment Request No. 7 for construction of T Hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$19,422.85 to Northern Improvement Company for Partial Payment Request No. 4 for construction of the Rehabilitation of Runway 13/31 and Taxiway A Project No. 3 38 0017 18.

Second by General Macdonald.

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

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$22,585.12 to Northern Improvement Company for Partial Payment Request No. 4 for construction of Rehabilitation of Runway 13/31 and Taxiway A Project No. 3 38 0017 19.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,495.06 to Ulteig Engineers, Inc. for Payment Request for professional services for the Westside Terminal Electrical Generator plans and specifications.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No members being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$13,934.21 to Ulteig Engineers, Inc. for payment request for professional services in connection with the Rehabilitation of Runway 13/31, AIP Project No. 3 38 0017 18 and 3 38 0017 19.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Pawluk moved to approve the individual voucher in the amount of \$470.90 to Foss Associates for Payment Request for professional services in connection with the Westside Terminal Window Glazing/Sealing Project.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Received Estimate for Installation of Water and Sewer Services in the Northeast General Aviation Area:

Mr. Wes Schon, Ulteig Engineers, was recognized and stated he has received an estimate from Municipal Industrial Contracting for the water main and sanitary sewer into the first block to be developed in the northeast general aviation t hangar area. He stated the total estimate for the project is \$6,790.00 and we still have an open contract with MIC. Mr. Schon stated the sanitary sewer will be an 8" pvc pipe and the water main a 2" schedule 40 pvc.

Mr. Parmer stated the Airport Authority previously discussed assessing each tenant for their portion and since this area has room for three hangars the cost for each tenant would be one third.

Received Estimate for Installation of Water and Sewer Services in the Northeast General Aviation Area: (Continued)

Mr. Myers stated he is concerned that if anyone would want to sprinkler their hangars that could not be done with a 2" water line.

Mr. Parmer stated if a tenant required water for a sprinkler system that would come off the main.

Mr. Schon suggested if a tenant wants to put in further fire protection that is up to them. He stated this is one of the problems with not knowing what future tenants will be requiring. He further suggested that if a tenant has requirements that exceed what we have provided then they should be expected to provide what is required. He stated that right now all he is aware of is that Paul Bernabucci expressed concern that he wanted water for a sink and a toilet. Mr. Schon stated the contractor is ready to go on this project.

General Macdonald moved to receive the estimate from Municipal Industrial

Contracting and authorize them to proceed with the project.

Second by Mr. Gallagher.

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

Mr. Pawluk voted no.

The motion was declared carried.

David Obermiller (Obermiller Nelson Engineering) and Joel Kath (Ulteig Engineers) Reviewed Heat Exchanger Project:

Mr. David Obermiller was recognized and stated that on Friday, September 13, he met with Shawn Dobberstein and David Heck (MAA), Joel Kath (Ulteig), Bob Reimer and bob Suchan (Robert Gibb & Sons). They discussed the cause of the cooling tower failure and options for preventing a future failure (Other than installing anti freeze).

The cooling tower froze because there was no water flow through the tower and the fans within the tower sequenced on. The outdoor air temperature at the time was 20 degrees F. There was no water flow through the tower due to a power outage that had tripped the electrical circuit breaker for the pump. The circuit breaker is required to be manually reset. The fans inside the tower sequenced on because the water temperature sensor was reading 80 degrees F which indicates that cooling is required.

To reduce the chances of this sequence of events from happening again, they recommend the following:

1. Install a differential pressure sensor as a back up to the existing flow switch to monitor if there is flow in the system.
2. If flow is not sensed, the assumption would be made that the primary pump is not operational, at which point the alternate pump would be sequenced on. Because the alternate pump should not have been running when the primary pump tripped, the breaker for the alternate pump should allow operation.
3. If flow is not sensed, the cooling tower fans would be locked out of operation.
4. The cooling tower is presently open on the north side where the air is drawn in. We recommend installing motorized dampers on the tower's north side. The dampers would be closed if no flow is sensed. To make the dampers effective, the east and west ends of the cooling tower would need to be sealed up to eliminate air infiltration. In addition, the tower would need to be better insulated to reduce heat loss out of the tower in the event of a no flow situation.

David Obermiller (Obermiller Nelson Engineering) and Joel Kath (Ulteig Engineers) Reviewed Heat Exchanger Project: (Continued)

5. Some type of extended alarm system should be provided to alert the staff to the loss of the pumps.

CONCLUSION:

With the installation of the new generator, power should always be available for the pumps. However, it should be kept in mind that power was available for the pumps during the past failure. Even if the alternate pump is sequenced on due to failure of the primary pump, another power surge or outage could trip the alternate pumps' breaker. With no water flow, the tower dampers would close and there would be a small amount of time (approximately 10 15 minutes on a windy 20 degree F winter day) to get to the pumps and manually reset them.

The addition of new controls, dampers and insulation will decrease the chances of the cooling tower freezing. However, they will not guarantee it. The only way to guarantee that the tower will not freeze is to provide anti freeze in the system.

Mr. Myers stated one thing to keep in mind is that we have had only one freeze up in ten years.

Mr. Pawluk asked about an auto reset when the circuit breaker fails.

Mr. Kath stated he has not seen that type of reset available in a system this small.

Mr. Pawluk asked how the present warning system works during pump failure.

Mr. Heck stated there is an alarm in a room in the tug concourse and also one in the basement. If the building attendants on duty are out in the terminal area they are not able to hear that alarm and it might be two hours before it is noticed.

Mr. Pawluk suggested we look at an auto reset for the back up pump and a more sophisticated alarm system.

Mr. Obermiller stated the key issue is not to losing the pumps as we have to have those in order to heat the building.

Mr. Myers stated a better alarm system should be a relatively simple matter. He stated he has an Electro Watchman system at his home which monitors the temperature and once it drops below 40 degrees the system dials about five telephone numbers to alert them to the matter. He stated it is unbelievable how inexpensive this is.

Mr. Pawluk stated we now have an idea of the direction we should be moving and we should now get some estimates on these changes.

Mr. Myers moved to receive and file the communication and direct Obermiller Nelson Engineering to bring cost estimates back to the board for the following:

- additional insulation for the cooling tower
- automatic dampers on the cooling tower
- a revised control system for bringing the emergency pump on stream
- an automatic alarm system

Second by Mr. Gallagher.

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

Received Communication from Weather Modification Incorporated Reviewing Growth of Their General Aviation Operation:

Mr. Pat Sweeney, President, Weather Modification Inc., was recognized and stated that WMI's growth over the past four years has been greater than their expectations and their projected plans. He stated Fargo Jet Center has also experienced growth after its first year of operation.

Received Communication from Weather Modification Incorporated Reviewing Growth of Their General Aviation Operation: (Continued)

Mr. Sweeney stated they have an option on the lot to the east of their current facility and would like to start construction on a new hangar to accommodate the needs of their growing companies. He introduced their architect, Mr. Rick Engebretson, and asked him to review the proposed plan.

Mr. Engebretson stated the proposed structure will be the same as the existing hangar structure with the exception of the liner panels which will be polyethylene instead of fiberglass. Included in the structure will be hangar space, repair areas, shop space, pilot lounge, men's and women's restrooms, and possibly three sets of two stall garages. He stated if additional parking is needed they would like it put in immediately.

Mr. Pawluk asked if the location of this addition would jam up everything in that area.

Mr. Engebretson stated there would be a 100' separation between this facility and Valley Aviation.

Mr. Parmer stated he is not sure the present gate will be able to operate the same if this addition is placed there.

Mr. Pawluk stated his concern is that the area is jammed up the way it is now and he is not sure how they will be able to function without having more space.

Mr. Sweeney stated they are also hoping to get some more space to the west. He stated when they first came to the Airport Authority they made it clear that they were looking for room to expand and they had a three phase plan. He stated it has always been their plan to have two connecting hangars, one being kept at a cooler temperature. He stated they do not have any space for aircraft storage right now because they are so busy with maintenance. He stated when they moved to Fargo they had 12 aircraft and they now have 20. He stated their growth right now is unique because they have signed four and five year foreign contracts so they have obligations which will be key to their growth in the future. He stated it would be nice to expand to the west but that is a plan a few years down the road. He stated this expansion will address their immediate needs for hangar storage and expansion of maintenance facilities.

Mr. Pawluk asked Mr. Sweeney if he is asking approval of this today.

Mr. Sweeney stated this is a pretty clean deal since the lot is theirs and this is part of their expansion which was planned and approved before. He stated he would like approval of the concept of the project today and then in time sit down with Attorney Stewart and the Director and draft a development agreement. He stated they would like a similar program for financing as they have had in the past.

Mr. Parmer asked the estimated cost of the hangar.

Mr. Sweeney indicated the estimated cost of the hangar is \$1.2 million.

Mr. Myers stated he met with Mr. Sweeney and Mr. Engebretson yesterday at which time he addressed a couple of concerns. One is that the junction where the two roofs come together will leak indefinitely. He stated the second concern is the location and whether or not they have considered building a stand alone building to the west rather than congest the area to the east.

Mr. Sweeney stated the hangar they are proposing today is 24,000 sf and their plan for Phase III is closer to 40,000 to 50,000.

Mr. Engebretson stated there isn't any roof that isn't going to leak at some time and they are addressing the concerns of leaking possibilities.

Mr. Sweeney stated they are more concerned about the efficiency of having the buildings connected rather than having staff running outside from one building to the next.

Mr. Myers asked what Ron Strand had to say about automobiles being stored in the building.

Received Communication from Weather Modification Incorporated Reviewing Growth of Their General Aviation Operation: (Continued)

Mr. Engebretson indicated that was not a problem. It is not a code issue it is a risk management issue. He added that if it becomes an insurance issue they will have to look at something else.

Mr. Sweeney stated that may turn out to be expensive garage space and they may turn that into shop/storage space. He stated with additional parking space they may look at cold storage garage space where customers can put their cars in out of the elements and plug them in.

Mr. Parmer stated that Mr. Sweeney mentioned financing and he would assume he was looking at the Airport Authority for financing and he advised the Authority to look carefully at what that would do to the airport's improvement fund and the effect it would have on our ability for future development.

Mr. Sweeney stated the incentive to purchase the hangar in their present agreement is the greatest within five to seven years and it would be their plan to buy this out within 5 7 years and return the money.

Mr. Myers stated there is the possibility of bonding.

Mr. Parmer stated in order to bond a project the Airport Authority has to get concurrence from the Board of City Commissioners because the law provides that if the Airport Authority's revenue does not allow us to fulfill our bonding commitments they will automatically have to levy to take care of it.

Chairman Stanton asked if it was Mr. Sweeney's intention to get into financing today.

Mr. Sweeney stated he would like to design a development agreement for approval by the Airport Authority and they would like to have a similar program as before.

Mr. Pawluk asked Mr. Sweeney when he would like to start this project.

Mr. Sweeney stated time is of the essence. He stated they have some very large contracts with overseas clients coming in so they are in a time crunch. He stated they would like to start this fall. He stated they would have preferred to have been able to proposed this to the board two months ago but they did not have the signed contracts at that time.

Mr. Pawluk stated he does not see how we could move ahead with this additional hangar without expanding the ramp.

Mr. Myers stated we are just a few days away from the first frost and at this point he feels a fall start is putting too much pressure on this board to act without the resources available to us for the decision making process. He stated it is not the Authority's problem and we did not cause any delays. Mr. Myers stated there are some issues that are going to take some time, one being Mr. Parmer's concern about money.

Mr. Parmer stated as far as funding for the ramp expansion, Congress will be passing the AIP legislation and the house version calls for a three year extension rather than one and that would allow us to undertake a mulit year project.

Mr. Sweeney stated he would like to get approval of the basic design and concept of the program today. He stated he would like the board to look at the possibility of providing up front financing of the footings and concrete and once the project is refunded to be reimbursed and come back with an answer at the next meeting.

Mr. Sweeney stated they will be available to address any concerns of the members and in the meantime the development agreement could be drafted.

General Macdonald moved to receive and file the communication from Weather Modification, Inc.

Second by Mr. Pawluk.

General Macdonald stated he is comfortable with the proposal but is not comfortable with the financing suggestion at this time.

Received Communication from Weather Modification Incorporated Reviewing Growth of Their General Aviation Operation: (Continued)

Mr. Myers asked if there is anything in the airport's restrictive covenants that calls for us to maintain a 50' separation between the centerline of two structures. He stated the plan as it was offered today shows 40'.

Mr. Parmer stated there is nothing in writing on that. He added that the location of the proposed building will definitely result in alterations to the present security gate.

Chairman Stanton called for a vote on the motion.

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

Reviewed Progress of Terminal/Jetway Repair:

Mr. Parmer distributed copies of a report from FMC Jetway on the findings of two Jetway representatives who reviewed the jetway incident and damage. He stated we have also received an estimate from Meinecke Johnson in the amount of \$32,750 for repairs to the building on a time and material basis. He stated he discussed the matter with Attorney Stewart and asked if since this is a matter of an urgent or emergency nature we can bypass the bidding process. Mr. Parmer stated that Attorney Stewart indicated because of the emergency nature of the matter we would not have to go through the bidding process.

Mr. Myers moved the Airport Authority proceed with the repairs to the building based on the time and material estimate of \$32,750 (guaranteed maximum price) from Meinecke Johnson and because of the urgent nature of these repairs it was deemed not practical or advantageous to solicit bids on the project from contractors other than the original contractor of the building because of their knowledge of the building.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Mr. Parmer stated he has received most of the invoices for the services which were necessary immediately following the incident. The invoices received to date are as follows:

Master Construction.....	\$3,700.00
Valley Movers.....	\$2,398.00
Glass Unlimited.....	\$ 120.00
Fargo Electric Constr.....	\$ 210.00

Mr. Myers moved to authorize payment of these four invoices.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

General Macdonald stated it is his understanding that we have four options on what to do with the jetway at Gate 2. They are as follows:

1. Keep the jetway at Gate 2.
2. Move the jetway to Gate 4.
3. Attach it to the building at Gate 3.
4. Attach this jetway to the rotunda of the jetway presently at Gate 3.

General Macdonald stated he would like to see some cost estimates on these options.

Reviewed Progress of Terminal/Jetway Repair: (Continued)

Mr. Parmer stated that FMC Jetway has all of this information and they were going to provide cost estimates for us.

Mr. Myers stated it is his understanding that if this jetway were mounted on the rotunda of Jetway 3 it would be able to serve a 747 which none of our jetways are presently able to do.

Mr. Balvitsch, Northwest Airlines, stated with that configuration it could also serve three airplanes.

Reviewed Status of PFC Application:

Mr. Parmer distributed a copy of the Federal Register dated August 26, 1996,

summarizing the notice of intent to rule on application to impose and use the revenue from a Passenger Facility Charge (PFC) at Hector International Airport, Fargo, ND. On July 10, 1996, the FAA determined that the application to impose and use the revenue from a PFC submitted by the Fargo Municipal Airport Authority was substantially complete within the requirements of Section 158.25 of Part 156. The FAA will approve or disapprove the application in whole or in part no later than October 8, 1996. Mr. Parmer added that everything is "go" at this point.

Mr. Myers moved to receive and file the copy of the Federal Register.

Second by Mr. Pawluk.

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

Received Request from The Barnstormer to Replace Chairs and Tables:

Mr. Parmer stated the manager of The Barnstormer was not present today so the item was passed.

Discussed Qualifications and Duties for Job Description of Executive Director:

General Macdonald stated we now have before us an updated Class Specification for the Airport Director from the Human Resources Office. He stated the changes made in accordance with the Authority's discussions are underlined.

General Macdonald moved the Airport Authority accept the new Class Specification for the Airport Director.

Second by Mr. Gallagher.

General Macdonald stated we have sent the Human Resources Office information received from AAEE on comparable salaries and privileges for Airport Directors and they are reviewing those now.

Chairman Stanton asked what is the deadline for applications.

General Macdonald stated the deadline is October 30. He added that in addition to the advertisement done by the Human Resources Office we have also placed advertisements for the position in the bi monthly publications of the American Association of Airport Executives (AAEE) and the Airports Council International (ACI).

He stated the resumes will come to Mr. Parmer, the Authority will review them, forward them to Human Resources for their comparison of qualifications to the job classification and they will pare them down to a reasonable number for interviews and final decision by the Airport Authority.

Chairman Stanton called for a vote on the motion.

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

Authorized Advertisement of Position for Executive Director:

General Macdonald stated the committee approved the proposed advertisement. He stated it was the committee's decision to advertise both in the AAAE and ACI publications with the remainder of the advertising to be handled by Human Resources.

General Macdonald moved authorization of the advertisement of the position for Airport Director. Second by Mr. Myers.

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

Mr. Myers stated that General Macdonald did an outstanding job chairing this committee.

Approved Land Lease with Aviation Resources, Ltd. for T Hangar in Northeast General Aviation Area:

Mr. Parmer stated the Airport Authority has approved the construction of a T hangar by Aviation Resources, Ltd. He stated the land lease has not yet been completed but he has been working with Attorney Stewart on the lease. He stated they would like to get started on construction and suggested the Airport Authority approve the land lease, subject to the approval of Attorney Stewart.

Mr. Pawluk moved to approve the land lease between the Municipal Airport Authority and Aviation Resources, Ltd. for the parcel of land on which they propose to construct a T hangar building, subject to the approval of Attorney Stewart.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Other Business:

Mr. Myers distributed copies of an article from World Airport Week, July 30, 1996, entitled "FAA Language Prods Moody's to Rate the Stand Alone, PFC Backed bonds. he also distributed a chart showing statistics on the top 30 ACI airports by passenger traffic/cargo volume/aircraft movement for the first quarter of 1996. He stated he thought it was interesting that even though Minneapolis ranks 25th in passengers and 18th in movements, it does not show up in the top 30 for cargo and this is information that should be considered as we look to attracting air cargo business.

Mr. Pawluk requested that the Airport Authority spend some time at the next meeting discussing the report on the southeast general aviation area rather than calling a special meeting at this time.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, October 2, 1996, at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Myers.

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

Time at adjournment was 10:15 a.m.

Regular Meeting

Wednesday

October 2, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, October 2, 1996, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk, Stanton

Absent: None

Others: Stewart

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 18, 1996:

Mr. Myers moved to approve the minutes of the regular meeting of the Municipal Airport Authority held September 18, 1996.

Second by General Macdonald.

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

Approved the Airport Vouchers Totaling \$39,287.20:

Mr. Pawluk moved to approve the airport vouchers totaling \$39,287.20.

Second by General Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Obermiller Nelson Engineering:

General Macdonald moved to approve the individual voucher in the amount of \$420.00 to Obermiller Nelson Engineering for Payment Request for professional services in connection with heat exchanger conversion.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Mr. Myers asked that Ulteig Engineers follow up on the progress of the estimates requested at the last meeting for the following:

additional insulation for the cooling tower

automatic dampers on the cooling tower

a revised control system for bringing the emergency pump on stream

an automatic alarm system

Approved the Individual Voucher to Robert Gibb & Sons:

General Macdonald moved to approve the individual voucher in the amount of \$2,867.00 to Robert Gibb & Sons for the removal of ductwork in Hangar 3.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Municipal Industrial Contracting:

General Macdonald moved to approve the individual voucher in the amount of \$14,292.00 to Municipal Industrial Contracting for final payment request for water and sewer main installation in the northeast general aviation area.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Received Communication from Western Protection, Inc. Advising of Increased Costs for Security Services:

Mr. Parmer read a communication dated September 27, 1996 from Western Protection advising of an adjustment in their hourly rate effective October 1, 1996, due to the increase in the minimum wage. The new rate will be \$7.95 per hour until a second increase will take effect September 1, 1997 (\$8.58).

Mr. Gallagher asked if our contract with them allows them to increase the rate.

Mr. Parmer stated our agreement states the rates can be adjusted with the approval of the Airport Authority.

Mr. Myers stated it has been his observation that there are periods of time when the security guards are standing around with nothing to do. He recommended Mr. Parmer and Mr. Dobberstein meet with Western Protection and see if there are some other duties that could be handled by Western Protection that our maintenance staff does not have time to do.

Chairman Stanton asked how we can have a security person doing janitorial duties.

Mr. Pawluk stated he did not think it was the intention to make them janitors but if there are times when there is nothing to do the security guards may welcome some additional duties.

Mr. Myers moved to receive and file the communication from Western Protection and that the Airport Authority direct the management team to meet with Western Protection and see if there are some extra duties that could be assigned to the security guards and incorporate those into our agreement.

Second by Mr. Pawluk.

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

Received Communication from Northwest Airlines Requesting Consideration of Placement of Jetway #2:

Mr. Parmer received a communication from Mr. Ron Balvitsch, Manager, Northwest Airlines, asking that Jetway #2 not be put back at Gate 2. He stated the placement of this jetway at Gate 2 makes the movement in their gate area very restrictive and prevents the flexibility of their own jetway. He stated that since northwest carries 95% of the traffic it would seem prudent that consideration be given to this request.

Received Communication from Northwest Airlines Requesting Consideration of Placement of Jetway #2: (Continued)

If it were moved to Gate 4 it would impact the operation of United Express. Mr. Balvitsch stated he would favor leaving the fixed tunnel at Gate 3 and removing the non telescoping, rotating bridge and put the three tunnel unit at the end of the fixed tunnel. They would be able to use that jetway if theirs were out of service or when we have multiple operations or charters they may be handling. In the event of diversions they would be able to park two and possibly three aircraft at that gate. The jetway in this configuration would also be able to accommodate wide body aircraft. Currently they often must keep passengers on and park on the taxiway or ramp with no access to the aircraft for passenger service.

Mr. Pawluk moved to receive and file the communication from Northwest Airlines.

Second by Mr. Myers.

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

Mr. Parmer stated Mr. Dobberstein has been working with the people from Jetway on the repair of this jetway.

Mr. Dobberstein stated he received preliminary estimates for the four options we have for this jetway:

Option #1 Repair and position the jetway at the present Gate 2 location

\$62,400

\$ 5,100 estimated freight/parts shipping

\$67,500

This is the only estimate North Dakota State Fire & Tornado is interested in for their report as related to possible insurance coverage

Option #2 Repair and re position the jetway at the Gate 4 location same estimate as Option #1

Option #3 Remove Jetway #3 and store at a location as directed by the airport. Repair and re position the damaged jetway at the Gate 3 location.

\$71,100

\$ 5,100 estimated freight/parts shipping

\$76,200

Option #4 Remove the movable portion of Jetway #3 and store in a location as directed by the airport. Repair and re position the jetway at the end of the fixed portion of Jetway #3.

\$65,850.00

\$ 5,100.00 estimated freight/parts shipping

\$70,950.00

Mr. Dobberstein stated Jetway had expressed some concerns about Option #4. They indicated the existing jetway would be at the extreme operational limits if it were set up to accommodate a 747. They also indicated more information would have to be researched to determine if the slope of the jetway for a 747 operation would exceed

Received Communication from Northwest Airlines Requesting Consideration of Placement of Jetway #2: (Continued)

the requirements of the Americans with Disabilities Act. The sill height of a 747 is 17' and Jetway #2 was manufactured in 1966 or 1967 which was before 747's were considered for this type of jetway model.

General Macdonald stated we need to explore the possibility of raising the rotunda.

General Macdonald moved the Airport Authority move on with Option #4 and that we get estimates on raising the rotunda at Gate 3.

Second by Mr. Myers.

Mr. Myers stated he does not feel we are getting adequate attention from our insurance carrier, North Dakota State Fire and Tornado Fund. He stated we cannot seem to get an answer from them on whether or not we are covered. He stated it is their obligation to subrogate and he feels our legal counsel should correspond with them.

Mr. Pawluk asked how long it would take to implement Option #4 if that is the decision of the Airport Authority.

Mr. Dobberstein stated the representatives from Jetway indicated it would probably take 30 60 days from the time they would be notified.

In answer to a question on specifications, Mr. Wes Schon, Ulteig Engineers, stated that the jetway is a manufactured product and they usually specify everything down to the concrete footings.

After further discussion, Mr. Myers withdrew his second to the motion.

General Macdonald withdrew his motion.

General Macdonald moved the board authorize the airport management team to do whatever necessary to proceed with and accomplish Option No. 4.

Second by Mr. Myers.

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

Received Request from The Barnstormer for New Tables and Chairs:

Mrs. Renee Noehre, Manager of The Barnstormer, was recognized and stated the chairs in the restaurant and lounge are beginning to look quite shabby and would like to request they be replaced. She stated the tables she is requesting be replaced are those in the raised lounge area which is also the smoking section of the restaurant. The tables in this area are actually too small for food service and she would like to get some larger tables to accommodate these customers. She stated they could also use a small work station in that area.

Mr. Gallagher asked about the estimate for these items.

Mrs. Noehre stated she found a style of chair at Dakota Food Service and the cost was \$70 per chair and they need just under 200 chairs.

Mr. Pawluk suggested we look at refurbishing the chairs and also on trade in value of the old chairs.

Mr. Gallagher moved Mrs. Noehre work with Mr. Parmer and Mr. Dobberstein on getting some costs on our options, purchasing new chairs, trade in value on old chairs, and refurbishing the existing chairs.

Second by Mr. Myers.

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

Received Communication from Lamar Skycap professionals Requesting Consideration to Provide Skycap Services at Hector International Airport:

Mr. Parmer stated he received, and distributed to Airport Authority members, a letter from Mr. Danny Qualls, General Manager of Lamar Skycap Professionals. The letter indicate an interest in providing skycap service at Hector Airport.

Received Communication from Lamar Skycap professionals Requesting Consideration to Provide Skycap Services at Hector International Airport: (Continued)

Mr. Qualls, General Manager, Lamar Skycap Professionals, was recognized and then presented a video on their skycap service at the Sioux Falls Regional Airport. Mr. Qualls stated that he is not asking for any money from the airport or the airlines. He stated many skycap services in larger airports receive an hourly wage from the airlines or the airport in addition to tips.

Mr. Myers asked Mr. Qualls if he had done a market study on Fargo's airport and if he is confident the numbers will support his business.

Mr. Qualls stated he has studied this airport and has been here four times observing the traffic. He stated he would plan to have four skycaps employed, two during the week and two for weekends.

General Macdonald asked if curbside check in is a possible service they would provide.

Mr. Balvitsch, Northwest Airlines, stated that curbside check in is still allowed for domestic travel but not for international passengers. He stated there is a sizeable investment involved for the machine but the machine needs to be enclosed in a facility outside of the terminal. He stated this has been considered before.

Mr. Myers asked Mr. Qualls about his projection for annual income and how the employees are paid.

Mr. Qualls stated each skycap will be an independent contractor and will be required to meet the guidelines of the contract. He stated before he hires anyone he will work the airport for two to three weeks himself.

Mr. Parmer stated if the Airport Authority chooses to enter into an agreement with Lamar Skycap Professionals it would have to be drawn up by the Airport Authority Attorney. Mr. Parmer asked about the arrangement they had for uniforms with the Sioux Falls Airport.

Mr. Qualls stated the Sioux Falls board was so pleased with their service that they asked if there was anything they could do to help them and they offered to purchase uniforms for the skycaps.

Mr. Pawluk asked Mr. Qualls how much is customary to tip a skycap and what kind of information he gives to the public as far as appropriate tipping.

Mr. Qualls stated the customary tip is \$1 per bag but it is not mandatory.

Mr. Pawluk asked if it would be appropriate to have that information on some signage which may be helpful to some people.

General Macdonald stated he would like curbside check in and would do anything to get it here.

Mr. Parmer asked Mr. Qualls what competition he would have from the Smarte Carte system.

Mr. Qualls stated the luggage cart system available would have very little affect on their business.

Mr. Qualls stated today he is asking the board to consider his proposal.

Mr. Pawluk asked Mr. Qualls how long it would take for him to get the service in place if the Airport Authority were to approve this today.

Mr. Qualls indicated he would need 30 days.

General Macdonald moved to receive and file the proposal and direct airport administration to work toward the establishment of a skycap service and curbside check in operation at Hector Airport, subject to the approval of the agreement by Attorney Stewart.

Second by Mr. Pawluk.

Mr. Balvitsch stated with the curbside check in there is the machine itself, the structure to house the machine, and also a manner by which to get the bags to the back room.

Chairman Stanton stated the curbside check in is not a front burner issue at this time but we will get the porter service in place and work toward curbside check in.

Chairman Stanton asked for a vote on the motion.

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

Discussed Vacant Space in Tug Concourse Area:

Mr. Parmer stated although Frontier Airlines has vacated their space in the terminal they are still responsible for the rent for another year. He stated the space is being paid for but right now it is vacant. He stated Mr. Dobberstein has had some conversation with Northwest Airlines about using this space. Mr. Parmer stated if the two airlines could reach an agreement he would have no problem with Northwest using the space.

Mr. Balvitsch stated they are paying for their tug concourse area and they could store their items in the tug concourse area. He stated they would like to look for an orderly way to get this stuff out of the way but he is not going to pay for any extra space.

General Macdonald stated Mr. Balvitsch should contact Frontier Airlines and explain the situation.

Mr. Balvitsch stated he has contacted Frontier but they have not gotten back to him.

Mr. Myers asked what makes up the clutter.

Mr. Balvitsch stated there are pallets of freight and some of the equipment will be moved in for the winter.

Mr. Myers stated he senses some conflict here and he feels the managers can sit down and work this out. He stated we are all together in this operation and should work together. He stated that having order makes sense and promotes safety. Mr. Myers added that someone has to pay for the space.

Chairman Stanton suggested the Airport Authority members go down and view the area in question.

General Macdonald stated we are not involved other than to say that we have no problem with Northwest Airlines using the space if that has been agreed to by Frontier.

Discussed the Hangar Proposal of Weather Modification, Inc.

Draft copies of a Development Agreement by and between JP Development and the Municipal Airport Authority were distributed to the members.

General Macdonald moved to receive and file the draft Development Agreement and turn it over to Attorney Stewart for review.

Second by Mr. Gallagher.

Mr. Parmer stated Mr. Pat Sweeney indicated this draft Development Agreement was patterned after a previous development agreement.

Mr. Pawluk stated what we have here is a group of individuals who wish to further expand their operation on the field. He stated he feels it should be this board's position to encourage that but we need to be aware of the ramifications and by doing this we are not holding things up. He stated we need to know that what they want to do can be done with the way this proposal is presented.

Mr. Myers stated he is still very concerned about the placement of the building 40' from that centerline. He stated he asked at the last meeting if there was anything in the restrictive covenants and the answer was no. He stated it is his understanding that there was an agreement that the 50' from the centerline would remain. He stated he received a call from the Hamiltons and they are concerned about the view from their building being encroached by this proposed building.

Mr. Myers stated he wants to have this issue resolved and wants to make sure everything is fair.

General Macdonald stated he feels we need to take this one step further and come up with some zoning requirements in writing.

Mr. Pat Sweeney stated their plans are going by city code.

Mr. Wes Schon, Ulteig Engineers, stated there is no city code applying to this situation.

Discussed the Hangar Proposal of Weather Modification, Inc.: (Continued)

Mr. Sweeney stated having a building 150' makes it easy to get three rows of aircraft in a hangar. If it were reduced to 140' it would be harder. He stated the lot is big enough for a 150' building. He stated this is a large investment and long term improvement for them and they would like to maximize the real estate available.

Mr. Gallagher stated this building is going to interfere with Valley Aviation's view.

Mr. Sweeney stated that is a consideration but their plans for that lot were in place before the Hamiltons even decided to construct their building. Their original proposal shows both buildings but they decided to scale back and do the project in phases.

Mr. Parmer stated the development agreement addressed the 100' gate opening and the lots on either side were numbered.

Attorney Stewart stated when that area was laid out it was laid out using numbered lots. WMI had their administration building on one lot, their hangar on the second lot, and they took an option on the third lot.

Mr. Pat Sweeney stated when the matter of dimensions came up during the planning stages they were asked how much land they would need for the second hangar and a figure of 140' was suggested. He stated it was just a suggested figure and they feel if they can get 150' of building on the lot they would like to maximize the space.

Mr. Pawluk suggested it would be helpful if the area were staked out so the Authority members could get a sense of the actual area.

General Macdonald stated he does not feel that is the question. He stated we either have an agreement that specifies feet or we do not. He stated if there is such an agreement then the issue is dead.

Mr. Parmer stated he feels WMI is asking the Airport Authority to amend that.

Mr. Myers stated he has not seen an agreement.

Mr. Schon stated there were lots put together for that area and pins originally set for those lots. He stated whenever you construct a road you need to have a right of way. He stated a 100' right of way was decided on with 50' on either side of the road centerline.

Mr. Pawluk stated what we are really talking about is what size of hangar does the Airport Authority wish to build on property that we own and will lease to our tenant.

Attorney Pat Weir was recognized and stated he would like to respond on behalf of Valley Aviation. He stated he does want to state emphatically that Valley Aviation does have a property interest in this proposal and Mr. Gallagher alluded to it earlier. He stated Mr. Robert Hamilton took some photographs showing the area that the proposed WMI building will encompass. He stated this new building is going to create all sorts of safety and congestion hazards because of the location of the gate. He stated aesthetically and property wise it affects the value of his client's property.

Mr. Weir stated he obtained a copy of WMI's original proposal and the second hangar in that proposal was half the size of the hangar in the original proposal. He stated that had the Hamiltons known that WMI was going to build a hangar this large they would have located their facility to the east.

Mr. Myers stated the question today is not whether WMI is well within their legal rights to build an additional hangar but rather the question of the 10'. He stated the Airport Authority is not in a position of authority to deny WMI an addition because Valley's view will be obstructed.

Mr. Myers stated as far as safety issues, the Authority's top priorities is to expand the northeast ramp and a change in the taxiway to facilitate better access to the ramp and better handling of aircraft for both businesses. He stated that will relieve the congestion on the ramp.

Discussed the Hangar Proposal of Weather Modification, Inc.: (Continued)

Mr. Myers stated he is aware of the Hamiltons' concerns but he is also aware that WMI wants to expand.

Mr. Weir stated they have the right to expand and that is not the subject that matters, although then we could tie into the subject of financing. He stated he has not seen any details on financing. Mr. Weir stated he has reviewed all of the minutes and what WMI was proposing in terms of whether or not they were going to be an FBO or not and in direct competition with Valley and that ties into a whole host of whether or not it would be appropriate for the Airport Authority to assist.

Mr. Myers stated those points are moot now. He stated it has been his goal as a member of this Authority to walk in the middle of the road and make sure the left and the right receive equal treatment and consideration.

Mr. Weir stated their concern is whether or not the facility that is finally approved impacts the legal property rights of his client

Mr. Myers stated it is his understanding that WMI's original plan showed this second hangar facility so this addition is nothing new.

Mr. Weir stated the addition is not new but the extension proposed originally was half the size of what they are now proposing.

Mr. Pawluk asked Mr. Weir what action he feels would be in the interest of his client that also would allow WMI to proceed with their plan.

Mr. Weir stated they are opposed to the size and scope of the 24,000 ft. hangar.

Mr. Pawluk asked if the hangar were pulled back to within the meets and bounds of the lot as it previously existed being a 140' lot would they still have an objection.

Mr. Weir stated they would have no objection if their current proposal met their original proposal.

Chairman Stanton called for a vote on the motion to receive and file the draft Development Agreement and turn it over to Attorney Stewart for review.

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

General Macdonald stated in the interest of whatever may occur he asked if we are going to allow JP Development to build outside of the area designated on the original agreement. He stated either we are or we aren't and he feels they deserve to know that.

Mr. Pat Sweeney stated he feels it is important to note that when they came to Fargo they obligated four lots because they felt they would have some expansion. He stated they decided not to build two hangars right away as they decided to do the project in phases. He stated looking back he would like to have had the hangar space but he is glad they waited because the way they are growing and their need for space justifies a larger hangar. Mr. Sweeney added that their plans for two hangars were on the board before Valley even got into the game so it is interesting to him that they are so surprised.

Mr. Parmer stated the size of the lots in the area were based on plans submitted by both WMI and Valley and the amount of space requested.

Mr. Pat Sweeney stated he is trying to maximize the available real estate. He stated looking at their present facility he wishes he would have built a little further to the north because there is 40 50 feet of grass area which they could have used for building and space to park airplanes.

Mr. Myers suggested Attorney Stewart review the proposed agreement and bring back to the Authority some direction on the property line issue. He asked if we are dealing with something cast in stone or can we legally modify it.

General Macdonald stated he has no objection to considering allowing them to get additional land to the north as long as we maintain 50' clearance to the centerline of the road. He stated he is reluctant to approve going east beyond the 50' point. He stated at some point in time the Authority is going to have to determine criteria such as this. He stated he is reluctant to involve the Airport Authority in any potential action by either parties.

Discussed the Hangar Proposal of Weather Modification, Inc.: (Continued)

Mr. Myers stated he feels this expansion is exciting.

General Macdonald stated he agrees and he doesn't want to throw cold water on it but we do have an obligation.

Mr. Pawluk asked Mr. Sweeney if they had considered expanding to the west.

Mr. Pat Sweeney stated they have always planned to expand to the east. He stated they are so cramped for space and an addition to their present hangar makes the most sense. He stated it would be an extreme inconvenience for his staff to have to travel any distance between buildings.

General Macondald asked Mr. Sweeney about constructing the hangar 140' rather than 150'.

Mr. Pat Sweeney stated they have found the extra ten feet makes a big difference and would cut down on chips and dings in airplanes while moving them.

General Macdonald asked about building the hangar narrower but longer to the north.

Mr. Pat Sweeney stated they want to get along with everyone. He stated they are growing faster than expected. He stated Fargo Jet Center is doing fine and WMI is skyrocketing. He stated they need the space and in order to expedite things he is willing to settle for expanding to the north toward their parking lot. He stated it is too late for fall construction so they will propose spring construction. He stated they may consider insulating the lot with some hay bales to keep the frost at a higher level to give them an early start in the spring.

Mr. Gallagher asked Robert Hamilton for his comments.

Mr. Robert Hamilton stated in WMI's original proposal they had a 12,000 sq. ft. hangar. He stated the larger hangar obliterates their view. He stated they would also be very opposed to the Airport Authority financing this expansion.

General Macdonald moved the Airport Authority establish a footprint for the area so WMI can give that to their architect.

Second by Mr. Pawluk.

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

Mr. Myers stated he cannot speak for anyone else but personally he wants to see growth and progress at this airport. He stated he does not want anyone standing in the way of progress, whether it be one tenant or another. He stated he hopes we can bring everyone together in a sensible approach to growth without there being this competitive antagonism that he senses. He stated he does not feel it belongs here and he feels there is enough business for both operations on the airport. Mr. Myers stated there have been parameters established by a previous group of board members and he feels it is our obligation to the tax payers and also to this business that we follow in that line and not be subjected to criticism every time we turn around.

General Macdonald stated he feels there are some things that should be cast in stone. He stated when the Authority decides that 50' is the separation between a building and the centerline of a road that should be cast in stone.

Adopted Resolution of Congratulations Retiring FAA Flight Standards District Employee, Erma Strege:

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

WHEREAS, the Municipal Airport Authority has learned of the recent retirement of longtime FAA Flight Standards District Office employee, Mrs. Erma Strege, and

WHEREAS, Mrs. Strege, through her unselfish devotion and dedication to duty, has served not only the Federal Aviation Administration but Hector Airport as well, and

WHEREAS, Mrs. Strege, in retiring from the FAA, will leave many friends at Hector Airport and the surrounding aviation community.

Adopted Resolution of Congratulations Retiring FAA Flight Standards District Employee, Erma Strege: (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 Mrs. Strege for her many years of dedicated service and wishes her well in her 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. Erma Strege.

Second by General Macdonald.

All members present voted aye and the resolution was declared duly passed and adopted.

Discussed Amending Location of Proposed Runway 17L/35R on Airport Master Plan:

Mr. Parmer stated that Mr. Schon has done a lot of work trying to satisfy the FAA on the location of the proposed north/south runway as far as the line of sight with the tower. He asked Mr. Schon to update the Authority on the matter.

Mr. Schon stated when the Airport Master Plan was submitted to the FAA in 1991 it was approved with the exception of the fact that the Flight Standards Division of the FAA did not like the location of the proposed north/south runway because it did not connect with the threshold of Runway 26. He stated none of the rest of us involved agreed with that but they felt it was a safety related problem by having separated from the threshold.

Mr. Schon stated we have also had some problems with line of sight and future expansion but we have tried to maintain as much building space up there as possible. He stated after a period of time goes by and enough building projects have taken place an update of the master plan is needed and submitted to the FAA.

Mr. Schon stated on the update prepared we have left the proposed north/south runway in the same location. He stated he is going to request Air Traffic Control to give us a letter stating that should the tower ever cease being a 24 hour tower the proposed north/south runway would be closed during the hours the tower is not operational. He stated on the plan he shows the runway in the same location with the exception of moving it down 200 feet and shortening it 200 feet to a length of 3700 feet. He stated with these changes any future building in the northeast general aviation area should not interfere with the line of sight to this runway.

Mr. Schon stated that with the concurrence of the Airport Authority, he would like to go ahead and make these changes and submit this to the FAA to begin the review process.

General Macdonald asked Mr. Schon if the Runway 17L/35R is as far south as it can go.

Mr. Schon stated it could be moved further south if there were no objection from the owner of the land south of that which is the Guard. Mr. Schon stated there are methods of determining runway length. He stated this will be a general aviation runway and the maximum length for our elevation would be 3900 feet. The proposed length at this time is 3700 feet. He stated that if the FAA would want this runway constructed in phases the first phase would be 3300 feet which would serve 95% of the propeller fleet and 3900 feet would serve 100% of the propeller fleet.

In answer to a question from Mr. Myer, Mr. Parmer stated the construction of 17L/35R has been one of the highest priorities of air traffic for many years. He stated the reason for this would be to relieve 17/35 of the general aviation traffic and keep it free for air carrier and military traffic.

Paula Wallace, a controller in the Fargo tower, commented that a parallel north/south runway would keep propeller traffic out of the way of the air carrier and military traffic. She stated the propeller aircraft are usually put behind the other aircraft and they do not deserve that.

Discussed Amending Location of Proposed Runway 17L/35R on Airport Master Plan: (Continued)

Mr. Schon stated that parallel runways are usually driven for two reasons, capacity or safety. Right now there is not a capacity need at this airport but the argument could be made for safety. Mr. Schon stated this proposed runway is shown on the plan. He stated as a historical guideline it was fifty years from the time the original runways were built until a new runway was built. He added that new runways do not come quickly. He stated right now it is shown as a planning tool.

General Macdonald stated he would like to see the Airport Authority explore the possibility of moving Runway 17L/35R as far south as possible. He stated he would like us to go to the Guard and have them sign the necessary agreement allowing us to place the threshold as far south as possible because the further south it goes it expands the tower's ability to see and it won't impact on building plans for the northeast area.

Mr. Schon stated he would like to be able to get this plan approved by the FAA so we can develop the northeast general aviation area without struggling with this runway issue.

General Macdonald moved the Airport Master Plan be amended to move the proposed Runway 17L/35R be moved as far south as possible.

Second by Mr. Gallagher.

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

Reviewed Report on the Southeast General Aviation Area:

Mr. Pawluk stated the Airport Authority needs to start some discussion on the future of the southeast general aviation area. He stated hangars 3 and 4 are continuing to deteriorate and something needs to happen with them.

Chairman Stanton asked if it would be best to schedule a special meeting for this discussion.

Mr. Pawluk stated he would like to address Question #1 from their report today.

He stated that questions is, should non aviation uses be allowed on the property that currently is inside the airport fence?

Chairman Stanton asked if we are free to use airport land for other than aviation related purposes.

Mr. Pawluk stated it was the recommendation of the committee that the Airport Authority should retain the ownership of the land currently inside the fence. This land should be made available for lease to aviation related concerns. They also felt that a formal and continuing agreement with Fargo Cass County Economic Development should be undertaken to make them aware of this and the aviation opportunities available at Hector Airport and to help us market this space.

Mr. Myers stated he feels the Airport Authority should hold off on this discussion for a while since we will have a new director on board soon.

General Macdonald suggested submitting this study to the general aviation users of the airport and ask for their written comments.

Mr. Pawluk stated this is something the new director will have to deal with but the members of the Authority are the decision makers. He asked if we want to be pro active and try to make something happen on that property or do we want to sit and wait.

General Macdonald stated he feels we need to distribute a copy of this report to anyone with interests in that area and solicit their thoughts and recommendations to be submitted by a certain date.

Chairman Stanton stated the recommendations in this report have not been approved by the Airport Authority and she does not feel they should be distributed to anyone else before the Airport Authority agrees that they are the board's recommendations.

General Macdonald stated these are proposed recommendations.

Reviewed Report on the Southeast General Aviation Area: (Continued)

Mr. Parmer stated letting the general aviation users give ideas and recommendations does not mean the Airport Authority has to go along with them and their ideas may help.

Mr. Myers stated he feels the committee has done an outstanding job and this is just a first step but we are on the right track.

Chairman Stanton stated she feels this report deserves a special meeting rather than including it in a regular meeting when we are taking care of a lot of other business.

Mr. Pawluk stated he feels that before we have a public meeting the Airport Authority should have some consensus of what we want to do before we go in front of a group of people.

General Macdonald stated normally a public meeting is held after written comments are received.

General Macdonald moved we submit these documents to the users of the southeast general aviation area for their written recommendations and after we receive them we will schedule a public meeting.

Second by Mr. Myers.

Chairman Stanton stated she would vote for the motion if it is made clear to these people that the Airport Authority has not yet adopted the recommendations in this report.

Mr. Myers withdrew his second to the original motion.

General Macdonald amended his motion that this study of proposed utilization be submitted to the southeast general aviation users, ask for their comments within 30 days from receipt of the notice and then schedule a public meeting.

Second by Mr. Myers.

Gallagher, Macdonald, Myers and Pawluk voted aye.

Chairman Stanton passed her vote.

Mr. Pawluk urged members to think about what they feel should be done with Hangars 3 and 4. He stated this is a difficult issue as the hangars are under lease but are not bringing in any revenue and we are looking at a great expense to replace irreplaceable structures.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, October 16, 1996 at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Pawluk.

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

Time at adjournment was 11:27 a.m.

Regular Meeting

Wednesday

October 16, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, October 16, 1996 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk, Stanton

Absent: None

Others: Stewart, Bromenschenkel

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 2, 1996:

Mr. Myers moved to approve the minutes of the regular meeting of the Municipal Airport Authority held October 2, 1996.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$41,242.03:

Mr. Pawluk moved to approve the airport vouchers totaling \$41,242.03.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,879.22 to Ulteig Engineers, Inc. for Payment Request for services in connection with the preparation of Passenger Facility Charge documents.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$992.26 to Ulteig Engineers, Inc. for Payment Request for engineering services in connection with the Westside Terminal Generator Project.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$6,328.13 to Ulteig Engineers for engineering services in connection with Project 3 38 0017 19.

Second by Gen. Macdonald.

Approved the Individual Voucher to Ulteig Engineers, Inc.: (Continued)

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$794.55 to Ulteig Engineers, Inc. for Payment Request for engineering services in connection with the installation of water and sewer in the northeast general aviation area.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Swanston Equipment Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$12,590.00 to Swanston Equipment Company for the purchase of one Servis Rhino SR20 Flexible Wing 20' Rotary Mower (purchase approved 7 24 95).

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Glass Unlimited:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,344.00 to Glass Unlimited for Final Payment Request for the Westside Terminal Window Glazing/Sealing Project.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton 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 1996:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of August 1996.

Second by Mr. Myers.

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

Received Report from Eide Helmeke on Car Rental Audits:

Mr. Parmer stated the Airport Authority retained the services of Eide Helmeke to conduct an audit of the car rental agencies and Mr. Dave Stende is here to present a report on the audit.

Mr. Myers moved to receive and file the document from Eide Helmeke and request our legal counsel to review the report and come back at the next meeting with his recommendations.

Second by Gen. Macdonald.

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

Mr. Stende was recognized and stated the objective of the audit was to make sure the car rental agencies were operating in accordance with the terms of their lease. Mr. Stende stated in their audit they found that Avis Rent a Car imposes a 6% surcharge which is not included in revenue reported to the Airport Authority. He stated they estimate that had this item be included in the revenue reported to the Airport Authority it would have resulted in additional revenue of \$5,800 to the

Received Report from Eide Helmeke on Car Rental Audits: (Continued)

Airport Authority for the 12 month period audited. Mr. Stende stated the lease talks about gross revenue but excludes any tax levied or imposed. He stated the 6% is a surcharge which is voluntary and is neither levied or imposed. He stated 4% of the surcharge is additional revenue for Avis and the other 2% goes to the F M Convention and Visitors Bureau.

Mr. Gallagher asked Mr. Stende if he is telling us that Avis should not be imposing the 6% surcharge.

Mr. Stende stated he is not saying that but rather if they are collecting a surcharge it should be included in the revenue reported to the Airport Authority.

Mr. Pawluk stated he feels it comes down to what the lease defines as gross revenue and if the leases need to be modified we should look at doing so. He added that for now we should look for a recommendation from Attorney Stewart.

Mr. Stende stated another of their findings involved recomputation of rent calculation. In reviewing the gross revenue per the internal accounting records of the agency to the amounts reported to the Authority, they noted two agencies made slight errors for the 12 month period. Their testing indicated that Hertz had underpaid rent by \$128 and Avis had overpaid by \$1,386.

Other findings were as follows:

"Foreign" car rentals are rental of cars by the local agency of vehicles owned by some other out of town agency. In these cases, the local agency has to split the gross revenue with the agency that owns the car. For example if a car owned by a car rental company in Minneapolis was on site at one of the Fargo car rental agencies and rented by that Fargo agency to one of its customers, the Fargo agency is able to keep a percentage of the rent (from 20% to 50% depending on certain circumstances) and must remit the remainder to the Minneapolis agency who owns the car. All four car rental agencies report only the net revenue (i.e. the gross revenue less the amount paid the owing agency) as revenue reported to the Authority. They also noted that one agency had an arrangement with an out of town car dealer to provide cars and receive 50% of the gross revenue. Again, only the net amount was reported as gross revenue to the Authority. Per the terms of the lease agreement, the 10% rental charge is to be applied to the gross revenue. Therefore, technically, the car rental agencies would not be allowed to net the amount paid to the owner of the vehicle. The combined gross revenue of all agencies for these transactions is several hundred thousand dollars. They question whether netting the payment to the owing agency is proper since the local agency does not have to incur the cost of owning the vehicle. They recommend the Authority review these transactions and the lease agreement to determine how the foreign car revenue should be reported.

Fuel Charges None of the four agencies report fuel charges in the calculation of gross revenue. In reviewing the lease agreement, these charges are not specifically mentioned as either includable or excludable in the gross revenue calculation. They recommend the lease agreement be reviewed and this issue must be clarified.

Review of Franchise Reports Each car rental agency is required to report revenue information to their franchiser on a monthly basis in order to calculate the monthly franchise fee. They reviewed these reports to determine if the revenue reported is similar to that reported to the Authority. They noted that the revenue reported to the franchiser materially agrees to that reported to the Authority. However, they inquired of each how often they were audited by the franchiser. All stated they had not been audited in many years.

Mr. Maury Lamb, National Car Rental, was recognized and stated he would beg to differ with that statement.

Furthermore, they noted that the franchise reports submitted to Avis did not include the tax/surcharge revenue as gross revenue. Therefore, they do not believe the Authority would have sufficient assurance as to the accuracy of gross revenue simply by relying on the revenue reported on the franchise reports.

Received Report from Eide Helmeke on Car Rental Audits: (Continued)

FBO Operations Through inquiry of all four agencies, it was determined that some agencies rented vehicles at the FBOs. They performed tests of vehicles rented at the FBOs. The gross revenue generated from these rentals tested were included in the calculation of the 10% rental charges paid to the Authority.

Mr. Pawluk asked Mr. Stende what he would recommend for a regular audit program.

Mr. Stende indicated he would recommend an audit in the same fashion but not necessarily audit all four agencies each year but randomly.

Mr. Myers asked if the car rental agencies have received a copy of this report.

Mr. Parmer stated not all of them have received copies yet but each agency will get a copy of the report.

Chairman Stanton stated this matter will be turned over to Attorney Stewart for his review and recommendations.

Received Estimates on Cooling Tower Improvements from Obermiller Nelson Engineering:

Mr. David Obermiller, Obermiller Nelson Engineering, was recognized and stated he was asked to get estimates of items in their cooling tower failure analysis report.

Items 1, 2 and 3 as described below Estimated Cost \$2,600

1. Install a differential pressure sensor as a back up to the existing flow switch to monitor if there is a flow in the system.
2. If flow is not sensed, the assumption would be made that the primary pump is not operational, at which point the alternate pump would be sequenced on. Because the alternate pump should not have been running when the primary pump tripped, the breaker for the alternate pump should allow operation.
3. If flow is not sensed, the cooling tower fans would be locked out of operation.

Item #4 as described below Estimated Cost \$8,500

The cooling tower is presently open on the north side where the air is drawn in. They recommend installing motorized dampers on the towers' north side. The dampers would be closed if no flow is sensed. To make the dampers effective, the east and west ends of the cooling tower would need to be sealed up to eliminate air infiltration. In addition, the tower would need to be better insulated to reduce heat loss out of the tower in the event of a no flow situation.

In addition to helping protect the cooling tower from freezing, the addition of dampers and insulation could be controlled to reduce the amount of heat loss out of the tower in the winter, thereby reducing the load on the boilers.

Item #5 Monitoring of the Cooling Tower and Pumps \$20.00/month

Some type of extended alarm system should be provided to alert the staff to the loss of the pumps.

Mr. Myers moved to receive and file the communication from Obermiller Nelson Engineering and that airport management be directed to proceed with getting Items 1-5 accomplished immediately and satisfy themselves that the pricing is correct.

Second by Gen. Macdonald.

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

Attorney Stewart Will Report on Weather Modification, Inc. Hangar Development Agreement:

Attorney Stewart stated representatives of Weather Modification, Inc. were not able to be present today to discuss the item so he will be sending a letter out to the Authority members on this matter for discussion at a later date.

Considered Agreement for Skycap Services as Prepared by Attorney Stewart:

Mr. Parmer stated Attorney Stewart has drafted an agreement between the Municipal Airport Authority and Lamar Skycap Services. He asked Attorney Stewart to review the agreement.

Attorney Stewart stated he followed closely the proposed agreement submitted by Lamar Skycap Services and has faxed a copy to Mr. Qualls but has not yet heard from him. Mr. Stewart stated this agreement will allow him to operate until November 1997 with a 30 day notice of cancellation.

Mr. Pawluk asked Mr. Parmer if we had received verification that all of the information Mr. Qualls gave us was accurate.

Mr. Parmer stated he talked with Mr. Mike Marnach in Sioux Falls and he confirmed they are pleased with the service. He added that the Airport Authority did offer to provide their uniforms.

Gen. Macdonald moved to authorize the Executive Director to enter into an agreement for skycap services after approval of the documentation by Attorney Stewart.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Considered Extension of Lease for Executive Aviation for Hangar Site to December 31, 2001:

Mr. Parmer stated we received a request from Executive Aviation for an extension of the lease on their Aircraft Services hangar from July 1, 2000 to December 31, 2001, to accommodate financing arrangements.

Mr. Myers moved to authorize the extension of the hangar lease with Executive Aviation to December 31, 2001, as requested.

Second by Mr. Gallagher.

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

Approved Assignment of Lease from Executive Aviation to Union State Bank:

Mr. Parmer stated we also received a request from Executive Aviation for an assignment of lease to Union State Bank for the Aircraft Services hangar.

Mr. Myers moved to approve the assignment of lease from Executive Aviation to Union State Bank as requested.

Second by Mr. Pawluk.

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

Approved Assignment of T Hangar Lease from Clif Hamilton, Jr. to Union State Bank:

Mr. Parmer stated this is the lease for the new T hangar building Dr. Hamilton is constructing in the northeast general aviation area. For financing purposes Union State Bank requires the lease be assigned to them.

Mr. Myers moved to approve the assignment of lease from Dr. Clif Hamilton to Union State Bank.

Second by Mr. Gallagher.

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

Discussed Personnel Matters:

Chairman Stanton stated Mr. Bromenschenkel needs to leave the meeting early today and would like to discuss a personnel matter before leaving.

Mr. Parmer stated Airport Authority staff appeared before the Civil Service Commission recently regarding the classification of our building engineer position. He stated they received a communication from Fox Lawson regarding their recent study but since this was the first he had seen them he requested the Airport Authority have time to review them before any action. Mr. Parmer stated he has discussed the matter with Personnel since then and they suggested a conference call but we have requested that a representative from Fox Lawson make a visit to the airport so they can see first hand what the position requires.

Mr. Pawluk asked if this recent recommendation by Fox Lawson confirmed the requests for changes previously made.

Mr. Parmer stated not entirely. He stated there are still some questions concerning the rest of the building maintenance staff and this recent study indicates Fox Lawson plans to update those positions. Mr. Parmer stated most of the questions were answered but there are still some questions on Mr. Heck's position.

Mr. Pawluk asked how long we can expect this to continue.

Mr. Parmer stated after our meeting with Fox Lawson we will meet with the Civil Service Commission again and then any recommendation will go to the Board of City Commissioners.

Mr. Bromenschenkel asked if the classification Fox Lawson recommended for Mr. Heck was comparable to the airport's field maintenance supervisor.

Mr. Parmer stated the classification for the building maintenance supervisor recommended by Fox Lawson was a B32 and the present rating for the field maintenance supervisor is C41.

Mr. Pawluk asked Mr. Parmer if this issue will be resolved in November.

Mr. Parmer stated he certainly hopes it will. He stated at the November Civil Service Commission meeting we should have a final recommendation from Fox Lawson after their visit to the airport.

Mr. Myers stated he honestly believes Fox Lawson definitely made a mistake in this situation. He stated salary is definitely an issue in this matter and he feels we have an obligation to see that this issue is resolved and resolved quickly.

Chairman Stanton suggested the Airport Authority members attend the next Civil Service Commission meeting.

Mr. Parmer stated when we looked at upgrading the airport's Maintenance Attendant I's we were told that if this happened it would affect all of the other Maintenance Attendant I positions in the City. Mr. Parmer stated our Maintenance Attendance I's perform runway inspections so we are trying to get this position exclusive to the airport.

Received Communication from Meinecke Johnson Company Addressing Change Order for Terminal Building Repairs:

A communication date October 2, 1996 was received from Meinecke Johnson Company, advising of a change order to the jetway building repair project. This letter indicated the change order is for some metal panelling on the outside of the building which was not visible when they made their original estimate because the jetway was in the way. The added price is \$3,800 for the manufacturing, painting and installation of this metal panelling.

Mr. Myers moved to receive and file the communication from Meinecke Johnson and authorize the Executive Director to handle this contract extension in the same manner the original contract was executed, which is guaranteed maximum time and materials.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Received Report on Jetway Repairs:

Mr. Parmer stated Mr. Dobberstein has been getting estimates for the various options we have for getting Jetway #2 operational again. He stated at the last meeting the Authority was in agreement that Jetway #2 should be attached to Jetway #3 to extend out enough to serve a 747. Mr. Parmer stated since that time we have received information on costs. Mr. Parmer stated after reviewing the quotes it seems to be most cost effective to put Jetway #2 at Gate #4 and then we would have three operating jetways.

Mr. Dobberstein stated to put Jetway #2 back in its position at Gate #2 (Option #1) would cost \$62,989.

Option #2, to put Jetway #2 on Gate #4 would be the same at \$62,989.

Option #3 was to remove movable portion of Jetway #3 and store at a location as directed by the airport, repair and reposition the jetway at the #3 location. Mr. Dobberstein stated since the last meeting it has been determined that the footing at Gate #3 is not capable of accomplishing this option. We do have an estimate of \$29,450 to remove and replace that footing with one that will support the new weight and slightly higher than the existing. Jetway would want an additional \$11,919 to come here and remove the jetway until a contractor has the new footing in place. He stated once the footing was in place they would need \$44,053 plus the new canopy system of \$19,349, totaling \$104,821 to accomplish Option #3.

Mr. Dobberstein stated Jetway determined last week that Jetway #2 will in no way ever be able to serve a 747. He stated this jetway was designed before 747's were on the market. He stated if it is the intention of the Airport Authority to have this jetway serve 747's it would cost an additional \$52,419.

Mr. Dobberstein stated he would ask the Airport Authority to reconsider their decision at the last meeting and decide to place this jetway at the Gate #4 position. He stated he and Mr. Parmer have discussed this with the airline station managers and neither Mr. Dahl or Mr. Balvitsch would have any problem with that location.

Mr. Parmer stated he has talked with most of Northwest's ground personnel and they all say that their jetway has serviced a 747 but Mr. Balvitsch disagrees with them.

Mr. Myers asked about our insurance coverage on this loss.

Mr. Dobberstein read a communication from the adjuster, Mr. Roger Buscher, advising that the North Dakota State Fire and Tornado Fund regrets that they will be unable to pay for this expense as it relates to repair costs. Section B Exclusions, Part 2, found on Page 2 of 7 leads on to Part K or page 3 "Loss caused by collapse is excluded, except as provided below in the additional coverage for collapse."

"Section D, Page 6 Additional Coverage Collapse limits coverage as described in D.1.a thru D.5.e. Exclusion F will therefore not allow coverage under the policy since the collapse occurred after construction, remodeling or renovation and was not precipitated by causes as outlined in D.1.a, thru D.5.e.

Mr. Dobberstein stated we received this yesterday and faxed a copy to Attorney Stewart. He stated we have not seen a report from their engineer, Midwest X Ray Tech, determining that this loss was caused by faulty workmanship, defective weld, which the policy clearly excludes.

Mr. Myers asked if the Airport Authority is bound to buy insurance from ND State Fire and Tornado or do we have other options because they don't seem to be covering any of our losses. He stated they denied a recent claim on Hangar #3 and they are now denying the claim on this catastrophic loss.

Mr. Parmer stated he feels Attorney Stewart should get involved in this matter.

Mr. Myers stated there is no question in his mind that this is a legal issue.

Mr. Pawluk stated we definitely need to have someone represent our interest as our insurance carrier is not willing to represent our interest.

Received Report on Jetway Repairs: (Continued)

Chairman Stanton stated just because we have insurance doesn't mean that we are covered for everything under the sun.

Mr. Myers stated he is not willing to accept that and he is willing to pursue this issue of whether or not we have coverage for catastrophic events.

Gen. Macdonald moved the Authority proceed with attaching Jetway #2 to Gate #4 at a cost not to exceed \$62,989.

Second by Mr. Gallagher.

Mr. Pawluk asked if we have Jetway #3 in operating condition and if we can depend on that jetway to work we would then have two jetways. He asked what would be wrong with taking a wait and see attitude for a while and not spend the money to attach Jetway #2 at Gate #3.

Mr. Myers asked what a new jetway would cost.

Mr. Dobberstein stated a new jetway installed would cost in the area of \$250,000 to \$300,000.

Mr. Pawluk stated he would like some more time to consider this and he does not want to give Jetway \$62,000 to come in here and solve a problem that is a result of a defective weld on something they manufactured. He stated, however, that he does fear if we don't fix it now and put it out of site somewhere we may forget about it and it will continue to deteriorate. Mr. Pawluk asked Mr. Parmer what he feels we should do.

Mr. Parmer stated we will have to wait anyway. He stated we are going to try to get some information from Jetway on whether or not they are going to assume any liability. He stated that the two engineers from Jetway admitted to him during their visit here that it was a faulty weld that caused this. He asked them if Jetway would assume liability but they were not in a position to answer that. Mr. Parmer added that we have not approached Jetway with this.

Mr. Myers stated his concern is that once we put that jetway down we lose all of our bargaining chips.

Mr. Pawluk stated he feels we need to ask ourselves if we need three jetways right now or if we can get by with two for the next six months in which time we will have opportunity to evaluate our options.

Mr. Myers stated he would like to know if \$250,000 \$300,000 a realistic amount for a new, state of the art jetway. He stated right now we are behind the power curve if we do not have a jetway that will serve the larger aircraft. He stated he feels we should explore this and maybe Jetway will give us a trade in allowance for this embarrassment as they might like to get rid of this one.

Mr. Gallagher stated he agrees that is the way to go.

Chairman Stanton asked Mr. Parmer and Mr. Dobberstein for their recommendation.

Mr. Parmer stated as far as a location for this jetway it should be at Gate 4.

Mr. Dobberstein stated he agreed and that once this jetway is renovated and in position at Gate 4 we will have a viable jetway for five to seven years down the road and at that time we can look at retiring the older ones and getting a state of the art jetway.

Mr. Gallagher withdrew his second to the motion.

Gen. Macdonald withdrew his motion.

Mr. Pawluk moved the Airport Authority rescind the action from the last meeting authorizing the installation of Jetway #2 at Gate #3.

Second by Mr. Myers.

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

Mr. Pawluk moved the Airport Authority direct airport management to have conversations with Jetway regarding the price of a reconditioned or new unit that will service our needs into the future using Jetway #2 and Jetway #3 as possible trade in options and that they also proceed with relocating disabled Jetway #2 to a position satisfactory to them for long term storage and minimize the costs associated with storage.

Received Report on Jetway Repairs: (Continued)

Second by Mr. Myers.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

Mr. Myers moved Attorney Stewart be directed to work with the ND State Fire and Tornado Fund and FMC Jetway to resolve the issue of this catastrophic failure.

Second by Mr. Gallagher.

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

Received Communication from Federal Aviation Administration on Proposal to Lease Airport Land for the Development of a Soccer Complex:

Mr. Parmer stated he received a communication from the Federal Aviation Administration with a decision on the request by the Red River Soccer Club to lease airport land for a soccer complex. Based on their review, the FAA does not recommend the development of a soccer complex within the Runway Protection Zone (RPZ). If the Airport Authority decided to lease the land for non aviation activity the FAA requires:

1. The lease agreement not be longer than 20 years with options for two five year extensions.
2. The primary purpose of the land (protection of RPZ) is served.
3. The concurrent use of the property should generate fair market value.

Mr. Myers stated he has been contacted by a number of people from the soccer club and he does not have a problem with the airport allowing the soccer group to use the ground for that purpose. However, he does not feel the Airport Authority should tie up any parcel of land under a long term arrangement for this type of use.

Mr. Parmer stated any lease of this type would have a recapture clause allowing the Airport Authority to take back the land at any time.

Mr. Pawluk stated in his mind a soccer field is a wide open, very unimproved area but the proposal from the Red River Soccer Club was for a highly improved soccer complex. He stated the unimproved would be consistent with our prospects for that property but the highly improved would conflict with our operations. Mr. Pawluk asked if they would be satisfied with that.

Mr. Myers asked if anyone present is representing the soccer club.

Mr. Wes Schon stated he is not representing the Red River Soccer Club but he has children involved in soccer and it is his understanding that they are looking for something more developed with concessions stands and water and sewer.

Gen. Macdonald suggested this is something in which the Park District should be involved.

Mr. Myers moved to receive and file the communication from Irene Porter and authorize the Executive Director to continue dialogue with the soccer group.

Second by Mr. Pawluk.

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

Received Communication from North Dakota Air National Guard Requesting Letters of Agreement and Easements on Two Small Land Parcels:

Mr. Parmer stated we received a communication from the North Dakota Air National Guard requesting that the Airport Authority agree to not construct any more buildings on two small parcels of land. The first parcel is the 100' x 205' lot east of Hangar #2. The second parcel is the triangular parcel bordered by the east ramp, the taxiway from the guard ramp, and the taxiway from the old terminal. There is currently a garage and storage building on the first parcel but no structure currently on the second parcel.

Received Communication from North Dakota Air National Guard Requesting Letters of Agreement and Easements on Two Small Land Parcels: (Continued)

The Guard is seeking an agreement from the Airport Authority not to build, and withholding from all other parties the Airport's permission to build any inhabitable buildings on these parcels. This agreement would not prohibit, for instance, the future erection of additional storage facilities, or the continued use of existing facilities for their current uses. The NDANG needs this agreement in order to meet the weapons safety requirements of their present and future mission and to receive certification of their weapons safety plan.

Mr. Parmer stated he has no problem with granting this easement.

Gen. Macdonald moved to receive and file and approve the easement as proposed.

Second by Mr. Pawluk.

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

Reviewed Recently Enacted AIP Legislation:

Mr. Parmer stated the new AIP legislation was finally passed and signed. This is a two year bill and we have had some conversation with the FAA on what we will do with our funding. He stated the FAA was encouraging us to get started in the Airport Industrial Park and the Airport Authority wants to expand the ramp in the northeast general aviation area.

Mr. Parmer stated it is possible that the entitlement funds will go back to 100% so we will be looking at receiving about \$900,000. Mr. Parmer stated now that we have a two year bill the FAA will enter into a two year agreement.

Mr. Parmer stated the Airport Authority should decide on a project for next year. He stated there has been nothing in writing with the FAA at this point but just conversation. He stated they will now start looking for applications.

Mr. Pawluk stated this commission has determined that it is important to extend the ramp in the northeast general aviation area. He added that it has also been a number one priority to develop the Airport Industrial Park.

Mr. Parmer stated the Airport Authority could move ahead with both projects. He stated instead of extending Taxiway C we can tie into the new ramp from Taxiway A.

Mr. Schon stated the Airport Authority has a unique situation this year in that it has two funding sources, AIP and the PFC, which we will start collecting January 1, 1997.

Mr. Parmer stated that engineering work can be done before we get a grant. He stated we have always tried to get things ready to go to bid by early March so we can make the most of the short construction season.

Gen. Macdonald stated he would like to see the Authority proceed with the freight ramp and the extension of the northeast general aviation ramp using PFC money for one and AIP funding for the other.

Mr. Parmer stated if both projects were proposed to the FAA and they went according to their priority system they would give a higher priority for AIP funds to the air cargo apron.

Mr. Myers stated we should be contacting all freight companies and advise them that we have facilities in place now and we are in definitive stages of developing an air cargo park. He added that we should be moving aggressively on this.

Chairman Stanton asked where our economic development people are on this.

Mr. Myers stated he has been talking with John Kramer on this matter. He added that he is working with someone right now who would be interested in building a freight facility for lease.

Gen. Macdonald asked if we are in a position at this time to make a motion to proceed with our construction project for next year.

Reviewed Recently Enacted AIP Legislation: (Continued)

Mr. Schon stated with the five year Capital Improvement Plan the FAA has streamlined the AIP application process. He stated both of the projects discussed today are on that five year plan.

Mr. Myers asked Mr. Parmer if he agrees with the designated projects.

Mr. Parmer stated the FAA has our five year plan and both of these project are on that plan. The FAA does not have a problem with an airport changing priority of a project on that plan but they do not want you to add a project that is not on the five year plan.

Gen. Macdonald moved the Executive Director be authorized to move ahead with plans and specifications for both projects with AIP funds used for the ramp in the Airport Industrial Park and PFC funds for the expansion of the ramp in the northeast general aviation area.

Second by Mr. Gallagher.

Mr. Schon stated that he can have ready for the next meeting some additional preliminary information on what can be built with AIP funds and some graphics to go along with the preliminary figures he has already done on the general aviation ramp expansion.

Chairman Stanton called for a vote on the motion.

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

Received Report on Passenger Facility Charge (PFC) Approval:

Mr. Parmer stated he reported at the last meeting that the FAA had set a deadline of October 8, 1996 for final approval or disapproval of our PFC application. He stated our application called for a starting date of November 1, 1996. Mr. Parmer stated we have received notification that the FAA has approved our application but the starting date will now be January 1, 1997, as we must advise the airlines of the FAA's approval and give them 60 days notice.

Discussed Estimates on Repair or Replacement of Restaurant Furnishings:

Mr. Pete Haug, managing partner of The Barnstormer, was recognized and stated he would like this matter tabled for the time being so he can do some further review.

Authorized Installation of Compass Rose on the Airport:

Mr. Emory Babolian, Dakota Aero Tech, was recognized and asked the Authority about the possibility of getting a compass rose at Hector Airport. He stated basically it should be located on blacktop or concrete in a large, open area, with no metal in the surface. He stated this a necessity for aviation mechanics and an FAA requirement. He stated this is long overdue and should be installed.

After further discussion on possible locations, Mr. Pawluk moved airport management find a place for a compass rose and proceed with installation not to exceed a cost of \$2,000 or to report back to the Authority if the cost exceeds \$2,000.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay.

Other Business:

Mr. Parmer distributed a letter from the ND Aeronautics Commission advising of a meeting with Senator Dorgan in Bismarck on Friday, October 18, to discuss air service. Mr. Parmer stated he and Mr. Dobberstein will be attending and invited any of the Airport Authority members to attend as well.

Gen. Macdonald moved to receive and file the communication from the North Dakota Aeronautics Commission.

Second by Mr. Pawluk.

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

Mr. Myers stated that while he was in Elko, Nevada recently an article appeared in their newspaper on the economic impact of the airport in Elko, which is much smaller than Fargo. He stated the article indicated the economic impact of the airport to Elko is \$45 million. He stated if we used a similar method to determine the impact Hector Airport has on Fargo we would find out that the airport truly does impact the economy of the city of Fargo.

Mr. Myers stated he also met with the people from Casino Express who are currently running one or two flights a month from Grand Forks to Elko. He stated he invited them to come back to Fargo. He stated they did not really know the demographics of Fargo and they thought that Deadwood, SD was competing with their passenger load. He stated he did advise them that Fargo Moorhead is the third largest metropolitan trade area between Chicago and the west coast. Mr. Myers stated their meeting lasted about an hour and he certainly hopes they will resume service to Fargo. Mr. Pawluk thanked Mr. Myers for taking the time to set up this meeting with Casino Express and for reporting this information to the Authority.

Gen. Macdonald stated we are presently receiving applications for the position of Executive Director.

Gen. Macdonald moved the following process take place:

the Executive Director take the applications, as he receives them, to Human Resources for their review and determination of qualified applicants

Human Resources return all applications to the Airport Authority separating those applications which meet qualifications

Subcommittee (Macdonald and Myers) review qualified applicants and narrow down to small number (3-10) of outstanding applicants

Submit all applications to the Authority members along with their recommendation of top candidates

Second by Mr. Myers.

Gen. Macdonald stated he and Mr. Myers may also call in Mr. Bill Jackson (UND) for his input, although he would not be involved in the decision making.

Chairman Stanton stated she does not feel we need to bring in any outside people for this process.

Mr. Myers stated we have already met with Mr. Jackson and he has given us some very good ideas. Mr. Myers stated Mr. Jackson knows everyone in the industry and he does not feel we should eliminate anything that would contribute to the good of the order.

Mr. Pawluk stated the only way he feels we would not want to involve Mr. Jackson would be if he were applying for the position himself.

Chairman Stanton stated she is not going to argue the point any further as long as all of the Airport Authority members are able to review all of the applications and be involved in the decision process.

Chairman Stanton called for a vote on the motion.

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

Mr. Myers moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, November 6, 1996 at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Pawluk.

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

Time at adjournment was 11:12 a.m.

Regular Meeting

Wednesday

November 6, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, November 6, 1996, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk, Stanton

Absent: None

Others: Stewart, MacLeod

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 16, 1996:

Mr. Gallagher moved to approve the minutes of the regular meeting of the Municipal Airport Authority Held October 16, 1996.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totaling \$53,202.32:

Mr. Myers moved to approve the airport vouchers totaling \$53,202.32.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Rickard Electric:

Mr. Gallagher moved to approve the individual voucher in the amount of \$30,690.00 to Rickard Electric for Partial Payment Request No. 1 for the installation of the Westside Terminal Generator.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Obermiller Nelson Engineering:

Mr. Gallagher moved to approve the individual voucher in the amount of \$1,276.50 to Obermiller Nelson Engineering for engineering services in connection with the repairs to the Westside Terminal water chiller.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Gallagher moved to approve the individual voucher in the amount of \$1,527.36 to Ulteig Engineers, Inc. for Payment Request for engineering services in connection with the installation of the Westside Terminal Engine Generator.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and

Stanton voted aye.

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$26,516.07 to Northern Improvement Company for Partial Payment Request No. 8 (Final) for the Rehabilitation of Runway 13/31 and Taxiway A Project No. 3 38 0017 17.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$20,901.16 to Northern Improvement Company for Partial Payment Request No. 5 (Final) for the Rehabilitation of Runway 13/31, AIP Project No. 3 38 0017 18.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$9,521.35 to Northern Improvement Company for Partial Payment Request No. 5 (Final) for the Rehabilitation of Runway 13/31, AIP Project No. 3 38 0017 19.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Wes Schon, Ulteig Engineers, explained that this is a bonus due Northern Improvement for the concrete as per the FAA specifications. He stated the tests done on the concrete more than met the requirements and this calls for a bonus.

Mr. Gallagher moved to approve the individual voucher in the amount of \$17,177.72 for Change Order No. 5 for the T Hangar Taxiway and Lighting Project No. 3 38 0017 17. Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Change Order to Project 3 38 0017 17:

Mr. Gallagher moved to approve the Change Order #5 for a deduct of \$34,881.80 to the contract with Northern Improvement Company for the final balancing of the T hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$6,911.26 to Northern Improvement Company for Change Order No. 1 for the Rehabilitation of Runway 13/31 and Taxiway A Project No. 3 38 0017 18.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved Change Order No. 2 for Project No. 3 38 0017 18:

Mr. Gallagher moved to approve the Change Order No. 2 for a deduct of \$5,311.05 to the contract with Northern Improvement Company as the final balancing change order for the Rehabilitation of Runway 13/31 and Taxiway A Project No. 3 38 0017 18.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved Change Order No. 1 for Project No. 3 38 0017 19:

Mr. Gallagher moved to approve the Change Order No. 1 for a deduct of \$10,931.15 to the contract with Northern Improvement Company for the final balancing of the Rehabilitation of Runway 13/31 Project No. 3 38 0017 19.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved Individual Voucher to Robert Gibb & Sons:

Mr. Gallagher moved to approve the individual voucher in the amount of \$14,493.00 to Robert Gibb & Sons for the final payment request for the repairs of the cooling tower.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Moen Engineering:

Mr. Gallagher moved to approve the individual voucher in the amount of \$420.00 to Moen Engineering for Payment Request for professional services in connection with jetway rotunda investigation.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Received Construction Schedule for the Installation of the Westside Terminal Generator:

Mr. Parmer stated we have received a tentative construction schedule from Rickard Electric for the installation of the Westside Terminal generator. Final completion date of the project is set for April 1, 1997.

Mr. Pawluk moved to receive and file the construction schedule from Rickard Electric, Inc.

Second by Mr. Myers.

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

Approved Amendment to Ground Lease for Paul Bernabucci Hangar:

Mr. Parmer stated the Airport Authority previously approved a lease for Mr. Paul Bernabucci on which he will be constructing a hangar. He stated Mr. Bernabucci has now requested his lease be amended to expand his lot in order to accommodate an addition to his hangar. He stated the current lot size is 106' x 80' and he is requesting it be increased to 110' x 110'. Mr. Parmer stated originally Mr. Bernabucci did not want to complete this addition right away but he now plans to do this.

Gen. Macdonald moved to approve the request for the amendment of the land lease with Paul Bernabucci.

Mr. Myers asked if the placement of this hangar has meet the City's setback codes.

Mr. Parmer stated the City's building codes are not mandated on the airport.

Mr. Myers stated if Mr. Bernabucci's building is 100' and the lot is 110' that leaves only five feet between his building and the lot line and that does not meet with the City's required setbacks.

Mr. Wes Schon, Ulteig Engineers, was recognized and stated there are no required setbacks and sideyards on lots at the airport. He stated this T hangar site was set up for 80' deep T hangars and to accommodate as many as possible.

Mr. Myers stated he questioned the wisdom of allowing hangar owners to build only ten feet apart without a fire wall between two buildings.

Motion was seconded by Mr. Gallagher.

Gallagher, Macdonald, Pawluk, and Stanton voted aye.

Myers voted no.

The motion was declared carried.

Received Communication from Attorney Garrylle Stewart Discussing Report on the Car Rental Agency Audit:

Attorney Stewart stated he wrote a letter to the members of the Airport Authority addressing the findings in the audit of the car rental agencies and he did not have any further information or comments to add.

Attorney Stewart stated the audit raised the issue of foreign car rentals. He stated it would be his recommendation that the Airport Authority appoint a subcommittee to look into this matter and report to the Authority.

On the matter of the tax/surcharge issue, Mr. Parmer stated in the lease there is an exclusion for taxes and asked if this exclusion applies to the surcharge levied by Avis.

Attorney Stewart indicated the surcharge is not a tax and cannot be considered an exclusion from reportable revenue.

Mr. Pawluk asked if the language in the lease prior to January 1995 was more specific than the current lease or if it was clearer on this matter.

Attorney Stewart stated the definition of "gross sales" in the previous lease was more inclusive.

Received Communication from Attorney Garrylle Stewart Discussing Report on the Car Rental Agency Audit: (Continued)

Chairman Stanton asked how long we will have to wait for an opinion from the Attorney General's office.

Mr. Myers stated that is a different issue and what the Airport Authority is dealing with is the fact that there were revenues generated and there is a fee to be paid on those revenues. He stated we are not sitting in judgement as to whether the collection of the surcharge is legitimate. He stated the Airport Authority is not involved in a legitimacy issue.

Chairman Stanton asked how long this surcharge has been levied.

Mr. Parmer stated it is his understanding that in 1989 all of the car rental agencies were collecting a surcharge. He stated apparently an opinion was given that this surcharge should not be levied and the others discontinued the practice.

Gen. Macdonald stated he feels the Airport Authority has two questions to answer:

- 1) How far back do we go and do we audit all of the car rental agencies?
- 2) Are we going to ask that this amount be paid to the Authority?

Gen. Macdonald moved the Airport Authority ask Avis Rent a Car to pay the Airport Authority \$5,800, less the overpayment for the audit period.

Second by Mr. Myers.

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

Gen. Macdonald stated the Authority needs to discuss whether or not we are going to go back and audit the car rental agencies to see if any were collecting a surcharge without reporting that to the Airport Authority and if so, how far back are we going to go.

Mr. Pawluk stated he feels the issue of foreign car rentals is something we need to discuss with the car rental agency people and determine the best formula and how the leases should read.

Attorney Stewart suggested the Authority go back six years prior to the period just audited (July 1995 July 1996).

Mr. Myers stated we need to get the terminology straight. The procedure just completed was not an audit it was a review. He added that he questions whether we would want to go back six years. He stated this issue is one that just reared its head and we are addressing the issue on a current basis. He stated he is not anxious to go back six years.

Chairman Stanton stated she does not know why we would not go back six years. She stated as custodians of the airport she does not know why we wouldn't go back if it is money owed the airport.

Mr. Myers asked if the Airport Authority has to go back six years he questions how good a custodian the Authority has been.

Chairman Stanton stated she does not claim perfection but if this has just come to our attention she feels we need to find out what happened. She stated in fairness to the other car rental agencies and the taxpayers of this city we need to go back.

Mr. Pawluk stated this review was done at the request of one car rental agencies and now that we have this information we do have the responsibility to look at these issues.

Mr. Myers stated he does not feel we need to go back six years.

Mr. Pawluk asked Mr. Myers how far back he feels we should go.

Mr. Gallagher stated he feels the Airport Authority got caught in the middle of a political football game and everyone else is running the Airport Authority and we need to take it back.

Gen. Macdonald stated he feels we should go back six years and also have the accounting firm review all of the agencies. He stated it is unfair to allow any

Received Communication from Attorney Garrylle Stewart Discussing Report on the Car Rental Agency Audit: (Continued)

company to charge an extra amount for pure profit and that the Airport Authority not get any share of that.

Gen. Macdonald moved that the Airport Authority, under the advisement of our attorney, go back six years and review the books of the agency in question (Avis) and that the accountant also review the other agencies to ascertain if they too were at some point charging a surcharge and not remitting a portion to the Airport Authority.

Second by Mr. Pawluk.

Mr. Myers asked who will be responsible for the cost of the review.

Gen. Macdonald stated the cost will be split 50/50 between the Airport Authority and the agencies.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Chairman Stanton asked for Authority members that would like to serve on a subcommittee to work on the issue of foreign car rentals.

Mr. Pawluk and Gen. Macdonald volunteered to serve on the subcommittee.

Received Updated Report on Jetway Repairs:

Mr. Dobberstein distributed copies of a communication from Jetway Systems. He stated at the last meeting the Authority directed him to approach Jetway and get an idea of salvage value Jetways #2 and #3 or trade in value on a new jetway.

A. Option #1 (Trade In Consideration)

1. Passenger Boarding Bridge #2 (Damaged Bridge)

In view of the fact that Jetway would have to repair, repair and replace a number of items in order to market the bridge, Jetway would offer only the trade in value of \$4,500. Jetway would initially have to invest labor, equipment and transportation cost to remove the unit from the Fargo Airport.

2. Passenger Boarding Bridge #3

Today's bridge market is for units (equipment) capable of handling/servicing a varied number of air craft sizes. This type of bridge was not and is not conducive to service any variety of aircraft styles. There is no market demand for this style bridge and basic on this Jetway is unable to offer any trade in value. The cost to take down and scrap this jetway would be \$11,094.

3. Passenger Boarding Bridge #3

On occasions, Jetway has the opportunity or is requested to manufacture a fixed walkway section to provide a link between the terminal and passenger boarding bridge. Because of this the walkway would be marketable and Jetway can offer a trade in value of \$1,500.

4. Provide and install new A3 60/119 Apron Drive Unit:

Total (Bridge)	\$229,308.00
Total (Install)	14,600.00
Freight (est)	9,800.00
	\$253,708.00

Received Updated Report on Jetway Repairs: (Continued)

2. Option #2 (Trade In Consideration on Used Jet Bridge (SA2 89/123 Apron Drive Unit)
 - a. Modify rotunda column length to match gate elevation
 - b. Replace interior (wall panels, ceiling, subflooring, matting, emergency battery packs and carpet
 - c. Remove and replace vertical drive motors
 - d. Provide and replace miscellaneous console and power components requiring replacement to insure fully operable bridge.
 - e. Provide and replace tires
 - f. Remove and overhaul horizontal drive motor assembly
 - g. Provide and install cab floor deicer assembly
 - h. Provide and install new cab spacer assembly
 - i. Provide and install exterior flood lights
 - j. Provide and replace canopy material including installation of 737 cutout
 - k. Provide and replace tunnel electrical cables
 - l. Clean, prime and paint exterior of bridge and components
 - m. Clean and paint interior of bridge

Total (Bridge)	\$184,412.00
Total (Install)	16,225.00
Freight (est)	15,300.00
	\$215,937.00

Mr. Dobberstein stated neither of these estimates include any costs for footing foundation requirements for the new bridge.

Mr. Dobberstein stated he was also asked to find a competitor to Jetway and he is now corresponding with a company called Stearns Airport Equipment in Fort Worth. He stated this company deals only in new equipment but suggested we check with Ameribridge, who may be interested in purchasing our two bridges and they also deal with rehabilitated bridges.

Mr. Dobberstein gave an update on the insurance situation. He stated Attorney Stewart's office wrote and interpretation of our policy in a communication to Mr. Roger Buscher, the adjuster for State Fire and Tornado, and we are waiting for a response.

Mr. Myers asked if a new jetway would qualify for AIP funds.

Mr. Parmer stated he could not answer that but he would check with the FAA.

Mr. Dobberstein stated he was also asked to get an estimate from Valley Movers to move the disabled jetway from the ramp to the maintenance shop area. He stated that estimate for time and materials would not exceed \$6,000. He stated after discussing this with Dakota Aero Tech it was determined that the drive column would have to be removed so it is a little more involved that we originally thought.

Mr. Myers stated we could also have Mid America Steel or another local fabricator make a cradle for it and store it on the ramp rather than taking the drive mechanism off.

Gen. Macdonald moved the Airport Authority authorize an expenditure up to \$6,000 to move the disabled jetway.

Second by Mr. Pawluk.

Mr. Myers stated he would like to see that number reduced.

Mr. Pawluk stated another option would be to buy our own timbers for storage.

Gen. Macdonald stated he feels we have a product that is not worth anything and we should probably try to get rid of it.

Received Updated Report on Jetway Repairs: (Continued)

Chairman Stanton called for a vote on the motion.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Mr. Myers stated he would like to see the Airport Authority pursue the matter of a new jetway.

Received Communication from Airport Giftshop Reviewing Policy on Newspaper Sales:

Mr. Parmer stated he received a communication from the Airport Giftshop regarding the revenue paid to the airport by the giftshop on newspaper sales.

Ms. Kathy Steffan, manager of the Airport Giftshop, was recognized and stated that since 1990 there have been a number of newspaper machines operating in the building and unlike the Giftshop they are not required to pay a percentage to the airport. She stated they purchase the newspapers for forty eight cents each, sell the paper for fifty cents and pay the airport ten percent or five cents, so they are losing three cents on every paper sold. She stated they are requesting that they be allowed to exempt their newspaper sales from their monthly revenue.

Ms. Steffan stated she would also request the Authority consider installing another change machine in the building because the giftshop and the restaurant get countless requests for change for the newspaper.

Mr. Parmer stated under the freedom of information act we cannot deny space to the newspaper machines.

Mr. Myers moved to receive and file the communication from the giftshop and that the Executive Director and Attorney be authorized to amend the lease to exempt newspaper sales from their reportable revenue and that we encourage the vendor providing the arcade machines to provide another change machine.

Second by Gen. Macdonald

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Received Communication from Avis Rent a Car Regarding Personal Advertising for Limousine Service:

The Airport Authority received a communication from Mary Munson, manager of Avis Rent a Car, stating that for some time now Airport Limo Service has had a driver standing at the base of the escalator with a sign reading "Anywhere in Town, \$16.00." The limo company does not pay anything to the airport and she feel they are taking customers away from the revenue generating car rental agencies.

Ms. Munson was recognized and stated they have many people who will rent cars for just a few hours and with this driver standing in the building with the sign they are taking business away from the car rental agencies.

Mr. Parmer stated we cannot deny them the right to provide the service but we can deny them the right to be in the building with their sign.

Mr. Dick Fredrickson, co owner of All American Limousine, was recognized. He stated they have had some correspondence with Shawn Dobberstein about testing this idea at the airport. He stated his experience with travel is that it is frustrating enough that by the time you get home you do not want to wait for a taxi and having a limo at the airport ready to go is a good service to the public. He stated he feels the complaint from the car rental companies is coming from the wrong place because they are not in competition with them as much as they would be with the taxi company. He stated he had done approximately 50 runs to the airport so far and 80% of the customers he has had has been a business person who does not have time to wait for a

Received Communication from Avis Rent a Car Regarding Personal Advertising for Limousine Service: (Continued)

cab or to fill out the forms at the rental agency, he needs to get to a meeting right away. The other 20% are families coming home late in the evening needing a ride home.

Mr. Fredrickson stated in the past they have been in the building but the Airport Authority expressed concern about this and they no longer come into the building. He stated this is a great service to the airport and the public.

Mr. Parmer stated we have an advertising agency that handles all of the advertising in the terminal and asked Mr. Fredrickson why they do not associate with them.

Mr. Fredrickson asked if the Airport Authority would then have a problem with the sign.

Mr. Dobberstein stated his first conversation with the limo service was a telephone call from Mr. Derrick Black who identified himself as part owner of this limo service and he asked how he could advertise at the airport. He stated he gave him the information to call Interspace Airport Advertising. He stated the next thing we knew they showed up at the airport and we began to hear concerns from the car rental agencies. He stated as far a test run the Airport Authority did not authorize that.

Mr. Myers stated every tenant on the landside is a great service to the travelling public and they all pay a fee to the airport which ultimately goes back to the tax payers of the City of Fargo. He stated he does not think the Airport Authority wants to get into allowing business to be conducted on the airport without paying a fee.

Mr. Fredrickson asked if they pay for advertising in the building could their drivers display their sign.

Mr. Mark Hovde, Hertz Rent a Car, was recognized and stated he does not feel the sign is appropriate and he contends that the limo service will not be here in February when boardings are down.

Mr. Pawluk stated he does not feel it is appropriate for the drivers to stand in the terminal building with a sign.

Ms. Munson stated when Mr. Dobberstein asked the limo drivers not to come in the building with their sign but to stand outside they were still coming into the building and is now in the entryway. She stated if he is required to stay curbside she would like that he do so.

Mr. Myers stated the issue here is one of policy and the policy has already been established. He stated we asked a number of hotels and motels that do not advertise in the terminal to remove their brochures from the terminal information center. He stated that policy has to be adhered to in this situation also. He stated that for the limo service to have a curbside presence as does the taxi is acceptable.

Mr. Fredrickson asked what if they went a step further and paid a percentage to the airport.

Mr. Myers stated there are some deeper issues that because of other costs involved but if the limo company wants to come in and pay the minimum that the car rentals pay he wouldn't have any problem with that.

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated that if other off airport car rental agencies hear that this limo company is allowed to stand in front of the airport with a sign and is not required to pay any percentage to the airport they will be out here doing the same.

Mr. Myers moved to receive and file the communication from Avis and recommended that the limo company that they communicate with our administration and that administration be directed to handle the limo situation (advertising in the terminal, location outside of the terminal, and the use of portable signs).

Second by Mr. Pawluk.

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

Received Communication from West Winds Condominium Association Requesting Renewal of Their Property Lease:

Mr. Parmer received a communication from Mr. Bob Lepage, Secretary of the Westwinds Condominium Association requesting their land lease, which expires 12 13 96, be renewed.

Gen. Macdonald moved to receive and file the communication and that administration come to the board with a recommendation.

Second by Mr. Pawluk.

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

Mr. Pawluk stated he would like to see a lease summary before being asked to approve a lease.

Received Communications Regarding Southeast General Aviation Area Report:

Mr. Parmer stated a couple of weeks ago there was a meeting with general aviation people and the Airport Authority was represented by Mr. Pawluk and Mr. Dobberstein. He stated following that meeting a number of people have written letters with their views on the southeast general aviation area. He stated he has compiled these comments in a file and distributed a copy to each member.

Gen. Macdonald moved to receive and file the communications regarding the southeast general aviation area.

Second by Mr. Gallagher.

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

Gen. Macdonald stated the media coverage of the event did not portray an accurate picture of the Airport Authority's plan for the area. He stated they edited his interview to make it sound like he was not in favor of general aviation in the southeast area which is 180 degrees from what he really feels. He stated we want to make a general aviation airpark out of it and that is what came out of the study.

Mr. Pawluk stated the main concern seems to be that the Authority has some ulterior motive in our plan to make all of the lease dates concurrent and that is not the case. He stated having the lease dates the same will enable us to deal with lease renewals all at the same time.

Mr. Myers stated one of his first priorities when coming on this board was to establish a long range plan for the southeast general aviation area. He stated he wants it not to be just a good general aviation area but a great general aviation area.

Mr. Pawluk stated we are faced with some major investments. He stated some people feel the two round roof hangars should be preserved while others feel they should be torn down.

General Macdonald stated he would suggest with winter coming that we advise anyone with non aviation items being stored in the southeast general aviation be removed or it will be confiscated.

Mr. Pawluk moved administration send a notice to anyone in the general aviation area with stored items and debris in the southeast general aviation area that it be moved as soon as possible or it will be confiscated.

Second by Gen. Macdonald.

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

Mr. Myers stated he feels it would be important for us to contact the underwriter for the State Fire and Tornado Fund and get assurance from him that we would be covered for a loss to those hangars.

Mr. Dobberstein stated two years ago their underwriter was at the airport and went through all of the buildings covered under the policy. He stated we have also received verbal confirmation that the damage to Hangar 2 is covered but we have not received that in writing.

Received Communications Regarding Southeast General Aviation Area Report: (Cont'd)

Mr. Myers moved that administration review the insurance coverage on Hangars 3 and 4 and communicate with the ND State Fire and Tornado Fund's underwriter and ask two questions;

1) Are we covered if the hangar goes down due to wind

2) Are we covered if the hangar goes down due to snow load and that Attorney Stewart follow up on administration's action to make sure we have legal counsel in that area.

Second by Gen. Macdonald.

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

Mr. Pawluk asked Mr. Parmer what he would suggest doing in the area.

Mr. Parmer stated we have received estimates of \$300,000 to repair the two hangars and before the Airport authority spends that money they should asked themselves what they will have when they are done.

Mr. Myers stated he has heard a lot of comments from people on the preservation of the old terminal. He stated he would consider that building untouchable but the rest of them could be looked at.

Received Report from Wes Schon, Ulteig Engineers, on Upcoming Airport Improvement Projects:

Mr. Schon stated a comment was made earlier on the condition of the pavement in the southeast general aviation area. He stated brought up the point that all of the utilities in the area are old and have met their useful life. He stated all of that, along with pavement on either side of the buildings will have to be considered. He stated the utilities will require the same amount of money as pavement replacement. He stated the pavement on the airside might be eligible for AIP discretionary funds as it is a repair of existing pavement.

Mr. Schon distributed a report on proposed 1997 construction projects for Hector Airport. He stated a 400' x 400' heavy duty apron in the Airport Industrial Park with a 75 foot taxiway connecting to existing Taxiway A would cost approximately \$2.25 million. He stated this would include an access road, approximately 1300 feet of stormwater drainage, security fencing, gates and lighting. To complete the project in one season, the project would have to be a multi year grant and the Airport Authority would have to commit two years of entitlement money (1997 and 1998). The entitlement estimate to be \$972,189 or \$1,944,378 for the two year period, if boardings remain the same. There is little chance for discretionary money for this work due to its low priority rating for that form of funding. However, he and Mr. Parmer recommend that discretionary money still be requested. Additional costs associated with this project that are not eligible for federal assistance are; sanitary sewer and water, power and gas, communication/telephone, parking lots, buildings.

Mr. Schon's report indicated several options have been considered for adding apron for aircraft parking in the northeast general aviation area. The Airport Authority has indicated an interest in using PFC funding for this work. He stated the amount of unencumbered money we anticipate receiving from the PFC is \$870,410. Mr. Schon reviewed the two options.

Option A would be to fill in between the existing taxiway connections and adjacent to the southern edge. The original apron was designed with this in mind. The size is approximately 235 feet wide by 840 feet long. As shown there would be room to park 54 aircraft, provided that it is understood that the aircraft to be located on the tiedowns are single and small twin engine aircraft. The spacing is 50 feet which will easily accommodate 40 45 foot wingspan aircraft. Larger aircraft not needing tiedowns could be located in the double row area. Estimated cost is \$1.116 million. The advantages would be the largest number of tiedowns for the least cost, easiest to build, and equal access to both tenants. The disadvantages would be

Received Report from Wes Schon, Ulteig Engineers, on Upcoming Airport Improvement Projects:
(Continued)

the disruption of access during construction and it is the more expensive option.

Option B would be to add on to the west end of the apron. This addition is also in the master plan. As shown the addition would be approximately 435 foot by 365 foot. It would hold 26 aircraft of the same variety discussed above. Air carrier size aircraft requires significantly heavier pavement and should the Authority concur with this idea for a hard stand, Option B would be an obvious candidate. Access could be obtained from Taxiway B which is a heavier design. The estimated cost for Option B is \$877,000. The advantages are that it would cost the least and cause the least interruption during construction but the disadvantages would be less than half of the tiedowns in Option A, the most expensive space per aircraft tiedown, unequal access to tenants and it has potential for other uses that would be lost.

After further discussion, it was the consensus of the Airport Authority that we apply for AIP funding for the Airport Industrial Park project using our 1997 entitlement fund and the balance in discretionary funding, and if we are not able to get discretionary funding to accept a multi year project.

Mr. Schon asked if the board would like tenant input on the northeast general aviation ramp expansion. The Authority indicated they would like written communications from the two tenants on their opinions.

Gen. Macdonald asked if we would be able to amend our PFC application to include the northeast general aviation area ramp expansion and if after we received notice that it was approved could we then proceed with the project, paying for it at this point with our own funds and then be reimbursed through PFC funding.

Mr. Schon stated he did not know if the FAA would allow that method but he indicated he would check into it. He stated an AIP funded project could not be handled that way and a lot of the rules for the PFC are the same.

Mr. Schon stated at the last meeting there was discussion on a compass calibration pad. He stated it sounded like an easy project but in checking into this the range cost is \$500 to \$50,000. He stated in reviewing the Advisory Circular on compass calibration pads there are a lot of requirements. After further discussion Mr. Schon indicated he would continue his investigation on this matter and report back to the Authority at a later date.

Distributed Copies of Applications for Airport Director's Position:

Mr. Parmer distributed copies of applications received for the Airport Director's position to each member.

Gen. Macdonald stated he and Mr. Myers are in the process of reviewing all of the applications received and at the next meeting will have a short list available for the board to consider. He stated he did review all of the applications with Mr. Bill Sorenson, Human Resources.

Adopted Resolution of Congratulations to Retiring Northwest Airlines Employee, Bernie Morgan:

General Macdonald offered the following resolution of congratulations and moved its adoption:

WHEREAS, the Municipal Airport Authority has learned of the recent retirement of longtime Northwest Airlines employee, Mr. Bernie Morgan, and

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

WHEREAS, Mr. Morgan, in retiring from Northwest Airlines, will leave many friends at Hector Airport and the surrounding aviation community.

Adopted Resolution of Congratulations to Retiring Northwest Airlines Employee, Bernie Morgan:
(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. Morgan 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. Morgan.

Second by Mr. Gallagher.

All members present voted aye and the resolution was declared to have been duly passed and adopted.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, November 20, 1996 at 9:00 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 11:19 a.m.

Regular Meeting

Wednesday

November 20, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, November 20, 1996, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk, Stanton

Absent: None

Others: Stewart, Bromenschenkel

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 6, 1996:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held November 6, 1996.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$46,275.09:

Mr. Myers moved to approve the airport vouchers totaling \$46,275.09.

Second by Mr. Pawluk.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Pierce Roofing Company:

Mr. Gallagher moved to approve the individual voucher in the amount of \$30,067.00 to Pierce Roofing Company for Partial Payment Request No. 1 for the Eastside Terminal Roofing Project.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Gallagher moved to approve the individual voucher in the amount of \$226.97 to Foss Associates for professional services in connection with the Eastside Terminal Roofing Project.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting the motion was declared carried.

Approved the Individual Voucher to Obermiller Nelson Engineering:

Mr. Gallagher moved to approve the individual voucher in the amount of \$390.00 to Obermiller Nelson Engineering for professional services in connection with the cooling tower glycol conversion report.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Midwest Testing Laboratory:

Mr. Gallagher moved to approve the individual voucher in the amount of \$294.00 to Midwest Testing Laboratory for testing services for flexural tests on concrete beams for the T Hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Gallagher moved to approve the individual voucher in the amount of \$979.44 to Ulteig Engineers, Inc. for Partial payment Request No. 9 (Final) for engineering services in connection with the T Hangar Taxiway and Lighting Project No. 3 38 0017 17.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Gallagher moved to approve the individual voucher in the amount of \$8,220.07 to Ulteig Engineers, Inc. for Partial Payment Request No. 7 (Final) for engineering services in connection with the Rehabilitation of Runway 13/31 and Taxiway A Project No. 3 38 0017 19.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Olaf Anderson & Son:

Mr. Gallagher moved to approve the individual voucher in the amount of \$399.75 to Olaf Anderson & Son for materials and labor for reinforcing end wall braces in Hangar 4.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye. No member being absent and none voting nay the motion was declared carried.

Bill Sorenson, Director of Human Resources, Reviewed Classification Changes Approved by the Civil Service Commission:

Mr. Bill Sorenson, Director of Human Resources, was recognized and stated that a representative from Fox Lawson made a visit to the airport recently to review the maintenance staff positions. Mr. Sorenson distributed copies of the current organization chart as well as the proposed organizational chart.

Mr. Sorenson stated in his review of the positions at the airport it was evident to him that the Maintenance Attendant I position required the most attention. He stated Fox Lawson is recommending an A13 2 rating, which is a whole step higher than it is currently. He stated they also recommended because of the uniqueness of the position at the airport that it have its own classification, such as Airport Operations Attendant I. He stated they have rewritten the job specification for that position.

Mr. Sorenson stated the current Maintenance Attendant III position has been evaluated fully. He stated after sending his report to Fox Lawson they recommended a couple of options. He stated it was agreed that the current classification (Maintenance Attendant III) is inappropriate as it does not take into consideration all of the aspects of the incumbent's job. He stated they discussed the possibility of a facilities crew leader but that was still not adequate. He stated they took a look at the airport industry and it made sense to define an operations supervisor B32 3. He stated they are proposing an operations supervisor for the field maintenance and an operations supervisor for the building and grounds maintenance and both would be rated a B32 3.

Mr. Pawluk asked Mr. Parmer if this proposal would solve this dilemma we have been facing and does this solution go far enough.

Mr. Parmer stated he feels this certainly will solve the problem. He stated this has one more hurdle and that is to receive approval from the Board of City Commissioners and he is looking for Mr. Bromenschenkel to carry the ball on that one. He stated this actually started with the Board of City Commissioners as they directed Mr. Sorenson to review this matter.

Mr. Sorenson stated they did some estimating on the cost of these changes and it will cost less than \$10,000 next year.

Mr. Sorenson stated another matter that came out in this study and a recommendation was made by Fox Lawson that there be a Operations Attendant II as the night shift has more responsibility than the day maintenance position. He stated this will not add any staff.

Gen. Macdonald suggested that instead of upgrading a position it may be easier to give differential pay for night shifts then employees would be able to switch shifts and no one would be locked into working nights all of the time.

Chairman Stanton asked Mr. Parmer if this proposal was alright with he and Mr. Dobberstein.

Mr. Parmer indicated this proposal was satisfactory. He stated until this point when we were able to get a visit from a Fox Lawson representative the responsibilities of the airport staff were determined without ever setting a foot on the airport.

Mr. Sorenson stated this proposal has been to the Civil Service Commission and has received approval.

Mr. Bromenschenkel asked if the classification of Operations Attendant II will have a domino effect throughout the city.

Mr. Sorenson stated it is rare that Fox Lawson would recommend new job specifications or positions as the purpose of the study was to break down the number of classifications. He stated they found that the maintenance positions at the airport are so different than other maintenance positions in the city that they do not expect any domino effect. He stated one of the comments made at the meeting was that if another maintenance position in the City requests this classification they will have to bring a runway with them. He stated if in the future the runway inspection responsibilities are removed from this position he would be the first to recommend a change in the classification.

Bill Sorenson, Director of Human Resources, Reviewed Classification Changes Approved by the Civil Service Commission: (Continued)

Gen. Macdonald moved to approve the classification changes as presented.

Second by Mr. Myers.

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

Received Communication from Airport Giftshop Concerning Newspaper Sales:

Mr. Parmer stated he received a communication from the Airport Giftshop requesting that the action taken by the Airport Authority at the last meeting allowing the giftshop to exempt the sale of newspapers from their revenue report be retroactive to 1990, the time when the other newspaper machines were placed in the terminal. This request was based on the fact that the Airport Authority plans to audit the car rental agencies for the past six years.

Mr. Parmer stated he would strongly oppose this request.

Chairman Stanton stated comparing these two issues is like comparing apples and oranges.

General Macdonald moved to receive and file the communication from the Airport Giftshop.

Second by Mr. Gallagher.

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

Mr. Pawluk stated he feels the Authority needs to support the decision of the Executive Director.

Gen. Macdonald stated these two issues have no bearing on each other. He stated the action on the newspaper sales was a change in policy.

Gen. Macdonald moved the Director send a communication to the Airport Giftshop advising them of our decision.

Second by Mr. Gallagher.

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

Reviewed Leasing Policies in General Aviation Area:

Mr. Parmer stated there has been much discussion lately on leasing policies in the northeast general aviation area and some of it has come up because of the new hangar being constructed by Mr. Paul Bernabucci. He stated there has been considerable discussion with the building inspector on the size of Mr. Bernabucci's hangar as well as any subsequent hangars to be constructed.

Mr. Parmer stated in his recent discussion with the building inspector, Mr. Ron Strand, he indicated the 5' from the lot line is acceptable but a fire wall would be required in the subsequent hangar. Mr. Strand indicated before a building permit would be issued for a subsequent hangar it would have to have an approved fire wall. Mr. Myers stated his concern is that in the past the Airport Authority has accommodated buildings with five foot setbacks. He stated in other words to meet the city code the airport has not charged any lease on the 20 feet between buildings. Mr. Myers stated he feels if a building is built according to code requirements the lessee would lease the entire amount of land required to meet the city code and then there will be no land on which we are not receiving rent. He added that the impact on the building owner will be inconsequential. Mr. Myers added that what Mr. Parmer and Mr. Strand worked on this week is satisfactory to him.

Mr. Pawluk stated the hangar building next to Mr. Bernabucci would then be required to either have a fire wall in the structure or to build twenty feet from the property.

Mr. Myers stated that is correct.

Mr. Parmer asked Mr. Bernabucci if he had any comment on the fire wall requirement.

Mr. Bernabucci was recognized and stated he has no problem with the fire wall requirement. He added that he may be the person building the second hangar.

Received Communication from Limousine Company Concerning Airport Service:

Mr. Parmer stated at the last meeting the Airport Authority directed All American Limousine to contact Interspace Airport Advertising regarding advertising in the terminal building. Mr. Parmer indicated he has not received any further information.

Mr. Derrick Black, All American Limousine, was recognized and stated he has contacted Interspace twice and left messages but he has not heard back from them yet.

The Authority received a communication from Mr. Black indicating they are pursuing legitimate operational means for service at the airport and they wish to commence service pursuant upon the advice and full compliance of the board.

Mr. Pawluk moved to receive and file the communication from Mr. Black.

Second by Mr. Myers.

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

Mr. Black stated he will be at the next meeting with all of the required permits in place as well as information about advertising.

Received Communication from Enterprise Rent a Car Requesting Airport Rental Counter:

Mr. Parmer stated he received a communication from Enterprise Rent a Car indicating this was their official request for an on airport rental counter. The letter indicated they understand that a six month waiting period and is required to allow existing companies make any changes they feel would be necessary. They also indicated they have read and agree to the terms and conditions of the existing airport agreement and would like to be able to start operations in May 1997.

Mr. Parmer stated the Airport Authority published a request for proposals in 1995 and he distributed copies of minutes reviewing action taken. He stated the request for proposals was for a five year agreement. Mr. Parmer stated we received inquiries from several agencies at that time but received only four proposals. Mr. Parmer asked what the five year agreement we have with the present agencies mean?

Mr. Pawluk asked if the Airport Authority is obligated to open up the process for additional rental car agencies and what would be the motivation to do that.

Mr. Gallagher stated he does not feel we are obligated or that there would be any motivation to do that. He stated that we are receiving good service from the agencies in place.

A representative of Enterprise, Mr. Jay Olson, was recognized and stated Enterprise has been a nation wide car rental agency for 39 years and has mainly been in the insurance replacement market. He stated in the last three to four years they have been expanding into the retail market. They presently have 2,300 locations with over 300,000 cars.

Chairman Stanton stated her dilemma is do we forever shut out any other car rental agencies wanting to do business at the airport?

Mr. Gallagher stated we gave the car rentals a five year contract.

Mr. Parmer stated after the last request for proposals the Airport Authority received only four and approved four but even if we had received more we still may have approved only four agencies.

Mr. Pawluk asked if the Airport Authority is within its realm to say that we want only four car rental operators? Mr. Pawluk stated he is a free marketeer and there is a part of him who says whoever wants to do business at the airport let them come. He stated, however, there are more complicated issues.

Mr. Myers asked Attorney Stewart if the Airport Authority would have any problems with denial of this request.

Attorney Stewart indicated there would be no problem with the Airport Authority denying this request as we did go through the request for proposal procedure recently.

Gen. Macdonald stated he and Mr. Pawluk were appointed to a subcommittee to look into the matter of foreign car rentals and he suggested delaying any action on this until they have done some further study.

Received Communication from Enterprise Rent a Car Requesting Airport Rental Counter:
(Continued)

Mr. Parmer stated a fifth operator would not only require counter space in the terminal but also parking lot space for their cars and our present lot is at capacity and we would be forced to take spaces away from the present operators.

Mr. Pawluk stated there is also the issue of Enterprise having an off airport location as well as an on airport location.

Mr. Olson indicated they would be two separate businesses. He stated they have a lot of loyal customers who will start using them for travel and in the next six months Enterprise will have a direct connection with the travel agents.

Mr. Pawluk asked if Enterprise is suggesting the airport's car rental revenues would increase.

Mr. Olson indicated he felt it would.

Mr. Mark Hovde, Hertz, was recognized and stated if boardings are down 2% he asked how Enterprise is going to generate additional revenue. He added he agrees with Mr. Parmer and the present car rental agencies don't have enough parking spaces. Mr. Hovde stated he cannot fathom how the Airport Authority feels this would generate any more money.

Mr. Olson stated by not allowing Enterprise on the airport the Authority will lose money as Enterprise will still be getting customers from the travelling public they will just take them downtown.

Mr. Pawluk stated he is not ready to make a decision on this today and he feels this issue needs to be dealt with in depth.

Mr. Pawluk moved to receive and file the communication from Enterprise Rent a Car pending a recommendation from the rental car subcommittee.

Second by Mr. Myers.

Mr. Myers stated it has been his position on this board to promote businesses wanting to locate on the airport, FBO's as well as franchise operators. He stated if they can make it, great. If they can't it is not our problem. He stated he does not feel the Airport Authority wants to set itself up as judge and jury about whether a business will be successful. He stated if there is a legitimate business that meets all of the requirements set forth by the Airport Authority they should be allowed and permitted to operate on the airport. He stated it should not be the Authority's responsibility to insure that the people that are already here are operating profitable. He stated free enterprise will take care of whether or not a company makes a profit.

Chairman Stanton indicated that is her philosophy as well but we also do have space constraints at the airport.

Chairman Stanton called for a vote on the motion.

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

Reviewed Eastside Terminal Roofing Project:

Mr. Parmer stated during the Eastside Terminal roofing project we ran into some problems. During a heavy rain one of the offices had some water damage and ruined office equipment. Mr. Parmer stated we also had a problem with some of the ceiling tiles in one area being disturbed during the vibration on the roof and those tiles contain some asbestos. He stated the FAA retained a firm to do some testing on the material and it was confirmed that there was asbestos in the tiles. Mr. Parmer stated the cleanup process is underway and the roofing project should be complete in a few days.

Mr. Myers suggested that these costs be passed along to the roofing contractor, Pierce Roofing. He stated this was something that was in their care, custody and control.

Reviewed Eastside Terminal Roofing Project: (Continued)

Mr. Parmer stated Pierce has taken care of the costs associated with the water damage and those tenants were satisfied. Mr. Parmer stated he did talk to Mr. Patrick Delapoint, Foss Associates, and he indicated Pierce did not do anything differently.

Chairman Stanton stated Mr. Dobberstein has some other insurance information to report.

Mr. Dobberstein stated that just before the meeting we received a phone call from the North Dakota State Fire and Tornado regarding the jetway claim. He stated the Authority directed the Solberg Law Firm to communicate with them as ask them to reconsider their position. He stated as of this morning they have reconsidered their position and the loss will be covered. He stated we have not yet received written confirmation but the extent of the coverage will be the damage to the building and the cost to restore the jetway to its previous condition.

Received Communication from Dave Stende, Eide Helmeke:

Mr. Parmer stated we receive a communication from Mr. Dave Stende, Eide Helmeke, indicating they have considered the procedures they would perform to verify the rental income paid by the car rental agencies for the six additional years from July 1, 1989 through June 30, 1995. The letter indicated the fee for this engagement would depend upon the cooperation received by each agency, the availability of records and whether they encounter any errors that require them to expand their testing. The procedures would be performed by Mr. Stende and another person for their staff and the blended hourly rate is \$75 per hour. A reasonable number of hours that could be expected per agency, including planning, fieldwork, review and reporting, is 10 to 15 hours per agency, assuming the records are readily available and no errors are noted.

Gen. Macdonald stated this could end up costing the Authority and the agencies a lot of money for something that he feels could be very easily handled. He stated we are looking at the 6% surcharge of which we did not receive our 10%. He stated over "X" number of years Avis has paid us a certain amount of money and what we are asking for is the 10% of that additional 6%. He stated he feels we could probably figure that out in a matter of 30 minutes.

Mr. Myers stated it was referred to at the last meeting that we may not want to go back.

Mr. Bernie Ness, Avis, was recognized and stated that at one time all four of the agencies were charging the 6% surcharge. He stated if the Authority is going to do this audit then they will have to go back to all of the agencies.

Mr. Pawluk stated there is one problem with this and that is assuming that the Airport Authority and Avis are in agreement on the basic premise. He stated he does not believe this issue is settled.

Mr. Ness stated there is no question this matter will be litigated. He stated he does not agree with what the Airport Authority did. He stated we will go to court and decide what time and mileage in the rental contract means. He stated there is an industry standard called time and mileage and that is the way the contracts are written.

Attorney Stewart stated the contract reads time and mileage only since 1995 and that was at the insistence of the car rental agencies.

Gen. Macdonald stated he feels we need to go back to the other agencies as well and send them a bill. If they choose to go to court that is their option.

Mr. Pawluk stated if the practice of charging a surcharge was acceptable at one time he would like to know why it was discontinued.

Chairman Stanton stated she feels in fairness to all of the agencies we need to clean up this mess and it does not sound like the cost of the auditor will be that great.

Mr. Pawluk stated if this matter is going to be litigated he feels we need the strength of the auditor's review.

Received Communication from Dave Stende, Eide Helmeke: (Continued)

Gen. Macdonald asked why the surcharge was eliminated by the other agencies.

Attorney Stewart stated it was the result of a finding by the national association of attorneys general and guidelines for car rental agencies.

Mr. Pawluk moved that action on this matter be deferred until the car rental subcommittee has a chance to prepare a preliminary proposal with respect to this issue and other issues after meeting with the auditor and Attorney Stewart.

Second by Gen. Macdonald.

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

Received Update from Search Committee on Airport Director's Position:

Gen. Macdonald stated we received 49 applications and that number was cut down to 27 after a review of qualifications with Human Resources. He stated after further review that number was cut down to 17 and they are now down to nine. He stated the committee will be getting further information on those nine and will have a short list of viable candidates for the Authority at the next meeting.

Chairman Stanton asked the time frame on this process.

Gen. Macdonald stated that will depend on the decision because if it is someone from outside of the area that person will not be in place until after the first of the year.

Other Business:

Mr. Parmer stated he has been contacted by a snow removal contractor regarding using some of the empty lots in the Airport First Addition for snow dumping. They indicated the going rate for such a use is \$500 per season.

There were concerns brought up about drainage in the spring and cleanup of lot in the spring.

Mr. Bromenschenkel suggested checking with Public Works and any possible EPA conflicts and the close proximity to the river.

Mr. Myers stated he feels it is a bad move to dedicate space for snow dumping.

After further discussion, it was the consensus of the Airport Authority that the matter be left up to the Executive Director.

Chairman Stanton stated this is Joe's last Airport Authority meeting. She announced that we will be having a retirement dinner for Joe on January 7 at the Holiday Inn and tickets for that will be available soon.

Mr. Pawluk asked Mr. Parmer why he decided to retire just one month short of 50 years.

Mr. Parmer stated he felt 50 years was too long to be in any one place.

Gen. Macdonald stated he has known Joe for over 40 years and used to buzz over him while he was cleaning the runway.

Mr. Bromenschenkel stated he came to the airport 39 1/2 years ago when he came to Fargo to set up North Central Airlines. He stated he received a lot of help from Joe. He added that he always felt there was never any question that Joe Parmer ran this airport.

Mr. Myers stated he has known Joe for 37 years and the bulk of that time was as a contractor trying to get work on the airport and he was always tight with a buck. He stated he has enjoyed working with Joe.

Following further comments, Mr. Parmer stated he appreciated all of the comments and it has been a lot of fun. He stated there have been times when we have not all agreed but it wouldn't have been much fun if we had.

General Macdonald moved the Airport Authority design a plaque for Joe and that he also be presented with the official gavel.

Second by Mr. Myers.

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

Chairman Stanton stated not many people can end a career and look back at accomplishments such as Joe's.

The meeting ended in a round of applause for Joe!

Mr. Myers moved to adjourn the meeting of the Municipal Airport Authority until

the next regular meeting to be held Wednesday, December 4, 1996 at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Pawluk.

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

Time at adjournment was 10:25 a.m.

Regular Meeting

Wednesday

December 4, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Wednesday, December 4, 1996, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Myers, Pawluk, Stanton

Absent: None

Others: Bromenschenkel, Stewart

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 20, 1996:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held Wednesday, November 20, 1996.

Second by Mr. Gallagher.

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

Approved the Airport Vouchers Totaling \$38,777.41:

Mr. Myers moved to approve the airport vouchers totaling \$38,777.41.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk and Stanton voted aye.

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

Approved the Individual Voucher to Rickard Electric:

Mr. Myers moved to approve the individual voucher in the amount of \$11,610.00 to Rickard Electric for Partial Payment Request No. 2 for the installation of the Westside Terminal Generator.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk, and Stanton voted aye.

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

Approved the Individual Voucher to Pierce Roofing & Sheet Metal:

Mr. Myers moved to approve the individual voucher in the amount of \$7,644.93 to Pierce Roofing & Sheet Metal for the emergency roof repairs to Hangar 2 and that Attorney Stewart write to ND State Fire and Tornado requesting written confirmation that this loss is covered.

Second by Gen. Macdonald.

On the call of the roll, members Gallagher, Macdonald, Myers, Pawluk, and Stanton voted aye.

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

Received and Filed Statement of Operations for the Month of September 1996:

Mr. Gallagher moved to receive and file the Statement of Operations for the Month of September 1996.

Second by Gen. Macdonald.

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

Received Communication from Dakota Aero Tech, Inc. Requesting Release of Leased Space in the Eastside Terminal:

Mr. Dobberstein stated that Yvonne Barney's son, Shawn Barney, visited with Mr. Parmer recently regarding their space in the Eastside Terminal. We received a communication from Mr. Barney requesting effective December 20, 1996 they be allowed to release some of their leased space in the Eastside Terminal but retain the front office and the designated FAA testing room. Mr. Dobberstein stated that Mr. Barney indicated that if their school enrollment increased they would be able to accommodate the students in their hangar facility.

Mr. Dobberstein stated that Mr. Parmer also had a conversation with Airborne Express who is interested in leasing the space to be released by Dakota Aero Tech.

Mr. Pawluk asked if the Airport Authority would be better off requiring Dakota Aero Tech to release all of the space if the future tenant would need that space also.

Mr. Dobberstein stated that Airborne indicated they would not be interested in the small office space.

Mr. Myers stated under the circumstances and in consideration of the health of Mrs. Barney he feels we should grant their request now and continue dialogue with them.

Gen. Macdonald stated he would agree.

Gen. Macdonald moved the Airport Authority approve the request from Dakota Aero Tech to vacate space in the Eastside Terminal.

Second by Mr. Myers.

Mr. Dobberstein stated that Mr. Barney also indicated they will work diligently on getting their account up to date.

Mr. Dobberstein stated that Airborne would also be interested in leasing the old maintenance shop should Dakota Aero Tech release that space.

Mr. Pawluk suggested deferring action on this until the next meeting.

Gen. Macdonald stated he would like to change his motion.

Mr. Myers withdrew his second to the motion.

Gen. Macdonald withdrew his motion.

Gen. Macdonald moved the Airport Authority give the acting director authority to negotiate with Dakota Aero Tech and Airborne on space requirements and that the matter come back to the Airport Authority for final approval.

Second by Mr. Myers.

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

Mr. Pawluk stated he feels the Airport Authority should have a copy of Mr. Barney's Power of Attorney on file.

Received Communication from Ron C. Strand, Head of Inspections, City of Fargo, Reviewing Land Lease Policies:

The Airport Authority received a communication from Mr. Ron Strand, stated that based on the information clarified on how taxiways and taxilanes are treated on the airport campus he believes it is legitimate for us to consider them rights of way for the propose of building code compliance. This determination will enable hangars adjacent to such features to be located closer than twenty feet to their lease site

Received Communication from Ron C. Strand, Head of Inspections, City of Fargo, Reviewing Land Lease Policies: (Continued)

lines without being fire rated. That allowance would, of course, only pertain to the walls adjacent to, and parallel to, such features.

Gen. Macdonald moved to receive and file the communication from Mr. Ron Strand.

Second by Mr. Myers.

Mr. Myers stated this letter essentially spells out that the taxilanes are considered public rights of way and you can build to the property line adjacent to the public rights of way. He stated in the past the airport has allowed hangar tenants to come within five feet and then if the next tenant wanted to build the airport would then just vacate 20 feet and the airport had to maintain that area.

Mr. Myers moved the Airport Authority direct Attorney Stewart to draft a document spelling out future lease requirements regarding the amount of set back on property leased to comply with the uniform building codes.

Second by Gen. Macdonald.

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

Mr. Dobberstein stated we have also received a copy of a letter sent to Mr. Bernabucci from Mr. Tom Schauer, FAA Airports District Office in Bismarck, stating that based on their aeronautical study they find the proposed hangar objectionable from an airspace utilization standpoint. The location of the proposed hangar will have an objectionable adverse affect on the operation of the radar system. If the south wall of the proposed building are constructed of metallic siding they anticipate reflections will occur on the radar system thus disrupting the primary means of aircraft separation and control. They will remove their objection upon notification that the south wall of the building will be constructed of non metallic, non reflective material.

Mr. Dobberstein stated this is nothing over which we have any control but we have had conversations with Mr. Schauer.

Mr. Wes Schon, Ulteig Engineers, was recognized and stated that he had talked with Mr. Schauer yesterday and he is doing some research on the matter. He stated the FAA seems to be inconsistent on this radar reflection. Mr. Schon stated the doors on the Fargo Jet Center hangar were required to be changed from metal to fiberglass, yet the Valley Aviation building was alright. He stated the T Hangar that Valley Aviation is presently constructing is also metal and that is fine, but they have an objection to the Bernabucci hangar. He stated this objection comes out of Chicago so Mr. Schauer is doing some further investigation.

Gen. Macdonald asked if Valley's hangar causes any interference.

Mr. Don Driscoll, Manager of the Fargo Control Tower, was recognized and stated they have not noticed any interference on the radar with Valley's hangar. He stated there are occasionally problems with the radar and that is the reason some of the fencing has to be wood and also why their tower sits at an angle to the tower.

Received Communication from Dr. Clif S. Hamilton Requesting Authorization to Sublease a Portion of the Aircraft Services Hangar:

Mr. Dobberstein stated the Airport Authority received a letter dated November 21, 1996 from Dr. Clif S. Hamilton, requesting permission to sublease 20% of his red hangar (presently occupied by Aircraft Services) to Aeromedical Systems, Inc. The remaining part will continue to be leased by Aircraft Services.

Dr. Hamilton was recognized and stated this is an initial attempt to get all of the leases under their proper names. He stated Aeromedical Systems, Inc. is a manufacturer of air ambulance interiors for airplanes.

Received Communication from Dr. Clif S. Hamilton Requesting Authorization to Sublease a Portion of the Aircraft Services Hangar: (Continued)

Mr. Myers asked Attorney Stewart if he saw any problem with the request.

Attorney Stewart indicated he saw no problem with this request.

Mr. Gallagher moved to approve the request by Dr. Hamilton to lease a portion of the Aircraft Services hangar to Aeromedical Systems, Inc.

Second by Mr. Pawluk.

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

Received Communication from Dr. Clif S. Hamilton Requesting Lease Extension for Executive Aviation Hangar (Igloo):

The Airport Authority received a communication from Dr. Hamilton dated November 20, 1996, requesting a lease for its building and hangar which is presently located at 1640 and 1636 23rd Avenue North. It is requested for a period of ten years starting January 1, 1997 with an option for an additional ten years.

Mr. Dobberstein stated this building is currently subleased to Courier Dispatch. He stated in a conversation he and Mr. Parmer had with Dr. Hamilton the need to review and clean up the lease was discussed. This facility was part of their FBO agreement with the Airport Authority and when it was subleased to Courier Dispatch it was technically no longer part of the FBO operation and a ground lease should have been created for the facility. He stated there should be a provision in the lease that allows him to put it back into the FBO operation should Courier Dispatch leave the facility.

Mr. Dobberstein suggested the matter be referred to he and Attorney Stewart to review the entire lease with Dr. Hamilton.

Gen. Macdonald moved a lease be negotiated for this building and hangar and that the terms of the lease be in accordance with the recommendations of the Southeast General Aviation Area Task Force with a term not to extend beyond 2004, and that the proposed lease be subject to final approval by the Airport Authority.

Second by Mr. Pawluk.

Dr. Hamilton asked why this lease would not get a 20 year term like the Dakota Aero Tech lease.

Gen. Macdonald stated he cannot speak for the entire board but it is his intention to clean up the entire southeast general aviation area and 2004 is when the lease on the two big hangars runs out and between now and then we need to take a long hard look at what we want to do over there.

Chairman Stanton called for a vote on the motion.

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

Authorized Attendance at the Governor's Regional Air Service Committee Announcing Meeting in Bismarck on December 11, 1996:

Mr. Dobberstein indicated the focus of this meeting is to discuss the communities' need of air service from chambers of commerce, economic development groups, and convention and visitor bureau perspectives. The existing airlines that operate in North Dakota are on the agenda to discuss their present and future service to North Dakota cities.

Gen. Macdonald moved to authorize attendance at the meeting of the Governor's Regional Air Service Committee on December 11, 1996 in Bismarck by Mr. Dobberstein and any members interested in attending.

Second by Mr. Myers.

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

Authorized Attendance at the Construction Conference Sponsored by the North Dakota Aeronautics Commission, December 12, 1996, in Bismarck:

Gen. Macdonald moved to authorize attendance at the construction conference sponsored by the North Dakota Aeronautics Commission in Bismarck on December 12, 1996.

Second by Mr. Myers.

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

Reviewed Hangar Leases in the Southeast General Aviation Area:

Mr. Dobberstein stated that at a previous meeting Mr. Pawluk requested a lease summary before approving the extension of the lease for the Westwinds Condominium Association. He stated he prepared a lease summary for the Westwind hangar as well as the Big Blue Hangar which expires about the same time.

Mr. Dobberstein stated the size of the Westwind hangar is 341.34' x 48' or 16,384 square feet. The measurement of the land lease 351.34' x 58', or 20,378 sq. ft. He stated the current lease requires the association to pay a ground lease based on the size of the hangar only at a rate of six cents per square foot. Their current payment to the Airport Authority is \$983.04 per year. The new leases executed in the north general aviation area require a ground lease payment for the hangar size plus a five foot buffer area around the hangar at a rate of ten cents per square foot.

Mr. Dobberstein stated based on this precedence the rental rate would be increased to ten cents per square foot and the lease area would increase. The proposed payment would then go from \$983.04 to \$2,037.80 per year. He stated an alternate payment arrangement would be to continue to bill them for the footprint only at ten cents or \$1,638.40.

Mr. Dobberstein stated he and Mr. Parmer discussed the term of the proposed lease and the both felt a five year lease with three five year options would be appropriate. He stated there is also an insurance requirement in both leases that may need to be reviewed.

Mr. Myers stated the Airport Authority is criticized from time to time and probably will be for this increase from six cents to ten cents. He stated he would like the Authority to find out what the going rate per square foot is on similar property and he knows we will find that it is considerably more than the airport is charging. He stated when we get those figures we should make that information known to the public to show the extent to which the airport subsidizes aviation activities.

Dr. Hamilton stated at ten cents per square foot the farmers renting the airport land would be paying \$4,400 per acre and right now they are paying \$55 per acre.

Mr. Dobberstein stated the lease rate on land is based on its use and hangar space is considered commercial.

Gen. Macdonald stated he would not like to see both increases take effect this year. He stated he would rather see the tenant lease the land surrounding the hangar in order to meet building code and leave the rate at six cents. He suggested a seven year lease with the price to be negotiated at the end of that period.

Mr. Pawluk stated he is hesitant to change an agreement under which these hangars were constructed. He added that an increase from six cents to ten cents is substantial and seems excessive.

Gen. Macdonald stated that is why leases are renegotiated at the end of lease terms.

Mr. Neal Kovash, representative of Westwind Hangar Association, was recognized and stated this condo association has been here 20 years and the building has been there longer. He stated in their case there is no "no man's land" around their hangar as it is all pavement and there is no chance another building would go up next to them. He stated that requiring an increase in the size of land to be leased is changing the rules.

Reviewed Hangar Leases in the Southeast General Aviation Area: (Continued)

Mr. Gallagher stated the purpose of a lease term is to be able to make changes at the end of a term.

Mr. Kovash stated one purpose of a lease is to see that a building constructed at one time is not subject to changes in building codes.

Mr. Gallagher stated the Authority is trying to get a uniform situation throughout the airport.

Mr. Kovash stated while the north general aviation area is growing the southeast area is pretty well established.

Mr. Pawluk moved the Airport Authority defer any action on the Westwind Hangar lease until such a time that the Airport Authority has acted on the Southeast General Aviation Area Report and that the current lease be extended on a month to month basis at the same rate until that time.

Mr. Gallagher asked why we don't finalize this now.

Chairman Stanton stated the idea that the Authority is going to be able cubby hole everything and make everything the same is not realistic as we have to allow for some differences. She stated she does not have any problem with putting this off until we have had further discussion.

Mr. Pawluk stated part of the discussion portion of his motion is that one thing we need to do is improve the appearance of the area. In renewing the lease we may require improvements be made, such as painting the hangar. Mr. Pawluk stated a lot of energy has gone into this report and it would be a mistake to renew all of the leases before fully discussing this report.

Gen. Macdonald stated he feels the Authority should change the policy for hangar leases and require that the lease include the adequate amount of land around the hangar. As far as this change in policy changing the rules, he gave an example of the lot he bought for his house and after the house was constructed the City assessed him for a ditch behind his lot. He stated it was not up to him to tell the City they could not construct the ditch. He added that he does not feel we are talking about a lot of money for the hangar owners.

Mr. Myers stated the report has been presented and we all recognize that we want to do something with the general aviation area. He stated it only makes sense that we get all of the leases tracking with each other and getting the "no man's land" out of the airports hands and into the tenants' hands.

Gen. Macdonald stated he would have no objection to delaying the matter for a while.

Mr. Pawluk stated rather than deciding the components and then deciding on a policy he feels we need to put the policy in place first.

Mr. Myers stated with the 2004 lease parameter it gives seven years to get this ship in shape. He stated if everyone has that type of time frame it should give everyone ample time to plan.

Gen. Macdonald seconded Mr. Pawluk's motion.

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

Mr. Kovash was asked if he had any more questions or concerns at this time and he indicated he did not.

Gen. Macdonald told Mr. Kovash to rest assured that the Airport Authority is not planning on kicking anyone out of the southeast general aviation area. He stated we want that area developed for small airplanes.

Received Update from Car Rental Subcommittee:

Gen. Macdonald stated he and Mr. Pawluk have had meetings and ongoing discussions with representatives of all of the car rental agencies. He requested this matter be deferred until a later meeting.

Received Update from Search Committee on Airport Director's Position:

Gen. Macdonald stated he and Mr. Myers have had several meetings over the past several weeks regarding the search for a new Airport Director. He stated we started out with 49 applicants and today will present five names to the Authority.

Robert August
Richard Davis
Shawn Dobberstein
James Kapitan
Jerome Thiele

Gen. Macdonald stated he and Mr. Myers feel the Airport Authority has four options:

1. Have the entire board review all five recommended candidates
2. Ask the existing subcommittee to interview those five and make a recommendation for hire.
3. Hire from the list without any interviews.
4. Return the recommendation to the committee and go through the process again.

Gen. Macdonald stated they strongly feel Option #1 is the way to go and the full board should interview the five recommended. He stated their criteria centered around three areas: 1) experience as an airport executive and any other job experience that would benefit their position as airport director, and 2) education (college, AAAE), and 3) someone with initiative, self starting, forward vision, someone with a concept of a regional airport rather than an airport for the city of Fargo.

Gen. Macdonald stated he read an article recently that indicated scheduled air service to approximately 120 US airports would end in the next decade and that means we have to be ready to step in and assume the fact that we are the largest and best airport between Minneapolis and Seattle. He stated they are also looking for someone who is ready to step forward into the freight world to bring freight carriers into Fargo. The individual must also work with the Convention and Visitor's Bureau, Economic Development Corporation, etc. to increase the exposure of Hector International Airport. He stated they felt those issues could best be addressed in the interview process.

Chairman Stanton asked when the interview process would begin.

Gen. Macdonald stated if the Airport Authority decided on Option 1 the committee would contact each candidate and begin the process immediately.

Gen Macdonald moved the Airport Authority exercise Option 1 and begin the process of interviewing the five candidates.

Second by Mr. Myers.

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

Gen. Macdonald stated he is willing to set up the interviews.

Chairman Stanton stated she feels we need a list of questions so each candidate is asked the same questions.

Authorized Hiring of Equipment Operator III:

Mr. Dobberstein stated the City Commission met Monday night and approved the airport reclassifications by a unanimous vote. He stated we have held open a position for an Equipment Operator III until this issue was resolved. He stated we are now in a position to fill this vacancy.

Mr. Dobberstein stated this position was advertised almost a year ago and a number of people applied but Human Resources has indicated that we will need to readvertise the position and that will be done in house with a deadline of December 13.

Chairman Stanton stated we should proceed with this as soon as possible.

Mr. Pawluk asked how long the position has been open and who has been doing the work.

Mr. Dobberstein indicated the previous employee retired February 1 and as far as people filling in he has been helping as well as David Heck.

Mr. Pawluk stated he feels if the position has been open this long there does not seem to be any urgency and he would like to see the matter delayed until the new director is named.

Mr. Myers moved to Mr. Dobberstein be authorized to work with the field maintenance supervisor in selecting a person to fill the position of Equipment Operator III.

Second by Mr. Gallagher.

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

Mr. Pawluk voted no.

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 Wednesday, December 18, 1996, at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Pawluk.

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

Time at adjournment was 10:20 a.m.

Regular Meeting

Thursday

December 19, 1996

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Thursday, December 19, 1996 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Myers, Pawluk, Stanton

Absent: Gallagher

Others: Stewart

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held December 4, 1996:

Mr. Myers moved to approve the minutes of the regular meeting of the Municipal Airport Authority held December 4, 1996.

Second by Mr. Pawluk.

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

Approved the Airport Vouchers Totaling \$89,520.35:

Mr. Myers moved to approve the airport vouchers totaling \$89,520.35.

Second by Gen. Macdonald.

On the call of the roll, members Macdonald, Myers, Pawluk and Stanton voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to Johnson Controls, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$283.27 to Johnson Controls, Inc. for repairs to the security systems as a result of the jetway/building damage.

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Myers, Pawluk and Stanton voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to Fargo Electric Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,538.00 to Fargo Electric Construction for the furnishing and installation of a new light pole as a result of the jetway incident.

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Myers, Pawluk and Stanton voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to Meinecke Johnson Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$21,919.99 to Meinecke Johnson Company for terminal building repairs associated with the jetway incident (estimate was \$32,750).

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Myers, Pawluk and Stanton voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to Pierce Roofing & Sheet Metal:

Gen. Macdonald moved to approve the individual voucher in the amount of \$13,442.37 to Pierce Roofing & Sheet Metal for Payment Request No. 2 for the Eastside Terminal partial reroofing project.

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Myers, Pawluk and Stanton voted aye.

Absent and not voting: Gallagher

The motion was declared carried.

After discussion on the asbestos cleanup in the Eastside Terminal as a result of this roofing project, Mr. Myers stated before we approve any further payment we should have a definitive answer from our legal counsel on this matter.

Approved the Individual Voucher to Roers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$10,176.07 to Roers Construction for emergency roof repairs to hangar No. 2.

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Myers, Pawluk and Stanton voted aye.

Absent and not voting: Gallagher.

The motion was declared carried.

Approved the Individual Voucher to Cass County Treasurer:

Gen. Macdonald moved to approve the individual voucher in the amount of \$200.33 to Cass County Treasurer for 1996 special assessments for remaining lots in the Airport First Addition.

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Myers, Pawluk and Stanton voted aye.

Absent and not voting: Gallagher.

The motion was declared carried.

Approved Dates for Fargo Airsho '97, July 5 6:

Mr. Dobberstein stated the Fargo Airsho Committee has announced July 5 6 as dates for Fargo Airsho '97. He stated there will be a more formal announcement at some time in the future but the committee is requesting approval from the Airport Authority of these dates.

Gen. Macdonald moved to approve July 5 6 as the dates for Fargo Airsho '97.

Second by Mr. Myers.

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

Received Communication from City Assessor's Office Concerning Land Lease Rates:

Mr. Dobberstein received a communication dated December 10, 1996 from Marvin Heaton, Deputy City Assessor, regarding market rents on leased land. The Airport Authority had requested information on lease rates for land comparable to the Airport's leased land. The letter indicated that NDSU is currently leasing land to the new McDonald's and the new strip mall on 19th Avenue North and these range from 69 cents to 73 cents per square foot for the small tracts, to 20 cents to 53 cents for the larger tract. These leases are long term, in excess of 20 years, and are triple net leases. Recent land sales along 19th Avenue North, west of University Drive, range from the mid \$2 to upper \$3 per square foot. Capitalizing a land lease rate of 20 cents to 30 cents per square foot would indicate a range of land value of \$2.50 to \$3.75 per square foot. His letter added that the lease sites located at Hector Airport would likely lease for less. Access, length of the leases, and the restrictions placed by the Authority are negatives to a potential lessee, however, the Authority provides other offsetting services which may or may not offset those negatives.

Gen. Macdonald moved to receive and file the communication from the Deputy City Assessor.
Second by Mr. Pawluk.

Mr. Myers stated this information is helpful in showing what the Airport Authority is doing to support general aviation and the aviation enterprises on the field. He stated he is not suggesting we adjust the rate but that this information be part of the ongoing study of general aviation on the field. Mr. Myers stated we should receive and file this letter and update this information from time to time.

Chairman Stanton called for a vote on the motion.

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

Received Communication from Goldmark Investment Company:

The Airport Authority received a communication dated November 20, 1996 from Mr. Jim Buus, Goldmark Investment Company. Mr. Buus's letter indicated that during his years at the Chamber he was a leading supporter of airport activities and has felt for some time that the airport is an underutilized asset waiting to be fully tapped possessing great potential for revenue generation for the airport and job creation for our community. He further wrote that while at a special Airport Authority meeting this fall he sensed that its members were also optimistic, progressive supporters of airport growth and development, yet felt that the airport staff should concentrate on managing airport operations, not on complex real estate activities like marketing and development. Mr. Buus stated that through his current affiliation with Goldmark Commercial Corporation he feels well positioned to assist the Airport Authority reach its real estate development and leasing goals, specifically regarding the Airport Industrial Park property. His letter indicated he would be delighted to sit down with the members of the Authority to discuss the airport's goals and needs and what Goldmark has to offer.

Mr. Pawluk moved to receive and file the communication from Mr. Jim Buus, Goldmark Investment Company.

Second by Gen. Macdonald.

Mr. Pawluk stated he feels this is a good idea and it speaks well of someone to take the initiative to come forward and offer this service. He stated the challenge is to pick one company out of the group real estate professionals and give them an exclusive listing rather than giving this to everyone. He added that we are not in a position today to make a decision on this.

Received Communication from Goldmark Investment Company: (Continued)

Mr. Myers stated until we get some issues resolved in the southeast general aviation area he is not ready to commit to a whole system wide contract.

Mr. Pawluk stated one parcel he feels we should readily list or try to sell is the lot next to Dakota Fence in the Airport First Addition.

In answer to a question regarding the buffer strip, Attorney Stewart stated the buffer strip in the Airport First Addition is part of the restrictive covenants of that development.

Chairman Stanton called for a vote on the motion.

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

Received Communication from Brandt Holdings Company:

Mr. Dobberstein read a communication dated December 17, 1996, from Mr. Ace A. Brandt, Brandt Holdings Company. Mr. Brandt indicated they recently became aware of the Airport Authority's focus on long term potential growth and find these opportunities and thoughts exciting for the airport, community and their company. He wrote that the real estate division of Brandt Holdings Company (Brandt Properties Co.) would like to pursue airport growth and development such as the Airport Industrial Park property. After preliminary review of existing and future needs, they have decided to study in detail the possibility of building an air freight terminal at Hector International Airport. The new freight terminal will be constructed adjacent to the new cargo apron planned for 1997. Because a tremendous amount of research, time and dollars will be spent they would like a first right of refusal on the Industrial Park property until the summer of 1998 to assure their completion of this project.

Mr. Ace Brandt was recognized and stated he is willing to answer any questions the Authority members have at this time.

Mr. Pawluk asked Mr. Brandt what the Airport Authority is being asked to do at this time.

Mr. Brandt stated he is requesting a first right of refusal on the Airport Industrial Park property so they may proceed with their research.

Mr. Myers asked what area would be included under the first right of refusal.

Chairman Stanton asked if the Industrial Park has been identified.

Attorney Stewart stated the Airport Industrial Park has not been platted but we have a general sense of the area.

Mr. Brandt indicated his interest as far as first right of refusal would be for the proposed cargo apron area.

Mr. Myers stated he has been interested in a cargo facility since coming on this board. He stated he has been working with Mr. Brandt on another project on his lake home. He stated he knew Mr. Brandt had been involved in financing a building in Valley City for John Deere's new air seeder and asked if he would visit with Mr. Dobberstein and Mr. Parmer regarding air freight facilities development at the airport. He stated Mr. Brandt indicated that he came away from that meeting excited about the opportunity. Mr. Myers stated he also feels this is an exciting proposal moving us in the right direction. He stated this research will tell us whether or not a cargo facility at Hector Airport is viable and would support this request.

Mr. Myers asked Attorney Stewart if he had any conflict of interest since he is working with Mr. Brandt on a personal business matter.

Attorney Stewart stated he did not see any conflict.

Chairman Stanton asked what exactly first right of refusal means?

Attorney Stewart stated that will be spelled out in the agreement.

Received Communication from Brandt Holdings Company: (Continued)

Mr. Pawluk moved the Airport Authority direct Attorney Stewart to develop an agreement with language that is acceptable to both the Airport Authority and Mr. Brandt and that we proceed upon the recommendation of Attorney Stewart.

Second by Gen. Macdonald.

Gen. Macdonald stated this agreement will need to specify that we are talking only about a freight facility.

Mr. Pawluk stated he would like to encourage Mr. Brandt and he appreciates the interest but we do need to define the issue.

Chairman Stanton called for a vote on the motion.

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

Received Communication from NDSU Agricultural Economics Department:

Mr. Dobberstein stated he received a call from Mr. Tim Petry, NDSU, regarding an air cargo export program of high valued northern plains products to Asian markets. Mr. Petry forwarded an executive summary of this program submitted by the Institute of Natural Resources and Economic Development. This proposal outlines a multi year program to focus a marketing, transportation, processing and production effort toward the largest growth potential international market for Northern Plains high valued agricultural products, Asia. The initial budget is submitted to cover the first three objectives and additional funding may be required to conduct variety development work or research on other bottlenecks to developing a successful program. The Phase I objectives are:

1. Conduct market analysis of selected Asian markets
2. Analyze the transportation requirements and costs
3. Conduct preliminary analysis of production and processing costs and returns

Mr. Myers stated his understanding of this program is that NDSU is applying for a grant.

Dr. William Nelson was recognized and stated this is a grant that has been received by NDSU and is in the competitive bid process right now. Dr. Nelson stated Asia represents the largest growing market for food and is reachable from Fargo non stop with a cargo 747.

Dr. Nelson stated they are looking for support in the form of a resolution from the Airport Authority, and, if possible, some degree of matching funds.

Gen. Macdonald asked if this study could be easily expanded to cover other than agricultural exports.

Dr. Nelson stated the total proposed amount for this project is \$188,000 and could possibly be expended to cover non agricultural exports but that would add 10% 25% to the cost. He stated expansion into additional specific products would be efficient but funding provided at this point is limited to agricultural products.

Gen. Macdonald asked Attorney Stewart if he saw any problem with the Airport Authority participating in funding for this type of project.

Attorney Stewart stated there would probably not be any problem as the Airport Authority has a broad policy on expenditures to develop the airport.

Dr. Nelson stated he would like to get the Authority's letter of support as soon as possible and to set a specific timetable for a second decision on any participation. He stated the proposal needs to be in by early next week.

Mr. Myers stated he would like to see the Agriculture Department team up with another department at NDSU such as engineering as there are a number of high tech industries in Fargo with products to export and he feels a viable point of our participation this study would be a look at the total air cargo picture.

Received Communication from NDSU Agricultural Economics Department: (Continued)

Mr. Pawluk moved the Acting Executive Director write a letter of support for the request put forth by Dr. Nelson and that the Authority take under advisement the request for funding.

Second by Gen. Macdonald.

Mr. Pawluk stated we have Mr. Brandt here offering to use his own funds to study air cargo in exchange for a first right of refusal on air cargo development and now this program from NDSU requesting funds for study and he feels we need to look at these two issues and find the common interests.

Chairman Stanton called for a vote on the motion.

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

Mr. Myers requested Mr. Dobberstein work with Mr. Wes Schon, Ulteig Engineers, on some preliminary research on what we will need as far as a runway to accommodate fully loaded 747 cargo aircraft. He asked if our present 9,546 ft. runway is adequate.

Mr. Schon stated there are a number of factors that tie into that, such as temperatures, altitude, haul distance, weight of aircraft, etc. He stated the existing facilities are good for the 900' elevation. He stated there certainly is room to expand to the north if that is required. He indicated he would do some preliminary work on this information.

Received Communication from Red River Soccer Club:

Mr. Brad Wimmer was recognized and stated there are a number of people present at the meeting today representing the soccer community; Mr. Jonathan Garaas, Mr. Bob Medhus, Mr. Nick Spaeth, and Mr. Roger Gress (Fargo Park District).

Mr. Wimmer stated they met with Mr. Dobberstein and Mr. Parmer prior to this point, as well as with some of the Authority members, trying to stay up front on this matter. He stated they are trying to acquire some properties for the fastest growing sport in North Dakota and Fargo and they have about 2,000 kids looking for a place to play soccer during the summer.

Mr. Wimmer stated they are looking at two sites at the airport, the first being west of the terminal building and the second choice would be an area north of the airport. He stated they are looking for an attractive area big enough for 10-12 soccer fields and parking. Mr. Wimmer stated they have been working with Mr. Gress and the Park Board for several years. He stated Moorhead has a complex that is fair and they do cooperate a lot with Moorhead but the number of soccer kids in Fargo far exceed the number in Moorhead.

Chairman Stanton asked if the site west of the terminal would cause any conflict for the FAA.

Mr. Dobberstein stated he does not believe that location would cause a problem for the FAA. He stated, however, the Airport Authority recently approved the extension of water and sewer from our line to the Victory Ranch provided the lines were adequate to serve development in that area. He added that area has been considered the location for car rental service facilities. Mr. Dobberstein stated another area mentioned was south of that between County Drain 10 and the airport access road which has been designated as an area for hotel development.

Mr. Pawluk stated the first site is an excellent site and he does not want to discourage anyone but we have made the first step toward moving the car rental maintenance facilities to that area, although he does not see anything happening on that for at least five years. Mr. Pawluk asked if they are looking for a short or long term agreement.

Mr. Spaeth was recognized and stated they would be willing to look at a short term agreement as this would be a low capital intensive project.

Received Communication from Red River Soccer Club: (Continued)

Mr. Myers stated he feels we need to keep the area west of the terminal available for a condominium type auto rental service facility. He stated he would be more comfortable with the area south of that.

Gen. Macdonald stated he agrees that the car rental maintenance facilities should be located west of the terminal.

Mr. Pawluk stated he feels we could accommodate both interests as the Airport Authority would have the right to supersede the previous agreement for this area identified west of the terminal. He stated he feels the area to the south would work just as readily. He stated he would not see a problem identifying a space if the soccer people knew going into it that the agreement may be terminated at any time in the future.

Mr. Myers stated he has a problem leaving anything that wide open as he does not want to face 3,000 angry parents when the soccer group is asked to vacate the premises.

Mr. Wes Schon was recognized and stated that if the effort for the soccer project and the car maintenance facility were coordinated there would be room for both. He stated there is some space adjacent to the present car rental lot that is yet undeveloped and that may be more favorable to the car rental agencies as they want their cars parked closer to the terminal and the maintenance facility could be further west.

Mr. Roger Gress, Fargo Park District, was recognized and asked if the Airport Authority would allow them to take one more step and that would be to sit down with Ulteig Engineers, with no commitment on the Airport's part, to look at that site to see if both could be accommodated. Mr. Gress stated the Park Board has not yet heard this request but with a facility costing \$400,000 \$600,000 he can't imagine they would commit to a short term agreement for that amount of money. He suggested we may have to go back and regroup.

Mr. Dobberstein stated we can send these proposals on to Irene Porter, FAA Airports District office and she could give us a response within 30 60 days.

Mr. Myers stated he feels the Authority has to be careful that we do not paint ourselves into a corner.

Mr. Gress stated he does not want any of us involved in any kind of a match.

Mr. Bob Medhus was recognized and asked how it will look if the Airport Authority denies this request for that area and then does not do anything with that site for years.

Mr. Myers stated that is not an issue because the Airport Authority does not know what will come up in the near future.

Mr. Jonathan Garaas was recognized and stated he feels the south area would be more likely to be developed than the area west of the terminal building. He stated especially if the planned development for the west area is a maintenance structure they could work that into their plans. He stated they would not scream like stuck pigs if they should be asked to leave. He stated either of these areas would be within the realm of dreaming for him.

Mr. Pawluk asked about any conflict with the property north of the airport.

Mr. Dobberstein stated based on the Airport Authority's request today for investigation into extending Runway 17/35 there could be a conflict.

Mr. Pawluk stated he questions whether we would ever see 17/35 extended and will have a better idea on that after some preliminary discussion. He stated he feels the north site does not tie in as closely to airport development as the other two sites. Mr. Myers moved the Airport Authority receive the proposals from the soccer group and have Attorney Stewart work with Mr. Dobberstein regarding the access the Airport Authority has to the property on an immediate basis with no conflict, with a clear understanding that should something arise requiring the Airport Authority to recover the land.

Second by Gen. Macdonald.

Received Communication from Red River Soccer Club: (Continued)

Mr. Dobberstein stated he will try to expedite a response from the FAA Airports District Office in Bismarck,.

Mr. Myers stated another suggestion he made to Mr. Wimmer is that they consider a paid parking facility for the soccer fields which would somewhat temper their risk.

Chairman Stanton called for a vote on the motion.

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

Mr. Pawluk stated he does not feel the motion necessarily ties them to one particular site and encouraged them to prioritize the sites as there is some flexibility.

Received Communication from Way Point Avionics Inc.:

Mr. Dobberstein read a communication dated December 16, 1996, from Way Point Avionics Inc. requesting permission from the Airport Authority to do business at Hector Airport. Negotiations for space at the Aircraft Services hangar is in progress with the present sub lessee. They would like to begin January 1, 1997 with a negotiated agreement.

Mr. Pawluk asked if this request ties in with action taken at the last meeting to sublease space in the Aircraft Services hangar.

Mr. Dobberstein stated the action taken at the last meeting was for a sublease to Aeromedical Systems, Inc.

Mr. Pawluk moved that Attorney Stewart be directed to draft the appropriate agreement for the operation of Way Point Avionics Inc. on the airport, with review and final approval by the Airport Authority.

Second by Mr. Myers.

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

Mr. Myers asked if this will be part of the Hamiltons' FBO operation.

Dr. Hamilton was recognized and stated this will be a separate operation.

Received Communication from Dr. Clif Hamilton Requesting Approval of Sublease to Way Point Avionics, Inc.:

Mr. Dobberstein read a communication dated December 16, 1996 from Dr. Clif Hamilton requesting permission to sublease a portion of the Aircraft Services hangar to Way Point Avionics, Inc. for the purpose of an avionics repair station.

Mr. Pawluk moved that Attorney Stewart be directed to draft the appropriate agreement for the sublease of space in the Aircraft Services hangar to Way Point Avionics Inc.

Second by Mr. Myers.

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

Reconsidered Dakota Aero Tech Request to Release Space in the Eastside Terminal:

Mr. Dobberstein stated at the last meeting he was authorized to negotiate with Dakota Aero Tech and Airborne on space requirements and that the matter come back to the Airport Authority for final approval. Mr. Dobberstein stated he talked with Mr. Shawn Barney since then and they are still requesting permission to vacate the identified space in the Eastside Terminal effective December 20, 1996. He stated he also met with a representative of Airborne Express last week and reviewed this space as well as the old maintenance shop presently leased to Dakota Aero Tech. Mr. Dobberstein stated he received a call from Mr. Bates, Airborne, last week and he indicated they are satisfied with the space they are currently leasing and are not interested in additional space at this time. They would, however, review this at a later date.

Reconsidered Dakota Aero Tech Request to Release Space in the Eastside Terminal:
(Continued)

Mr. Pawluk moved to approve the request from Dakota Aero Tech to vacate the identified space in the Eastside Terminal.

Second by Gen. Macdonald.

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

Received Communication from All American Limo Company:

Mr. Dobberstein indicated this item can be passed as we did not receive the expected communication from All American Limo Company.

Discussed Proposed Airport Construction Projects:

Mr. Wes Schon, Ulteig Engineers, was recognized and stated they are continuing to work on the proposed construction projects for 1997 as previously discussed. He stated he has had conversations with Mr. Dobberstein and Irene Porter regarding the upcoming projects. He stated the FAA would like a letter from the Airport Authority committing the 1997 and 1998 entitlement funds to the air cargo apron project. Mr. Schon stated he would recommend the Airport Authority make this commitment and at the same time request discretionary funding for this project. He stated he has been advised that no discretionary funding is available this year but there is always a chance some of that could come through. Mr. Schon added that without the two year commitment we would probably lose our chance for discretionary. Mr. Schon explained that for a number of years the FAA reduced our entitlement funds and increased the discretionary funds but now they are back to using the original formula for entitlements so our amount for that is back up. Mr. Schon stated we are now waiting for congressional disclosure on the AIP funds.

Mr. Dobberstein stated Senator Conrad and Congressman Pommeroy both attended a meeting in Bismarck on regional air service last week and there is not a lot of support from either of those gentlemen on the current 10% ticket tax. He stated they both feel that people in rural states are paying an unfair share of their responsibility for the operation of the FAA. He stated they are entertaining proposals from the airlines on what they feel is a fairer way of distributing these costs to the travelling public. Mr. Dobberstein stated most of the airport managers around the state and across the country are in support of continuing the 10% ticket tax. He added that the congressmen have a little different philosophy on how this should be funded but based on their comments at the meeting they do not see any movement on this matter until the second quarter of next year.

Mr. Schon stated with regard to the design of the air cargo apron, he has been working with Mr. Dobberstein on details and they want to make sure the apron is 747 capable now and in the future, and also that it is suitable for expansion.

With regard to the northeast general aviation ramp expansion, Mr. Myers stated he has read through the PFC application and he does not see this project listed.

Mr. Schon stated what the Authority will have to do is apply for a use permit and build the ramp expansion with PFC funds. He stated it then becomes a question of how much money does the Airport Authority want to spend, which basically extends the indebtedness two or three more years down the road. Mr. Schon stated he feels the Airport Authority will definitely want to continue the PFC as long as the law allows so it becomes a question of how many years of debt you want to encumber. Mr. Schon stated if the Airport Authority wants to decide to go ahead with a \$2 million ramp expansion this year it has to make sure it has the \$2 million to cover the project until the PFC revenue stream replenishes this amount. He stated if the Authority does not have these funds available one option is to look at a bond issue and the cost to develop the bond can be wrapped into the PFC as well.

Discussed Proposed Airport Construction Projects: (Continued)

Mr. Schon stated once the Airport Authority decides how much it wants to spend on this project we will write a use permit which will continue the PFC for an extended period.

Mr. Schon stated as far as the design of the air cargo apron, they have designed the apron close enough to the taxiway and still allow us some opportunity for expansion should we get into more use of the 747 type aircraft. Mr. Schon stated that Irene Porter and Tom Schauer, Bismarck FAA Airports District Office will be here on January 7 and available to discuss these issues and at that time decisions can be made.

Gen. Macdonald asked that Mr. Dobberstein prepare, for the next meeting, a summary of amounts required for these projects along with the funds we will have available and a breakdown of revenue sources.

Mr. Pawluk stated while we are discussing projects and money to be spent in the northeast general aviation area he would also like kept in mind the improvements needed in the southeast general aviation area.

Other Business:

Chairman Stanton stated she would like the minutes to reflect that the Airport Authority did not meet on Wednesday, December 18, as scheduled, because of the blizzard and also that the two people scheduled for interviews that date were not able to get into town.

After discussion on rescheduling of interviews, it was decided that all interviews would be scheduled for Tuesday, January 7 and Wednesday, January 8, 1997.

Chairman Stanton read communications from Mr. David Hanna, Sales Manager, and Mr. Ron Balvitsch, Station Manager, Northwest Airlines, commending Mr. Shawn Dobberstein on his outstanding representation of Fargo's airport at the recent Governor's Regional Air Service Meeting in Bismarck. Their letters stated Mr. Dobberstein presented himself in a highly professional manner which reflected due credit on his position and that of Hector International Airport. They indicated Mr. Dobberstein stands out among managers in the state, if not the region, in fostering the highest spirit of cooperation between the airlines and airport administration at a time when such cooperation is much needed.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, January 8, 1997 at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Myers.

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

Time at adjournment was 10:47 a.m.